



Department for  
Business, Energy  
& Industrial Strategy

# Apprenticeship Pay Survey 2018/19 - England

BEIS Research Paper Number 2020/001

January 2020



**OGL**

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# 1. About this report

## Background

Apprenticeships are a structured programme of training, consisting of paid employment and learning. They 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.<sup>1</sup> 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. The NMW rate for apprentices applies to apprentices aged 16 to 18 and those aged 19 or over and 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 (the rates that applied at the time of the Apprenticeship Pay Survey), alongside the current 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. 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.<sup>2</sup>

<sup>1</sup> 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](http://www.gov.uk/national-minimum-wage/who-gets-the-minimum-wage).

<sup>2</sup> 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 2018/19 APS was 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 data presented in this report is based on **4,731** telephone interviews with England apprentices, conducted from 27 November 2018 to 10 March 2019. Of these, **4,035** interviews were conducted with Level 2 and Level 3 apprentices, and **696** with England apprentices studying Level 4+ apprenticeships.

To deliver efficiencies and cost savings the 2018/19 APS was to be carried out alongside the Department for Education's Apprenticeships Evaluation Survey of Learners (AEvS Learners). In practice this meant that around a third of the APS interviews with current apprentices in England were conducted using a joint questionnaire covering the content of both surveys. All APS questions were asked in the 'joint' survey, with the exception of questions around awareness of the NMW and whether the apprentice receives at least a day of formal training a week as part of their apprenticeship.

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

## Comparisons with previous Apprenticeship Pay Surveys

This report presents comparisons with the 2016 and 2014 Apprenticeship Pay surveys.

Table 1-2 shows the number of interviews completed during each iteration of the survey, including breakdowns for interviews conducted with England apprentices by levels. 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 1-2 Number of interviews conducted for the 2014, 2016 and 2018/19 Apprenticeship Pay Surveys**

	APS 2014	APS 2016	APS 2018/19
England	5,481	5,709	4,731
Scotland Level 2/3	5,050	4,963	4,035
England Level 4+	431	562	696
England (Trailblazers)	n/a	184	n/a
<b>GB Total</b>	<b>9,367</b>	<b>9,422</b>	<b>9,582</b>

## 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 (discussed in the 'total weekly earnings' chapter), 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.)

- 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 Figures 3.13, 3.14, 3.15 and 3.16 which show pay levels of those paid below the NMW / NLW.

## Compliance / Non-compliance with NMW / NLW

Cases where apprentices provide information that indicates that they are not being paid the NMW / NLW 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 3,931 respondents in England (83% of all respondents).<sup>3</sup> This is significantly lower than the 94% of respondents for whom we were able to calculate compliance with the NMW / NLW for 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.

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 for whom an hourly pay figure could be calculated, over two-fifths (43%) were calculated as being paid within 10% of the NMW / NLW

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<sup>3</sup> This compares to 88% of all England apprentices in 2016.



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 payslip to hand when answering, overall this applied in a third (32%) of cases in England. Where a payslip 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),<sup>4</sup> the level of non-compliance was significantly lower than when using a calculated hourly rate, 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.<sup>5</sup> 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.<sup>6</sup>

## 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.

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<sup>4</sup> As is used in other surveys such as the [ONS Labour Force Survey](#).

<sup>5</sup> 89% of apprentices stated that they knew their gross hourly pay.

<sup>6</sup> 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](http://www.gov.uk/government/publications/national-living-wage-and-national-minimum-wage-government-evidence-on-compliance-and-enforcement-2018)

## Report structure

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

- Chapter 3 examines results across England covering those undertaking Level 2 or Level 3 apprenticeships
- Chapter 4 examines results for individuals undertaking Level 4, 5 or Level 4+ apprenticeships

## 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 2018/19 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).

Where 'frameworks' have been referenced throughout the report, this includes the more recently introduced 'standards' as well as the more long-standing 'frameworks'.

## 2. Executive summary

### Basic hourly pay

**Among Level 2 and Level 3 apprentices in England the median basic pay was £6.95 an hour, and the mean £7.64.** Both were higher than in 2016 (median: £6.70, mean: £6.99). 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 in 2018/19 was higher, at £11.07 (mean £12.57).

**Table 2.1 Mean and Median basic hourly pay for apprentices in 2016 and 2018/19**

	<b>2016 Base:</b>	<b>2016 Mean</b>	<b>2016 Median</b>	<b>2018/19 Base:</b>	<b>2018/19 Mean</b>	<b>2018/19 Median</b>
<b>Level 2 / 3</b>	4,357	£6.99	£6.70	3,314	£7.64	£6.95
Level 2	2,443	£6.69	£6.35	1,424	£6.68	£5.90
Level 3	1,914	£7.38	£7.10	1,890	£8.44	£7.65
<b>Level 4+</b>	N/A	N/A	N/A	609	£12.57	£11.07

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 illustrated in Table 2.2. **As in previous years, the basic hourly pay figure for Level 2 and Level 3 apprentices in England was lowest in the Hairdressing framework (£3.70 median).**

**Table 2.2 Median basic hourly pay for Level 2 and Level 3 England apprentices in 2016 and 2018/19**

	<i>2016 Base:</i>	<i>2016 Median</i>	<i>2018/19 Base:</i>	<i>2018/19 Median</i>
Management	381	£8.75	214	£11.35
Electrotechnical	288	£6.30	311	£7.86
Health, Social Care and Sport	648	£7.20	300	£7.51
Hospitality and Catering	319	£6.83	198	£7.45
Retail	379	£6.97	207	£7.41
Engineering and Manufacturing Technologies	593	£6.46	514	£7.10
Construction and related	316	£5.79	254	£6.29
Business and related	462	£5.88	312	£6.27
Children's care	268	£5.03	229	£5.76
Customer Service	272	£7.21	197	£5.49
Hairdressing	311	£3.34	315	£3.70
Other L2/L3 <sup>7</sup>	120	£4.62	263	£6.10

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 also for apprentices that are at least in the second year of their apprenticeship.** As in 2016, there was little difference by gender.

<sup>7</sup> The 'Other – L2/L3' category includes frameworks such as Agriculture, Horticulture and Forestry, Animal Care, ICT Practitioners, ICT for Users, Performing Arts, Crafts, Creating Arts and Design, Media and Communication, Publishing and Information Services.

**Table 2.3 Mean and Median hourly pay for level 2 and level 3 England apprentices**

	<b>2016 Base:</b>	<b>2016 Mean</b>	<b>2016 Median</b>	<b>2018/19 Base:</b>	<b>2018/19 Mean</b>	<b>2018/19 Median</b>
<b>Total</b>	<b>4,357</b>	<b>£6.99</b>	<b>£6.70</b>	<b>3,314</b>	<b>£7.64</b>	<b>£6.95</b>
<b>Year of apprenticeship:</b>						
First year of apprenticeship	3,195	£6.68	£6.36	1,734	£7.14	£6.59
Second or later year of apprenticeship	1,162	£7.70	£7.18	1,577	£8.05	£7.19
<b>Age:</b>						
16-18	1,163	£4.77	£3.75	783	£5.34	£4.81
19-20	1,078	£5.61	£5.18	880	£6.78	£6.08
21-24	724	£7.14	£6.92	593	£8.61	£7.78
25+	1,392	£8.53	£7.64	1,058	£9.90	£8.76
<b>Gender:</b>						
Male	2,222	£7.12	£6.60	1,790	£7.87	£6.99
Female	2,135	£6.85	£6.79	1,524	£7.38	£6.88

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

## Non-compliance with NMW / NLW

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

When comparing compliance levels between 2018/19 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 2018/19 survey): the rate increased from £3.30 in October 2015 to £3.70 in March 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 in 2015 to £5.90 in 2018, 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 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 England with compliant and non-compliant pay, grouped by age and year of apprenticeship. When stratifying by age and year of apprenticeship, there have been no significant changes compared with 2016.

**Table 2.4 Compliance by age and year of apprenticeship 2016 and 2018/19**

Row percentages	2016				2018/19		
	Base		Paid NMW or higher	Paid below NMW	Base	Paid NMW or higher	Paid below NMW
Age 16-18 or in first year of apprenticeship	3,652	%	87	13	%	88	12
Age 19-20 and in second year or later of apprenticeship	356	%	66	34	%	64	36
Age 21-24 and in second year or later of apprenticeship	266	%	68	32	%	65	35
Age 25+ and in second year or later of apprenticeship	409	%	69	31	%	72	28
<b>Total</b>	<b>4,683</b>	<b>%</b>	<b>82</b>	<b>18</b>	<b>%</b>	<b>81</b>	<b>19</b>

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

By framework, **non-compliance among Level 2 and Level 3 apprentices was higher than average in Hairdressing (48%)**, and lowest among those on Management frameworks (7%).

When considering compliance with NMW 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 19% of apprentices aged 16 to 24).

**Those nearer the beginning of their apprenticeship were less likely to receive non-compliant pay:** 12% 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 (18%). 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 (24%) than in their second year or later (15%), although the reverse relationship was true for those aged 19-20 (first year 13% vs. second year or later 36%), 21-24 (first year 9% vs second year or later (35%) 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 a minority (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, when these methods of calculating compliance had little impact on levels of compliant pay. Non-compliance with unpaid overtime removed falls to 10% of Level 2 and 3 apprentices, which was consistent with utilising a basic hourly pay rate (10%) and 11% when considering all earnings and all hours (see discussion in the chapter Impact of underlying pay elements on compliance).

## Total weekly earnings

**The mean total weekly earnings for Level 2 and 3 apprentices in England was £302 (median: £272).** This is an increase from 2016 when mean total weekly earnings were £282 (median: £262). Overall 96% of their total weekly pay came from ‘basic’ pay and 3% from overtime (with the remainder coming from tips and bonuses), a slight increase since 2016 (94% of total weekly earnings from “basic” pay).

As with hourly pay, weekly earnings varied widely by framework, with the mean total weekly pay highest among Level 2 and Level 3 apprentices on the Management framework (£507) and lowest (at £174) in the Hairdressing framework.

The mean total weekly earnings for Level 4 and 5 apprentices in England for whom a calculation of weekly earnings could be made was £531 (median £471).

## 3. Pay levels of Level 2 and Level 3 apprentices in England

### Routes into apprenticeships

Just over half of Level 2 and 3 apprentices (53%) had already been working for their employer when they started their apprenticeship. This is lower than the level found in 2016 (64%) and 2014 (67%).

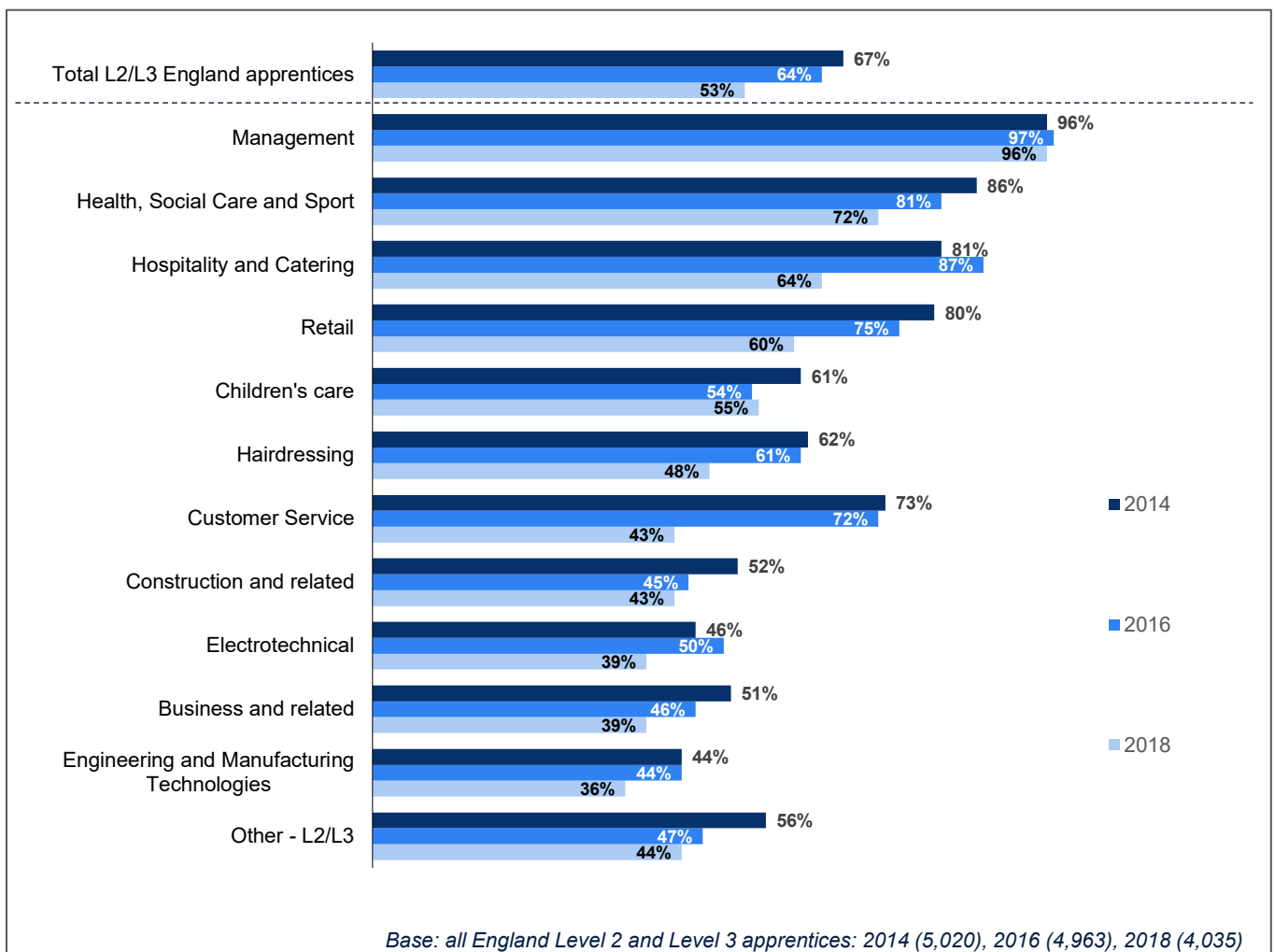
There were differences across framework in terms of whether apprentices were working for their employer prior to beginning their training (see Figure 3-1). The framework with the highest proportion of apprentices that had already been working for their employer prior to beginning their training was Management (96%). Similarly, Health, Social Care and Sport (72%), Hospitality and Catering (64%) and Retail (60%) also had a higher proportion of apprentices that had already worked for their employer before starting their apprenticeship than average. This was also the case in 2016, although in each case it had been more common in 2016 for this to be the case (81%, 87% and 75% respectively).

There were some other changes by framework since 2016. The biggest drop was in proportion of apprentices on Customer Service frameworks who had been working for their employer before starting their apprenticeship (43%, down from 72% in 2016). Other changes were found in Hairdressing (48%, down from 61%), Business and related frameworks (39% down from 46%), Electrotechnical (39%, down from 50%) and Engineering and Manufacturing Technologies (36%, down from 44%) frameworks.

Similar to the 2016 and 2014 surveys, results showed that the likelihood of apprentices working for their employer prior to enrolment increased with age (see Table 3.1). Around three in ten 16-18 year olds (29%) and a third of 19-20 year olds (33%) worked for their employer before starting their apprenticeship, which increased to over four in ten 21-24 year olds (44%) and 85% of those aged 25 or older. In line with 2016 and 2014 results, female apprentices were also more likely to have already been working for their employer (61%, compared with 45% of men).



**Figure 3-1 Proportion of Level 2 and Level 3 apprentices in England 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 England 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.

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 lower than found in 2016 (75%) and 2014 (76%).

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 (76%) and Construction (85%). Apprentices studying in Hairdressing frameworks (59%) were also least likely to be employed on a permanent basis. Apprentices training in Customer Service frameworks (61%) were also less likely to have a permanent job with their employer with no fixed end date when compared to apprentices on other frameworks.

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 nine-tenths (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 England Level 2 and Level 3 apprentices**

Row percentages	Base	Written contract		Employment arrangement <sup>8</sup>			Previously employed	
		Yes	No	Permanent	Training period only	Fixed end after completion		
<b>Framework</b>								
Management	270	%	98	2	99	0	1	96
Business and related	375	%	95	4	61	21	13	39
Children's Care	293	%	92	6	71	19	4	55
Health, Social Care and Sport	406	%	92	6	82	9	6	72
Engineering and Manufacturing Technologies	612	%	91	7	65	21	10	36
Hospitality and Catering	242	%	91	6	82	14	2	64
Customer Service	218	%	90	7	61	23	15	43
Retail	242	%	90	5	76	13	7	60
Electrotechnical	364	%	88	9	74	16	6	39
Construction and related	302	%	85	8	69	13	13	43
Hairdressing	359	%	76	18	59	24	6	48
Other - L2/L3	352	%	92	7	54	29	13	44
<b>Age</b>								
16-18	907	%	86	10	56	25	14	29
19-20	1,013	%	93	5	61	25	10	33
21-24	744	%	93	5	70	18	8	44
25+	1,371	%	94	5	89	6	3	85
<b>Total</b>	<b>4,035</b>	<b>%</b>	<b>91</b>	<b>6</b>	<b>71</b>	<b>17</b>	<b>8</b>	<b>53</b>

Base: All England Level 2 and Level 3 apprentices (4,035)

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 England 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 (27%).

Apprentices had a mean of 36.6 contracted hours a week and a median of 37.5, very close to the 2014 (35.3 hours and 37.5 hours respectively) and the 2016 (35.9 hours and 37.5 hours respectively) figures.

<sup>8</sup> This question was asked of all apprentices, irrespective of whether or not they had a written contract.

Apprenticeship funding rules state that apprentices must be employed for at least 30 hours a week, although in exceptional circumstances (for example due to personal situations), apprentices may work part-time for between 16 and 29 hours a week. Despite this, 1% of apprentices in 2018/19 reported contracted hours of between one and 15 hours a week (consistent with 2016). This was more common among apprentices working in Hospitality and Catering (4%).

Average contracted hours (mean: 36.6, median: 37.5) were lower than the average actual hours worked or trained (mean: 40.67, median: 40.0). Overtime hours and pay are covered later in this chapter.

Just over one in ten (12%) of Level 2 or 3 apprentices in England worked and trained more than 50 hours a week. 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 7% of those aged 16-18); and
- Those on Electrotechnical (20%), Management (18%) and Health, Social Care and Sport (17%) frameworks were more, and those on Hairdressing frameworks were less likely than other apprentices (5%).

**Figure 3-2 Number of hours contracted to work and number of actual hours working and training**

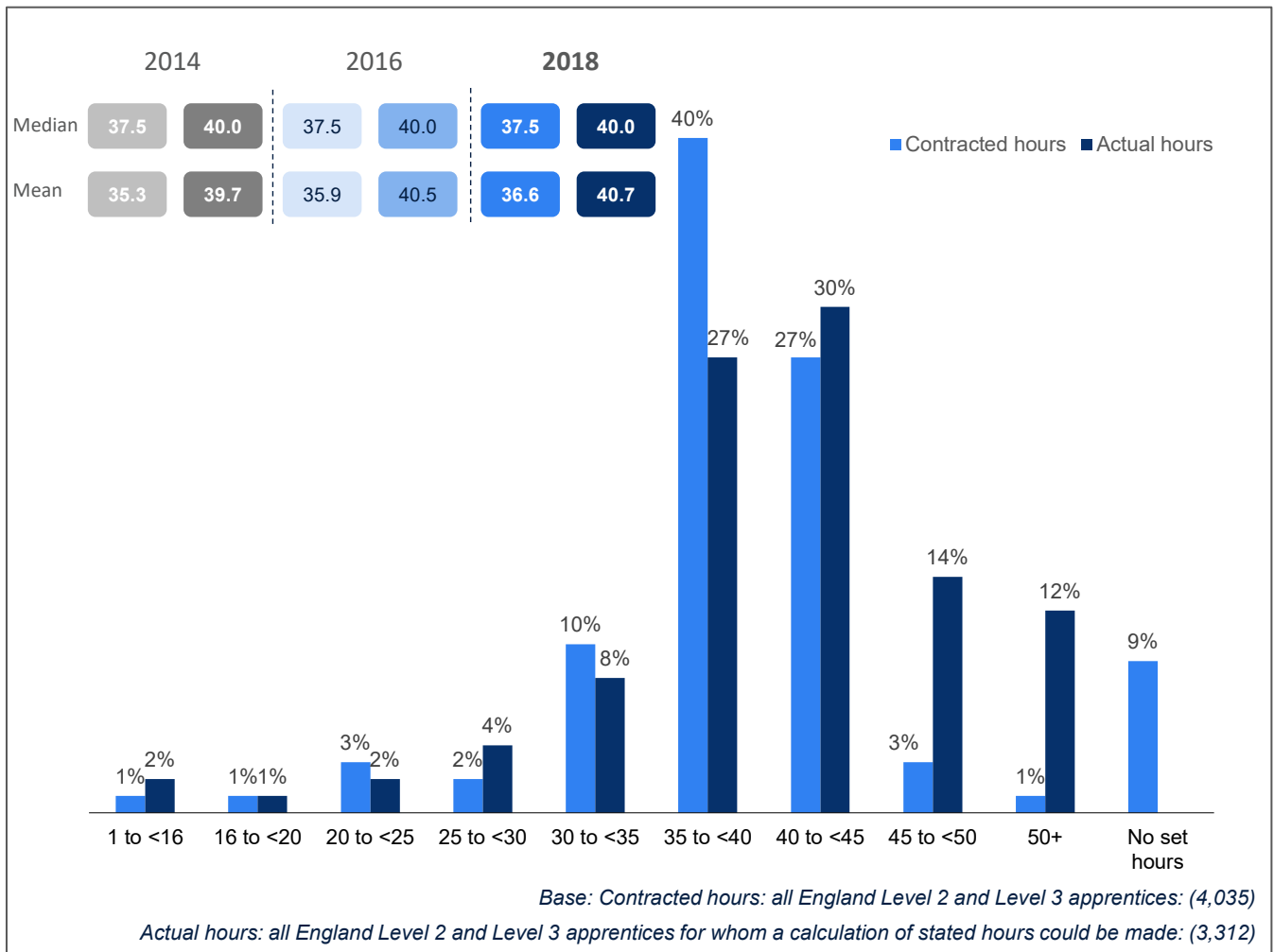


Table 3.2 shows actual hours worked against the hours apprentices were contracted to work. In addition, the final column shows the percentage of apprentices who worked or trained more hours than contracted. Overall, nearly two thirds of all Level 2 or 3 apprentices in England (64%) with set contracted hours worked or trained a higher number of hours than they were contracted for. This level was higher among those with lower contracted hours: around eight in ten of those contracted for less than 20 hours a week (81%) and those contracted for between 20 and 29 hours a week (79%) worked or trained longer actual hours than specified in their contracts. This compared to around six in ten of those contracted to work 30-39 hours (62%) or 40-49 hours (63%) per week.

**Table 3.2 Number of hours contracted to work versus number of actual hours working and training (England Level 2 and Level 3)**

Row percentages			Actual hours worked					% working longer actual hours than contracted <sup>9</sup>	
Contracted hours	Base		1-19	20-29	30-39	40-49	50+	2016	2018/19
1-19	61	%	31	40	16	8	5	79	81
20-29	145	%	2	56	31	7	4	74	79
30-39	1,627	%	2	1	53	36	8	65	62
40-49	1,109	%	1	2	9	69	19	62	63
<b>Total set hours (if work set number of hours)</b>	2,962	%	2	5	36	45	12	65	64
<b>No set hours</b>	359	%	7	12	30	34	16	N/A	N/A
<b>Total</b>	<b>3,321</b>	<b>%</b>	<b>3</b>	<b>6</b>	<b>35</b>	<b>44</b>	<b>12</b>	<b>56</b>	<b>56</b>

Base: England 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 not shown due to small base size)

Table 3.3 shows the mean and median 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 mean average of 4.1 hours (or a median of 2.5 hours) over their contracted hours.

**Table 3.3 Number of hours apprentices contracted to work versus number of actual hours worked or trained (England 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 hours	Contracted	Actual	Extent to which actual hours exceed contracted hours
Business & related	375	312	<b>36.7</b>	39.4	2.7	37.5	39.0	1.5
Children's Care	293	230	34.4	38.8	<b>4.4</b>	37.0	40.0	3.0
Construction and related	302	254	<b>39.3</b>	<b>41.5</b>	2.2	<b>40.0</b>	40.0	0.0

<sup>9</sup> 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

	<i>Contracted hours base</i>	<i>Actual hours base</i>	Mean hours			Median hours		
			Contracted	Actual	Extent to which actual hours exceed contracted hours	Contracted	Actual	Extent to which actual hours exceed contracted hours
Customer Service	218	197	36.3	39.2	2.9	37.5	38.0	0.5
Electrotechnical	364	310	<b>39.1</b>	<b>43.9</b>	<b>4.8</b>	<b>40.0</b>	<b>42.0</b>	2.0
Engineering, Manufacturing Technologies and related	612	513	<b>38.7</b>	<b>42.3</b>	3.6	<b>39.0</b>	<b>41.0</b>	2.0
Hairdressing	359	315	<b>37.5</b>	39.6	2.1	<b>39.0</b>	40.0	1.0
Health, Social Care and Sport	406	302	34.1	38.9	<b>4.8</b>	37.0	38.5	1.5
Hospitality and Catering	242	196	34.0	40.5	<b>6.5</b>	36.0	40.0	<b>4.0</b>
Management	270	214	<b>36.7</b>	<b>42.3</b>	<b>5.6</b>	37.5	<b>41.0</b>	<b>3.5</b>
Retail	242	206	36.0	39.2	3.2	37.5	40.0	2.5
Other 2/3	352	263	36.5	<b>41.3</b>	<b>4.8</b>	37.5	40.0	2.5
<b>Total</b>	<b>4,035</b>	<b>3,312</b>	<b>36.6</b>	<b>40.7</b>	<b>4.1</b>	<b>37.5</b>	<b>40</b>	<b>2.5</b>

Base for contracted hours: All England Level 2 and Level 3 apprentices with a specified number of contracted hours. Base for actual hours: all England 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 Apprenticeship Pay Survey 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,<sup>10</sup> as well as being easy for apprentices to conceptualise during the telephone interview.<sup>11</sup>

Around half of Level 2 and Level 3 apprentices in England (51%) stated that they received on average at least one day per week of formal training. This reflects a significant increase since 2016 when 42% of Level 2 and Level 3 apprentices in England stated that they received this much formal training per week.

Receiving at least a day of formal training per week was more common among men (59%) than women (43%), which was also the case in 2016 (52% men, 32% women), though the percentage point gap has reduced.

Younger apprentices were also notably more likely to receive at least one day of formal training per week: 67% of 16 to 18 year olds did so, falling to 30% 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 half (57%) of those on the apprenticeship for more than a year stating that this applied, compared with more than four in ten (44%) 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 (77%), Construction (76%), Engineering and Manufacturing Technologies (68%) and Electrotechnical (68%) frameworks, while it was least common among apprentices on Management frameworks (22%).<sup>12</sup>

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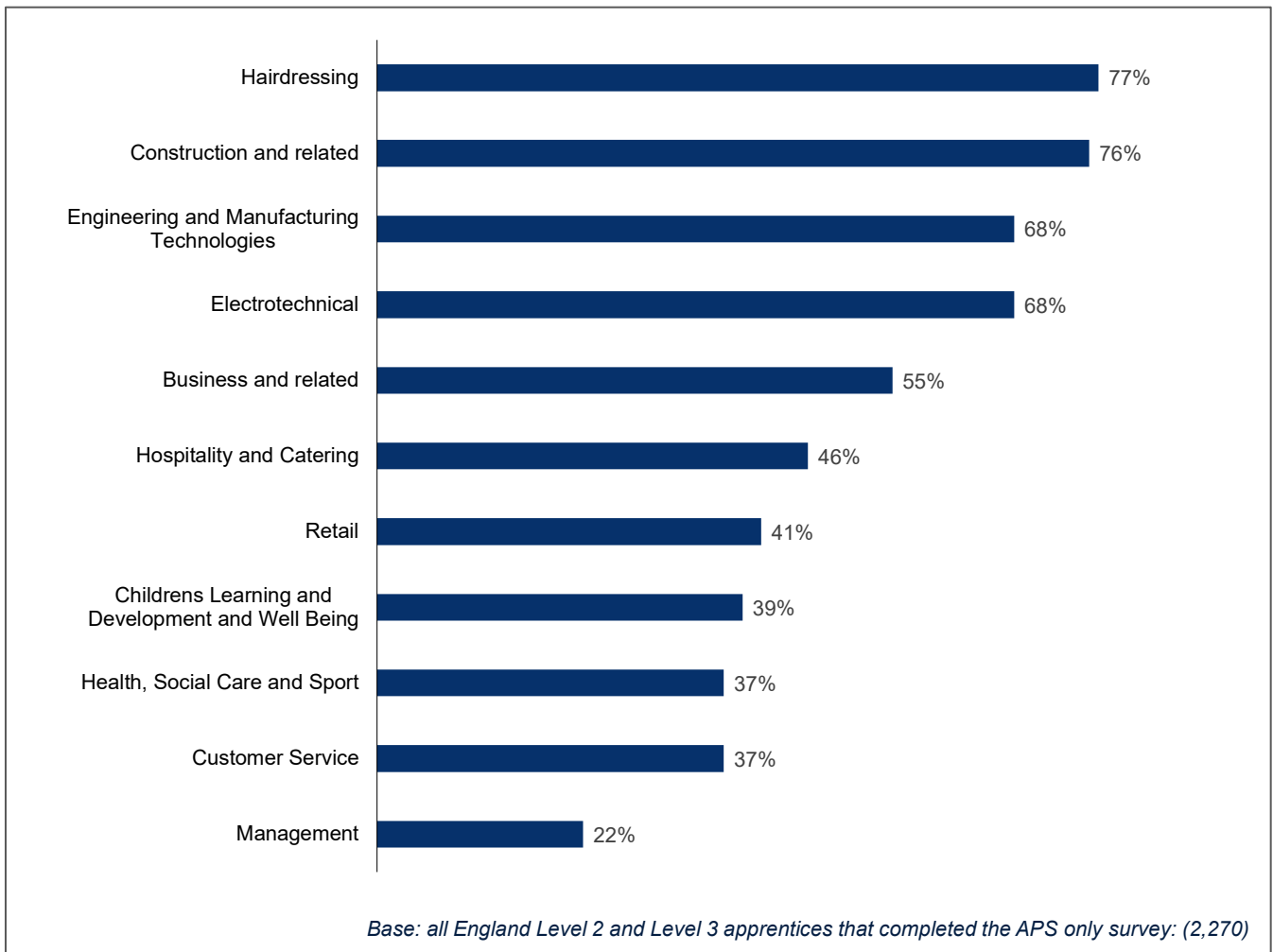
<sup>10</sup> The Apprenticeship funding rules and guidance for employers 2019 states that: "To attract government funding at least 20% of the apprentice's paid hours, over the planned duration of the training period within the apprenticeship (for standards this is called the practical period, which ends at the gateway for endpoint assessment), must be spent on off-the-job training."

<sup>11</sup> It is worth noting that the Department for Education's Apprenticeships Evaluation: Learners Survey reports on training provision among apprentices in more detail than is captured in the APS.

<sup>12</sup> Questions about receiving at least a day of formal training per week were asked exclusively of apprentices that completed the Apprenticeship Pay Survey 2018/19 as a standalone survey, rather than as part of the joint survey comprising the Apprenticeship Pay Survey and the Apprenticeship Evaluation 2018/19.



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

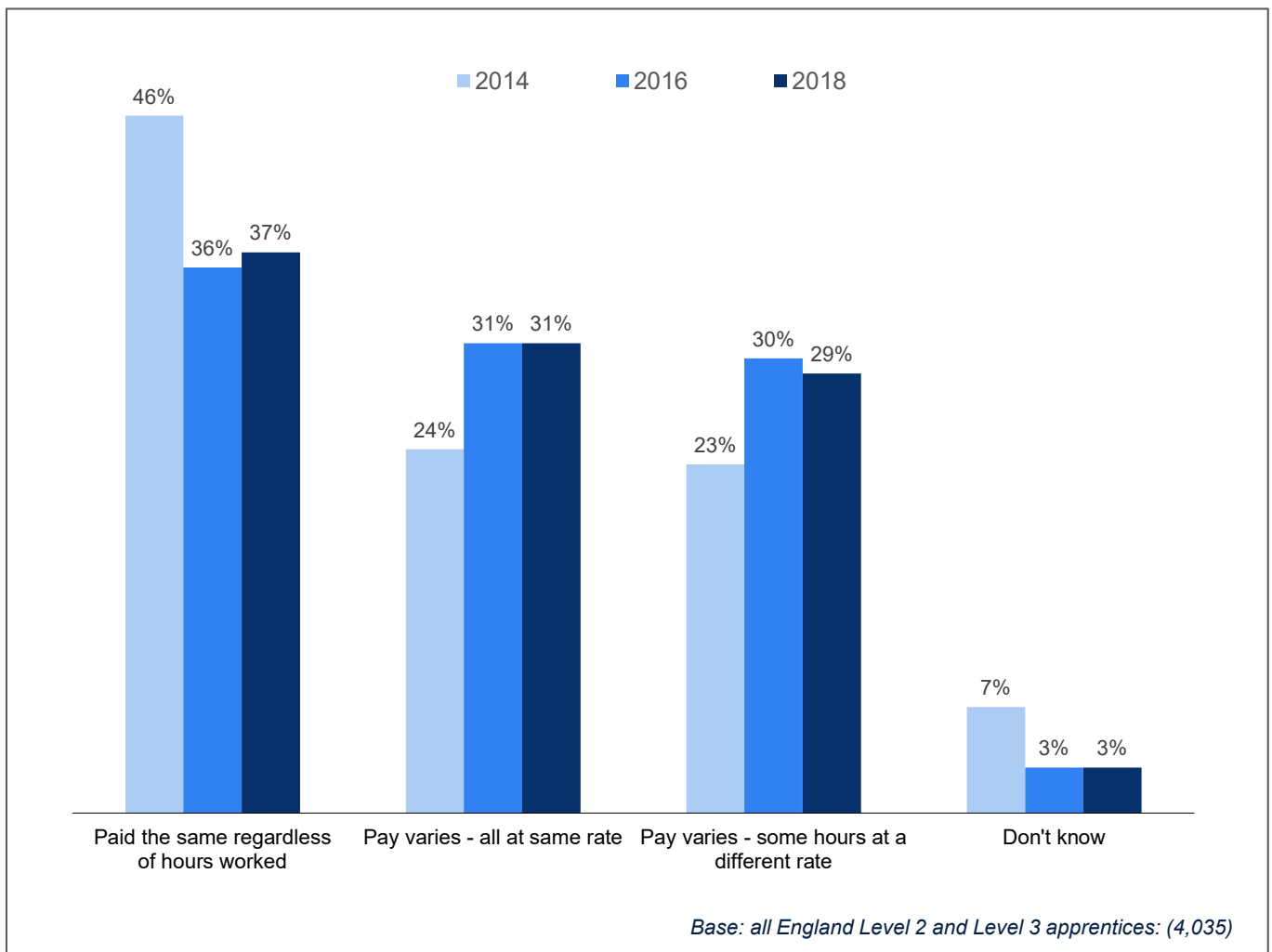


## Rates of pay

### Pay arrangements

Around a third of apprentices (37%) were paid the same total amount each week regardless of the number of hours they worked, roughly the same proportion as in 2016 (36%) after a drop compared with 2014 (46%). Weekly pay varied for the majority (62%) of apprentices; split between those for whom all hours were paid at the same rate (50% of those for whom pay varies 31% of all apprentices) and, more commonly, those where some hours were paid at a different rate (47% for whom pay varies and 29% of all apprentices).

**Figure 3-4 Pay arrangements for apprentices in 2014 and 2016 (Level 2 and 3 across England)**



As Table 3.4 shows, Electrotechnical frameworks saw the biggest reductions since 2016 in the proportion paid the same each week regardless of hours (an 8 percentage point reduction).

**Table 3.4 Proportion paid the same amount regardless of hours worked by framework (England Level 2 and Level 3)**

	<i>Base (2014 / 2016 / 2018/19)</i>	Paid the same regardless of hours worked			
		2014 (%)	2016 (%)	2018/19 (%)	Percentage point difference from 2016 to 2018/19
Electrotechnical	451 / 314 / 364	26	19	11	-8
Hairdressing	379 / 350 / 359	69	56	50	-6
Engineering and Manufacturing Technologies	746 / 670 / 612	48	32	30	-2
Construction and related	357 / 346 / 302	49	41	41	0
Children's Care	371 / 306 / 293	45	29	30	1
Business and related	574 / 519 / 375	77	68	70	2
Retail	337 / 432 / 242	39	32	34	2
Health, Social Care and Sport	615 / 757 / 406	26	19	22	3
Hospitality and Catering	328 / 359 / 242	29	24	27	3
Management	278 / 458 / 270	44	36	44	8
Customer service	328 / 308 / 218	56	41	50	9
Other	256 / 144 / 352	66	59	47	-12
<b>England Total</b>	<b>5,020 / 4,963 / 4,035</b>	<b>46</b>	<b>36</b>	<b>37</b>	<b>1</b>

Base: All England Level 2 and Level 3 apprentices

As detailed in Table 3.5, those aged 16-18 and 19-20 were the most likely to be paid the same amount each week, irrespective of the hours worked (each 42%), compared with older age groups. There were also notable differences by framework, with the proportion of apprentices paid the same amount each week ranging from 11% in Electrotechnical frameworks, to 70% in the Business framework.

**Table 3.5 Pay arrangements for apprentices by framework and age (Level 2 and Level 3 across England)**

<i>Row percentages</i>	<i>Base</i>		<b>Paid the same amount, irrespective of number of hours</b>	<b>Pay varies – all hours at the same rate</b>	<b>Pay varies – some hours at different rate</b>
<b>Framework</b>					
Business and related	375	%	70	15	11
Hairdressing	359	%	50	45	3
Customer service	218	%	50	36	11
Management	270	%	44	25	27
Construction and related	302	%	41	26	31
Retail	242	%	34	40	24
Engineering and Manufacturing Technologies	612	%	30	18	48
Children's Care	293	%	30	56	9
Hospitality and Catering	242	%	27	54	17
Health, Social Care and Sport	406	%	22	42	32
Electrotechnical	364	%	11	22	63
Other	352	%	47	24	24
<b>Age</b>					
16-18	907	%	42	31	23
19-20	1,013	%	42	26	29
21-24	744	%	34	25	36
25+	1,371	%	32	34	31
<b>England Total</b>	<b>4,035</b>	<b>%</b>	<b>37</b>	<b>31</b>	<b>29</b>

Base: All England 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 £6.95 for Level 2 and 3 apprentices and the mean hourly pay was £7.64. This was higher than in 2016 and 2014, when the median was £6.70 and £6.31 respectively and the mean hourly pay was £6.99 and £6.78 respectively.

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.

While basic hourly pay increased for most frameworks between 2018/19 and 2016, the median basic hourly pay of apprentices studying Customer service frameworks decreased from £7.21 to £5.49 (lower even than in 2014, when it was £6.73).

**Figure 3-5 Median basic hourly pay in 2018/19, 2016 and 2014 (Level 2 and 3 apprentices across England)**

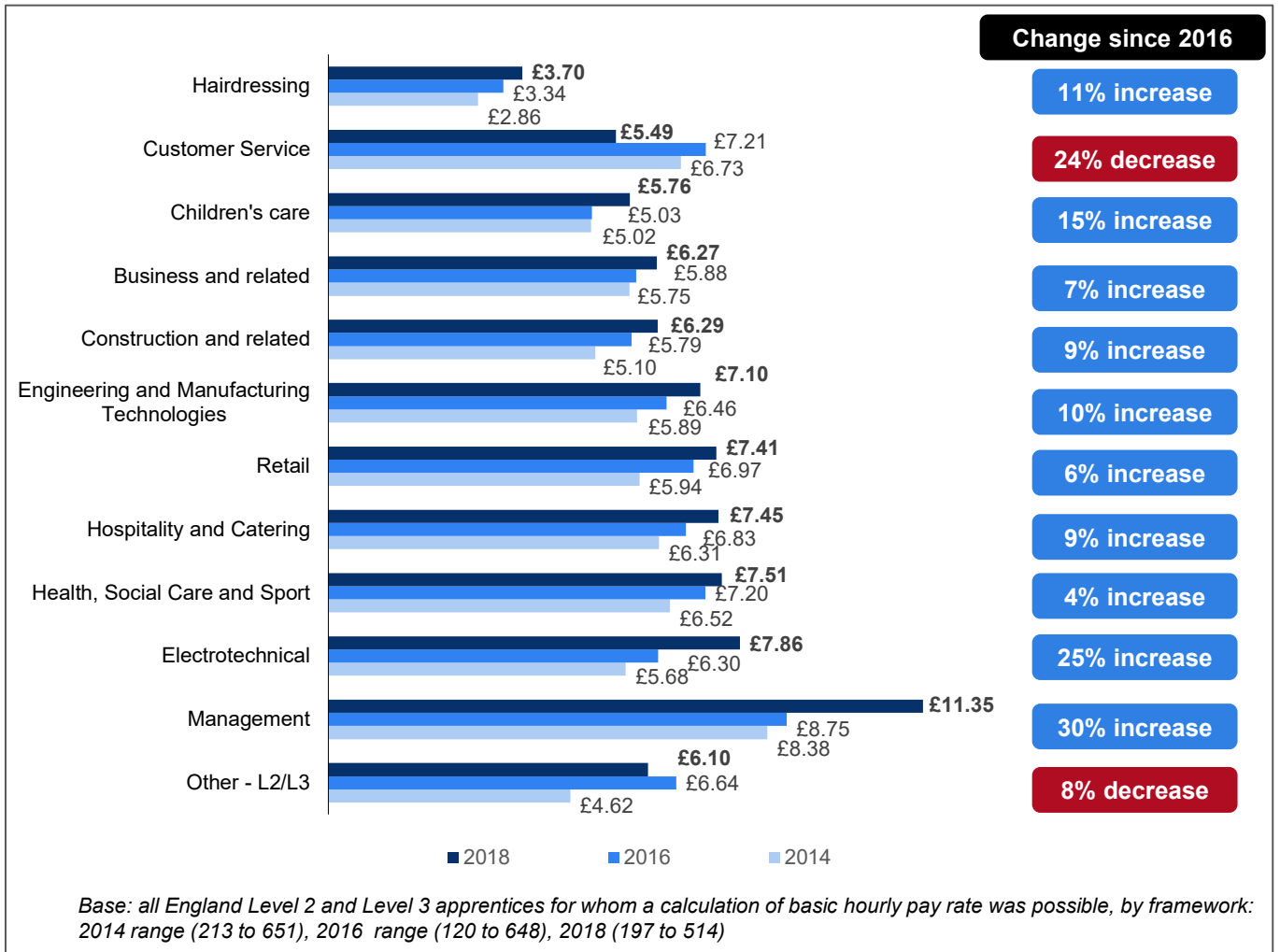


Table 3.6 shows mean and median basic hourly pay by key demographics. Pay increases with age, level of apprenticeship and length of time that apprentices had been on their training.

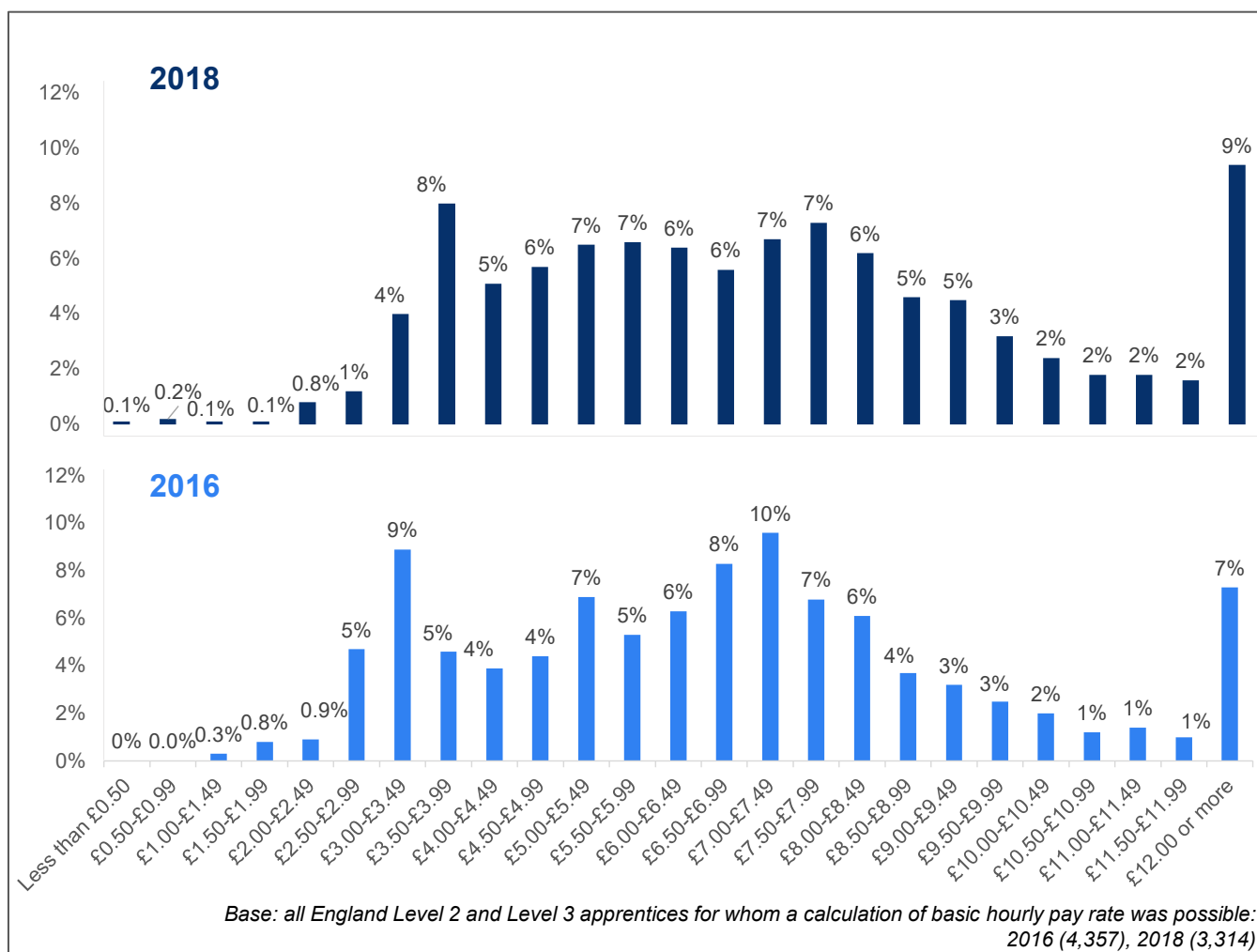
**Table 3.6 Basic hourly pay for Level 2 and Level 3 apprentices in England**

	<i>Base</i>	<b>Mean £</b>	<b>Median £</b>
<b>Level</b>			
Level 2	1,424	6.68	5.90
Level 3	1,890	8.44	7.65
<b>Gender</b>			
Male	1,790	7.87	6.99
Female	1,524	7.38	6.88
<b>Age</b>			
16-18	783	5.34	4.81
19-20	880	6.78	6.08
21-24	593	8.61	7.78
25+	1,058	9.90	8.76
<b>Ethnicity</b>			
White	2,942	7.63	6.94
Asian / Asian British	142	7.39	6.94
Black / Black British	98	8.45	7.37
Mixed	96	7.26	6.46
Other	33	7.77	8.20
<b>Length of time on apprenticeship</b>			
One year or less	1,734	7.14	6.59
More than a year	1,577	8.05	7.19
<b>England Total</b>	<b>3,314</b>	<b>7.64</b>	<b>6.95</b>

Base: Level 2 and 3 apprentices in England 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.

**Figure 3-6 Distribution of basic hourly pay, 2018/19 and 2016 (%) (Level 2 and 3 apprentices across England)**



Pay in 2018/19 peaks at the £12.00 or more band (9%), whereas in 2016 it had peaked in the £7.00-£7.49 band (10%). Reflecting the change in national minimum wage for apprentices moving from £3.30 at the time of the 2016 survey to £3.70 during the 2018/19 survey, it is notable that in 2016 there was a peak in pay distribution at the £3.00-£3.49 band, but in 2018/19 there is a peak at the £3.50-£3.99 band.

It was most common for apprentices to be paid £12.00 per hour or more if they were studying Management frameworks (44%) or if they were aged 25 or older (21%).

### Pay increases

Around half of apprentices in England (53%) reported that their hourly pay rate had increased during their apprenticeship, higher than in 2016 (43%) and in 2014 (34%). Increases in pay were most common among those aged 19-20 and 21-24 (73% and 72% respectively), compared with those aged 16-18 (54%), and were particularly more likely than those aged 25 or older (38%).

Male apprentices were more likely to have received an increase in pay (63%) compared with female apprentices (43%). Likelihood to have received a pay increase also varied considerably by framework, as shown in Table 3.7.

Amongst those that had experienced a pay increase, half reported that this was because they had completed the first year of their apprenticeship (51% and equivalent to 27% of all apprentices in England); 10% because they had turned 19 (5% of all apprentices); 6% because they had turned 21 (3% of all apprentices); 2% because they had turned 25 (1% of all apprentices); and 6% because of the introduction of the National Living Wage (3% of all Level 2 and 3 apprentices in England).

This meant nearly two in five of all apprentices in England (40%) – or three-quarters (75%) 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.

**Table 3.7 Whether experienced any pay increases during their apprenticeship, by framework and age (Level 2 and Level 3 apprentices across England)**

	<i>Proportion experiencing any pay increases</i>	
	<i>Base</i>	<i>%</i>
<b>Framework</b>		
Electrotechnical	267	85%
Engineering and Manufacturing Technologies	282	76%
Construction and related	156	71%
Hairdressing	270	56%
Business and related	222	51%
Retail	188	50%
Children's Learning and Development and Well Being	190	45%
Hospitality and Catering	181	42%
Health, Social Care and Sport	148	34%
Management	186	34%
Customer Service	180	31%
<b>Age</b>		
16-18	562	54%
19-20	554	73%
21-24	388	72%
25+	766	38%
<b>England Total</b>	<b>2,270</b>	<b>53%</b>

Base: All England Level 2 and Level 3 apprentices / All England Level 2 and Level 3 apprentices for whom hourly pay could be calculated<sup>13</sup>

## Pay with respect to the number of hours contracted to work

Overall the mean basic hourly pay for apprentices with contracted hours was £8.13 and the median was £7.72. This was in line with the overall England average (mean of £8.30 and median of £7.80). Median basic hourly pay was roughly the same for apprentices who were

<sup>13</sup> Questions about pay increases were asked exclusively of apprentices that completed the Apprenticeship Pay Survey 2018/19 as a standalone survey, rather than as part of the joint survey comprising the Apprenticeship Pay Survey and the Apprenticeship Evaluation 2018/19.



contracted to work fewer than 1-29 hours a week compared to those contracted to work 30 hours or more (£7.71 vs. 7.69), however the mean basic hourly pay was highest amongst those contracted to work 29 hours or fewer (£7.75 vs. £7.00). Evidently, apprentices contracted on full-time hours were likely to earn less per hour than those contracted to work part-time hours, as illustrated in Table 3.8:

**Table 3.8 Mean and median basic hourly pay rate based on contracted weekly hours (Level 2 and 3 apprentices in England with set contracted hours)**

	<i>Base</i>	<b>Mean £</b>	<b>Median £</b>
1-29 hours	205	7.69	7.71
30 hours or more	2,755	7.75	7.00
<b>England Total</b>	<b>2,960</b>	<b>7.75</b>	<b>7.06</b>

Base: All England L2 and L3 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, half of apprentices (50%) were paid a different rate for some of the hours they worked, higher than in 2016 (30%) and 2014 (23%).

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, a smaller proportion than in 2016 when a quarter (25%) were paid at a higher rate for some of their hours.

The mean higher hourly pay rate for these apprentices, where both the higher hourly rate and basic rate were calculable, was £12.90 (median: £11.50), in comparison to the overall £10.62 (median: £8.39) basic rate for this same group, a difference of £2.28 per hour. Caution should be taken when interpreting these findings due to a relatively small base size (unweighted 145).

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 mean hourly rate for paid overtime for these apprentices was £9.73 (median: £9.00). In comparison the mean basic hourly pay rate for these apprentices was £8.31 (median: £7.83), a difference of £1.42 per hour). Again, caution should be taken when interpreting these findings due to a relatively small base size (unweighted 115).

## Total weekly earnings

### Average total weekly earnings

The mean total weekly earnings for Level 2 and 3 apprentices in England was £302 (median: £272). This is an increase from 2016 and 2014 when mean total weekly earnings were £282 and £256 respectively (median: £262 and £237 respectively). The 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 England for whom a total weekly earnings figure could be calculated (3,176 respondents).

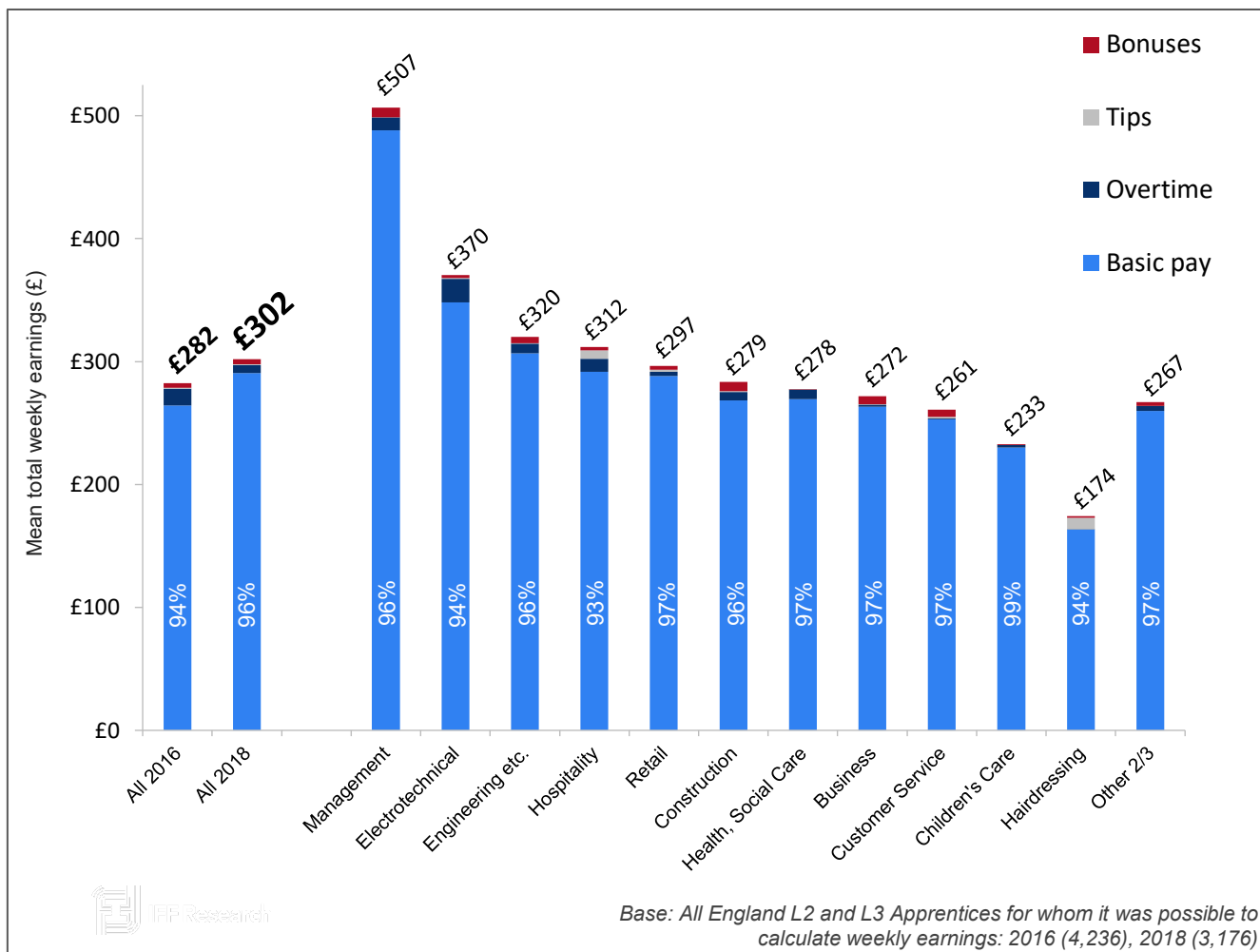
As shown in Figure 3-7, mean weekly earnings varied considerably by framework. Higher than average earnings were evident in Management, Electrotechnical and Engineering and Manufacturing Technologies (as was the case in 2016). A complete table of these figures can be found in Appendix A.

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%), ranging from 93% in Hospitality to 99% in Children's Care.

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%); followed by Hospitality, Engineering and Manufacturing Technologies, and Health, Social Care and Sport (each 3%), compared with the Customer Service, Hairdressing, and Business frameworks (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 highest in the Construction framework (3%), compared with an average of 1% across all apprentices.

**Figure 3-7 Mean total weekly earnings of Level 2 and 3 England apprentices split by basic pay, overtime, tips and bonuses, and the percentage of the mean total weekly earnings made up by basic pay, by framework<sup>14</sup>**



### Earnings from basic pay

Mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all England Level 2 and 3 apprentices was £291 (median: £265), which is an increase since 2016 (mean £265; median £249). Basic pay accounted for the vast majority of total weekly earnings (96%), which is slightly higher than the proportion reported in 2016 (94%).

Table 3.9 details mean and median earnings from basic pay by framework. As with total earnings reported earlier, earnings from basic pay were highest in Management, Electrotechnical, and Engineering and Manufacturing Technologies, and lowest in Hairdressing and Children’s Care.

<sup>14</sup> 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 (3%), this has not been included in Figure 3-7.

**Table 3.9 Mean and median total weekly earnings from basic pay for Level 2 and 3 apprentices in England, by framework**

	<i>Base</i>	<b>Mean £</b>	<b>Median £</b>
Management	211	489	452
Electrotechnical	299	346	320
Engineering & Manufacturing	491	306	285
Hospitality & Catering	184	293	274
Retail	192	289	279
Health, Social Care & Sport	281	270	262
Construction and related	245	269	250
Business	309	263	231
Customer Service	190	253	206
Children's Care	214	230	214
Hairdressing	300	164	148
Other - L2/L3	260	260	240
<b>England Total</b>	<b>3,176</b>	<b>291</b>	<b>265</b>

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

## Overtime

Three-fifths (60%) of Level 2 and 3 apprentices in England had worked overtime – either paid or unpaid – for their employer during their apprenticeship; in line with the proportions reported in 2016 and 2014.

Table 3.10 shows that working overtime was most common in the Management and Electrotechnical frameworks (each 76%). The proportion of apprentices working overtime was also highest in these two frameworks in 2016. In contrast, working overtime was least common in the Business and Customer Service frameworks (each 43%). In the case of Customer Service, the proportion working overtime has decreased since 2016; from 56% to 43%.

**Table 3.10 Proportion of England Level 2 and 3 apprentices working overtime, by framework**

	<i>Base</i>	<b>Work overtime (paid or unpaid) %</b>
Management	270	76
Electrotechnical	364	76
Engineering & Manufacturing	612	67
Children's Care	293	64
Hospitality & Catering	242	64
Retail	242	64
Health, Social Care & Sport	406	60
Construction	302	50
Hairdressing	359	44
Business	375	43
Customer Service	218	43
Other - L2/L3	352	63
<b>England Total</b>	<b>4,035</b>	<b>60</b>

Base: all England Level 2 and Level 3 apprentices

Male apprentices were more likely than female apprentices to have worked overtime (63% compared with 57% respectively), similar proportions to those reported in 2016. The proportion of apprentices that worked overtime increased with age; from 51% of apprentices aged 16-18 to 67% of apprentices aged 25+.

Among apprentices that worked overtime (and could provide information on the number of overtime hours worked)<sup>15</sup> the mean number of weekly overtime hours – either paid or unpaid – was 6.5 hours (median 4.5 hours); slightly down from a mean of 7.1 hours and median of 5.0 hours in 2016. Among those that worked overtime:

- 79% worked less than 10 hours overtime a week;
- 12% worked between 10 and 14 hours; and
- 9% worked 15 or more hours overtime.

## Earnings from overtime

Four-fifths (80%) of Level 2 and 3 apprentices in England that had worked overtime had been paid for at least some of the additional hours they worked, similar to the proportion paid for their overtime in 2016 (82%).

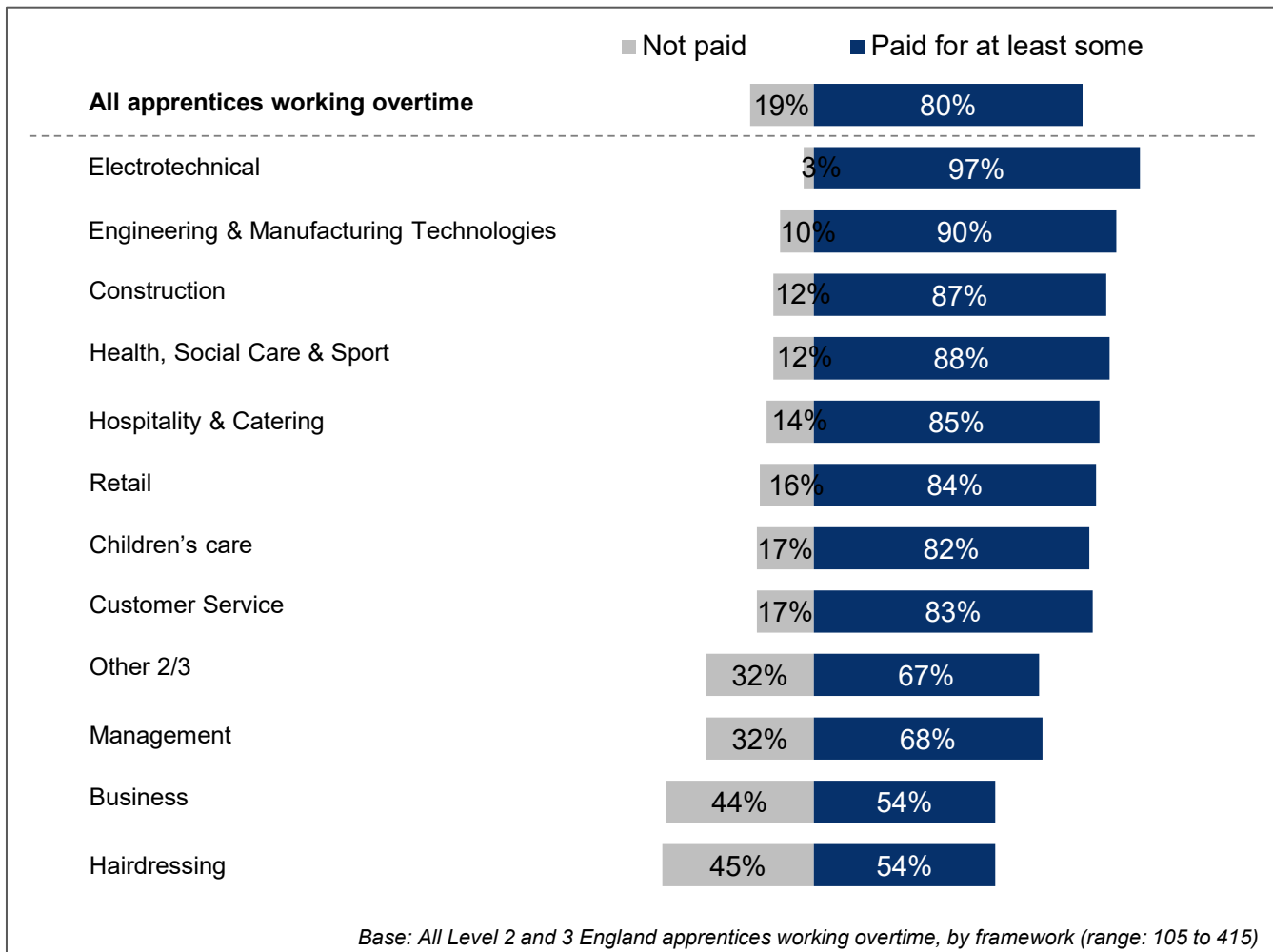
As shown in Figure 3-8, apprentices in the Electrotechnical and Engineering and Manufacturing Technologies frameworks were the most likely to be paid for at least some of their overtime (97% and 90% respectively). Apprentices in these two frameworks were also the most likely to be paid for any of their overtime in 2016.

As was the case in 2016, the proportion of apprentices not paid for any of their overtime was highest in the Hairdressing and Business frameworks (over two-fifths of apprentices in each of these frameworks were not paid for any of their overtime hours).

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<sup>15</sup> 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.

**Figure 3-8 Proportion of Level 2 and 3 England 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 mean number of paid overtime hours was 7.0 (median: 5.0 hours), similar to 2016 (mean: 7.7 hours; median: 6.0 hours). Of those who worked paid overtime and could state their hours:

- 78% 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 £96 (mean £56).

### 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.<sup>16</sup>

Among apprentices who worked overtime, 19% were not paid for any of their overtime hours (equivalent to 11% of all Level 2 or 3 apprentices in England); unchanged from 2016. This group reported working a mean average of 5.8 unpaid overtime hours per week (median: 4.0 hours).<sup>17</sup>

### Time off in lieu or flexi leave

Just under two-fifths (38%) of Level 2 and 3 apprentices in England that had ever worked overtime – either paid or unpaid – were given time off in lieu or flexi leave in return. This is unchanged from the proportion reported in 2016 (39%).<sup>18</sup>

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 (54% and 36% respectively).

### Tips from customers

Less than one in ten England Level 2 and 3 apprentices (7%) received tips from customers; unchanged from 2016.

Tips were more common among younger apprentices (ranging from 13% of those aged 16-18 to 2% of those aged 25 and over). By framework, receipt of tips was most common in Hairdressing (79%), followed by Hospitality and Catering (28%). In the case of Hairdressing it is worth noting that this framework consists of a higher than average proportion of apprentices aged 16 to 18.

The vast majority of apprentices receiving tips (86%) received less than £30 in tips in a typical week (see Figure 3.9). The median amount received in tips per week was £10.00 (unchanged from 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% of weekly earnings among those undertaking an apprenticeship in Hairdressing.

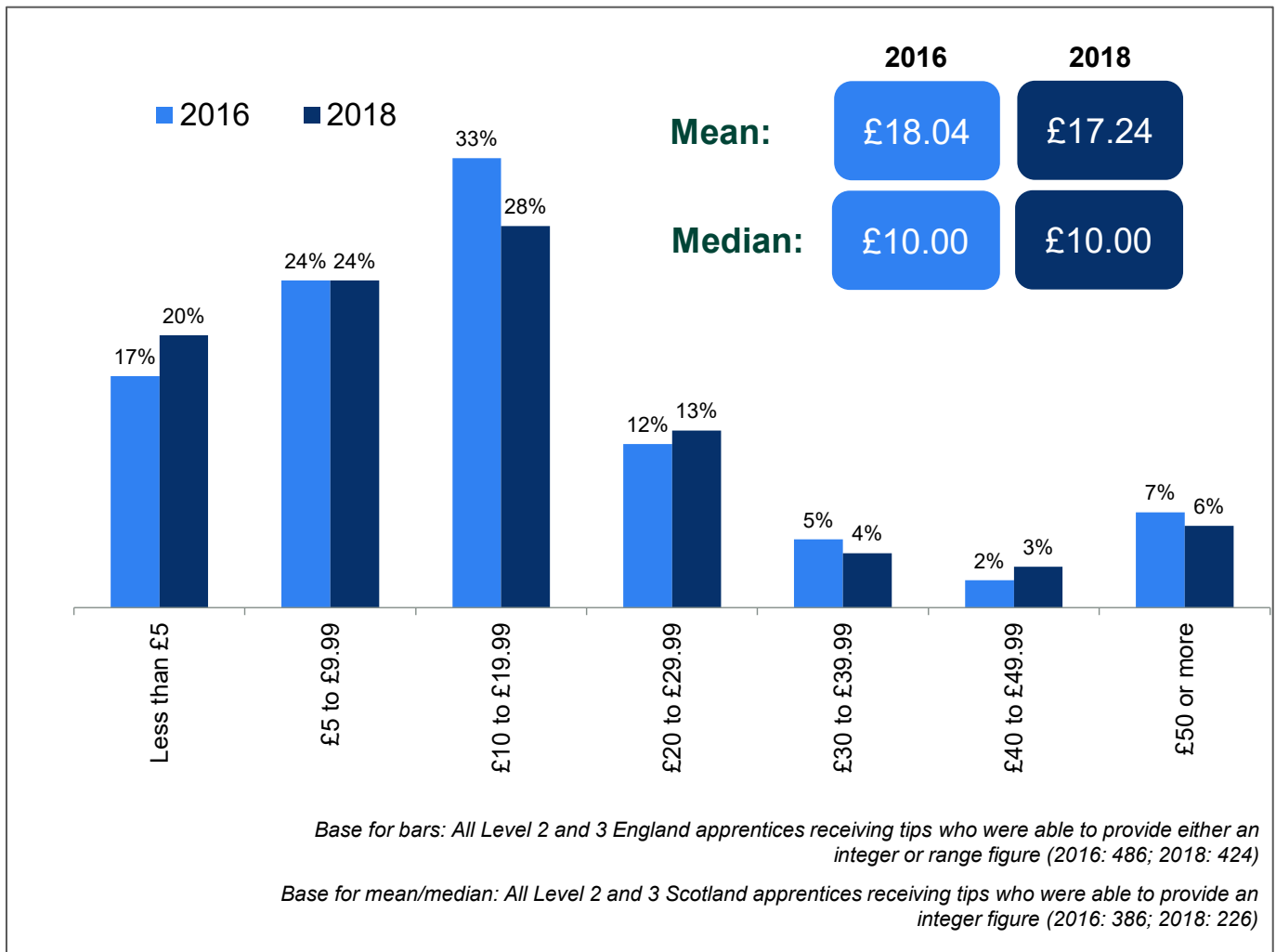
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<sup>16</sup> Where an employer has asked the apprentice to work unpaid overtime, this is counted in their total working hours and included in the calculation of their National Minimum Wage rate (discussed in the next chapter). Where the extra hours 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.

<sup>17</sup> 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.

<sup>18</sup> 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 England apprentices in a typical week**



## Bonuses

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

By framework, bonuses were more common in Engineering (31%), Construction (30%) and Retail (29%).

Among apprentices that received bonuses, the median bonus (as a weekly figure) was £7.69 (mean: £24.83). In 2016 it was £9.62 (mean: £28.70). Low base sizes do not allow for meaningful sub-group analysis by framework.



## 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.

In line with 2016, 3% of Level 2 and 3 apprentices in England were provided with accommodation, either free or charged for. Accommodation was provided for a mean average of five days a week (median: seven days). Accommodation was provided free of charge for most of these apprentices.

## 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)’.

As discussed in the ‘about this report’, 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.

Based only on those Level 2 and Level 3 apprentices in England for whom compliance or non-compliance could be calculated given their survey responses<sup>19</sup> 81% were paid at or above the appropriate NMW or NLW, while 19% were paid below the appropriate rate. This is in line with the levels of non-compliance found in 2016 (18%), following an increase from 2014 (15%).

When comparing compliance levels between 2018/19 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 2018/19 survey): the rate increased from £3.30 in October 2015 to £3.70 in March 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 in 2015 to £5.90 in 2018, 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 also increased, from £7.20 in April 2016 to £7.83 in April 2018 (a 9% increase).

Table 3.11 shows the proportion of apprentices in England with compliant and non-compliant pay, grouped by age and year of apprenticeship. In much the same way that non-compliance at an overall level among Level 2 and 3 apprentices in England has remained stable since 2016, when stratifying by age and year of apprenticeship, there have been no significant changes, as shown in Table 3.11.

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<sup>19</sup> An unweighted base of 3,197 respondents

**Table 3.11 Compliance by age and year of apprenticeship in 2018/19 and 2016 (England Level 2 and Level 3)**

<i>Row percentages</i>	2016				2018/19			
	<i>Base</i>		<b>Paid NMW or higher</b>	<b>Paid below NMW</b>	<i>Base</i>		<b>Paid NMW or higher</b>	<b>Paid below NMW</b>
Age 16-18 or in first year of apprenticeship	3,652	%	87	13	2,061	%	88	12
Age 19-20 and in second year of apprenticeship	356	%	66	34	454	%	64	36
Age 21-24 and in second year of apprenticeship	266	%	68	32	298	%	65	35
Age 25+ and in second year of apprenticeship	409	%	69	31	273	%	72	28
<b>England total</b>	<b>4,690</b>	<b>%</b>	<b>82</b>	<b>18</b>	<b>3,197</b>	<b>%</b>	<b>81</b>	<b>19</b>

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

\*The total base for England 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 3.12. Once again, Hairdressing apprentices were by far the most likely to have received non-compliant pay (48%), while those on Management frameworks were least likely (7%). The proportions being paid below the NMW / NLW had changed in only one framework, as there was a decrease in non-compliant pay for apprentices on Electrotechnical frameworks (from 24% to 16% in 2016).

**Table 3.12: Compliance with NMW / NLW by framework for England Level 2 and Level 3 apprentices**

Row percentages	2016				2018/19			
	Base	%	Paid NMW / NLW or higher	Paid below NMW / NLW	Base	%	Paid NMW / NLW or higher	Paid below NMW / NLW
Hairdressing	325	%	53	47	313	%	52	48
Children's Care	277	%	73	27	235	%	67	33
Construction and related	334	%	72	28	240	%	79	21
Engineering and Manufacturing Technologies	641	%	84	16	464	%	82	18
Health, Social Care and Sport	700	%	83	17	275	%	82	18
Electrotechnical	306	%	76	24	304	%	84	16
Customer Service	297	%	88	12	203	%	85	15
Business and related	500	%	84	16	308	%	86	14
Retail	408	%	86	14	207	%	86	14
Hospitality and Catering	335	%	85	15	199	%	87	13
Management	434	%	93	7	235	%	93	7
Other - L2/L3	133	%	70	30	214	%	75	25
<b>England Total</b>	<b>4,690</b>	<b>%</b>	<b>82</b>	<b>18</b>	<b>3,197</b>	<b>%</b>	<b>81</b>	<b>19</b>

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

Non-compliance was lowest among the oldest group of apprentices, 13% of those aged 25 and over were paid below the NMW / NLW the compared with 22% of apprentices aged 16 to 24.

Those nearer the beginning of their apprenticeship were less likely to receive non-compliant pay: 12% 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 (18%). 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 (mean average: 43.7 hours) compared to those with compliant pay (mean average: 40.0 hours).

There was no difference in likelihood to receive non-compliant pay between Level 2 and Level 3 apprentices, however it was 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%); and
- Those that receive tips (36%) were more likely to receive non-compliant pay than apprentices that did not receive tips (18%). (As noted earlier, apprentices in Hairdressing were most likely to receive tips and most likely to have non-compliant pay, hence frameworks will be having an influence here.)

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 (24%) than in their second year or later (15%). The reverse relationship was true for those aged 19-20 (first year 13% vs. second year or later 36%), 21-24 (first year 9% vs second year or later (35%) or aged 25 or older (first year 2% vs. second year or later 28%).

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

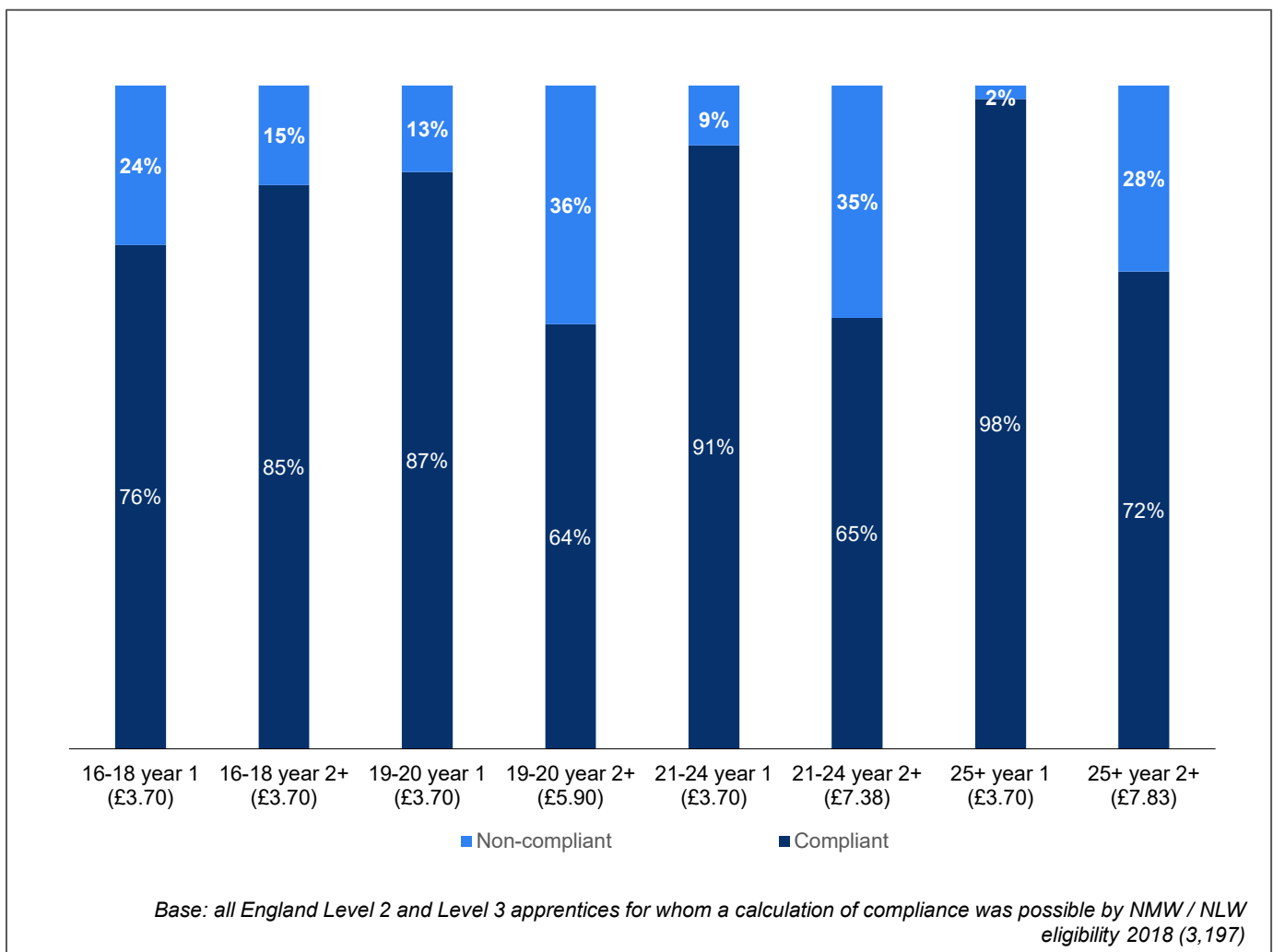


Table 3.13 and Figure 3-11 show the pay distribution for Level 2 and Level 3 apprentices in England, also indicating within each pay band the relevant compliance rate. These figures are again based on respondents for whom it was possible to calculate an exact hourly pay figure (3,197 of 4,035 Level 2 and Level 3 apprentices interviewed).

As in 2016 and 2014, a very small proportion of apprentices were paid £1.50 an hour or less (0.1%). Three per cent were paid between £1.51 and £2.99 and a further 3% were paid between £3.00 and £3.69; the vast majority of these were eligible for the £3.70 minimum.

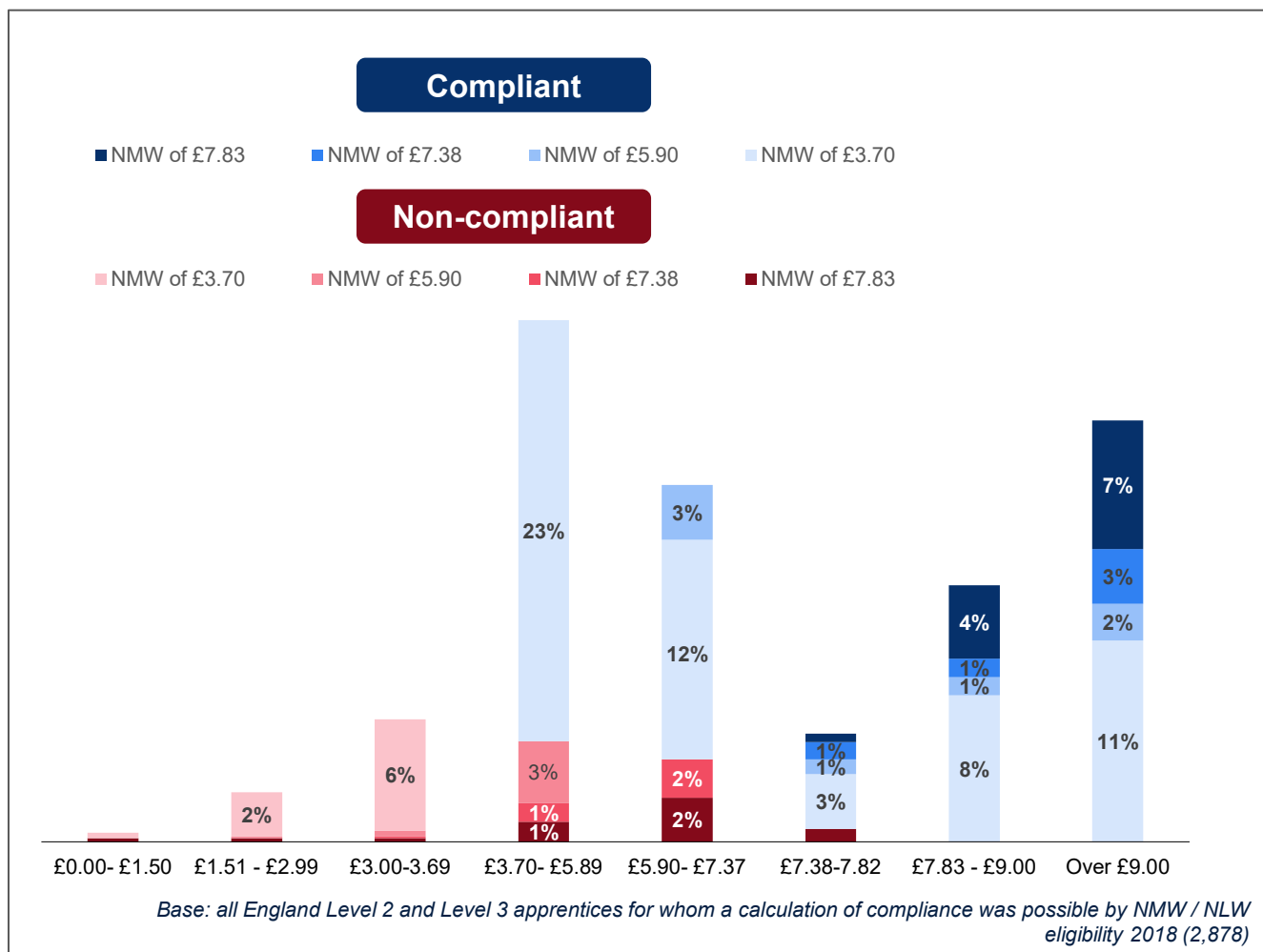
**Table 3.13 Apprentice pay rates and compliance / non-compliance (England Level 2 and Level 3)**

	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	22%	14%	5%	14%	23%
Non-compliant	0%	3%	7%	6%	4%	1%	N/A	N/A

Base: All England L2 and L3 apprentices with a specific calculated hourly pay figure (2,878). Each figure is based on the overall base; hence for example 3% of all Level 2 and 3 apprentices in England 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 3% 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.

**Figure 3-11 Level 2 and Level 3 apprentice pay rates and non-compliance distribution (England)**



Overall, 10% of all Level 2 and Level 3 apprentices in England were paid below the National Minimum Wage rate of £3.70. Of these, the majority (90%) should have been paid a minimum of £3.70.

Around three in ten of all Level 2 and Level 3 apprentices in England were paid between £3.70 and £5.89 (29%), with about a fifth of this group being paid below the National Minimum Wage that they were eligible for (6% of all apprentices).

One in five (20%) of all Level 2 and Level 3 apprentices in England were paid between £5.90 and £7.37. The majority of these (15% 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 small proportions should have been receiving at least £7.38 (2% of all apprentices in England) or £7.83 or more (2%).

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

Over one third of all Level 2 and Level 3 apprentices in England (37%) 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 England that were eligible for the National Living Wage, 68% received compliant pay, while one third of these apprentices receiving non-compliant pay (32%).

## 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 629 respondents), 42% 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 (52%) and 2014 (50%) when around half of Level 2 and 3 apprentices in England with non-compliant pay were under 19 or in their first year (at which point the minimum rate was £3.30 and £2.68 respectively).

16% of those with non-compliant pay were aged 25 and over, and were therefore eligible for the NLW of £7.83 an hour, around a quarter (25%) were aged 19 or 20 (eligible for NMW of £5.90 an hour), and around a sixth (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 England calculated to have non-compliant pay, a small proportion (2%) were paid very close to the relevant NMW or NLW rate (within three pence). Overall around four in ten (39%) were paid within 10% of the appropriate rate, a decrease since 2016 (43%), although in line with 2014, when 38% of these apprentices received within 10% of the appropriate rate.



**Figure 3-12 Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of apprenticeship (England Level 2 and Level 3)**

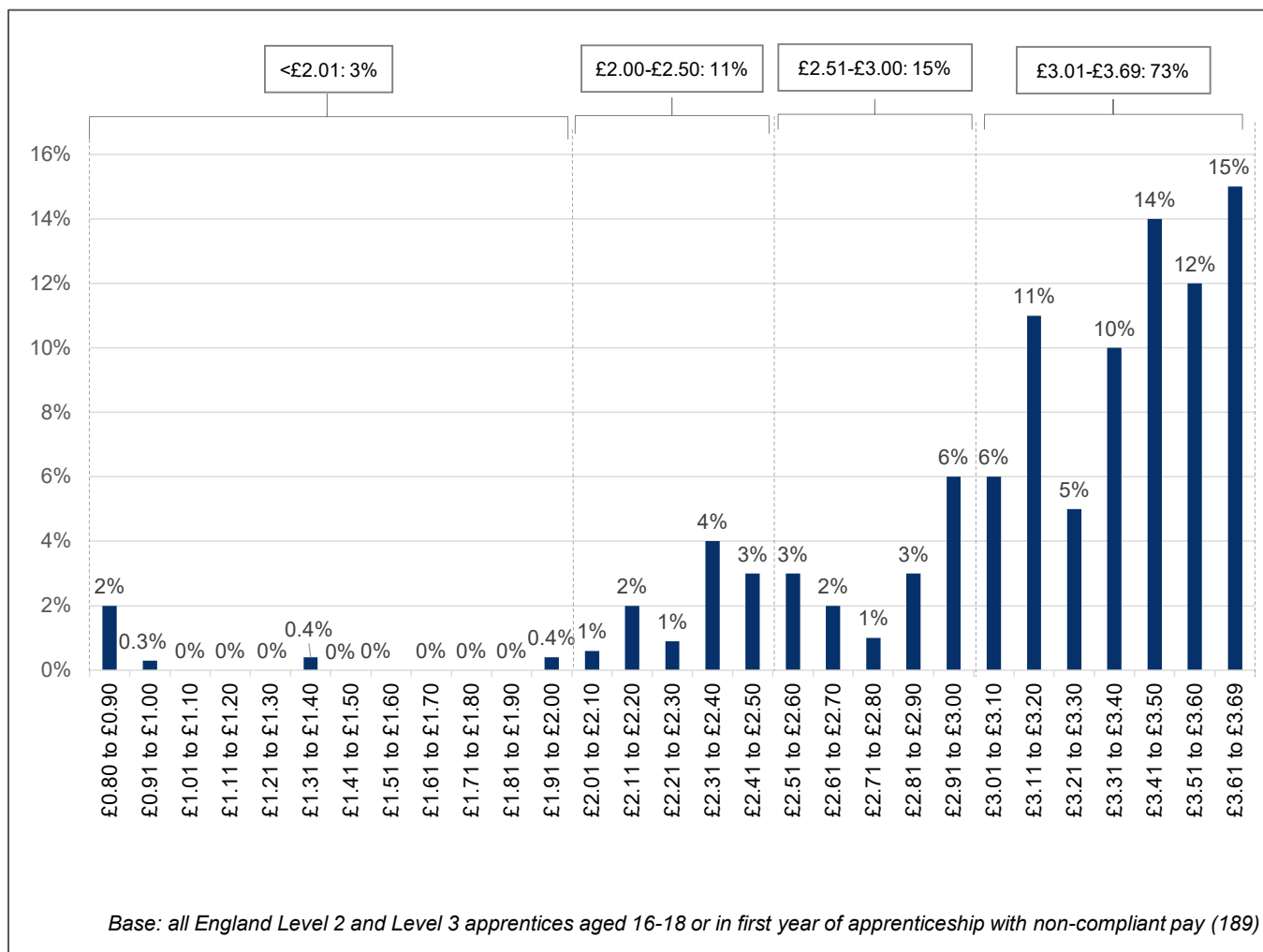
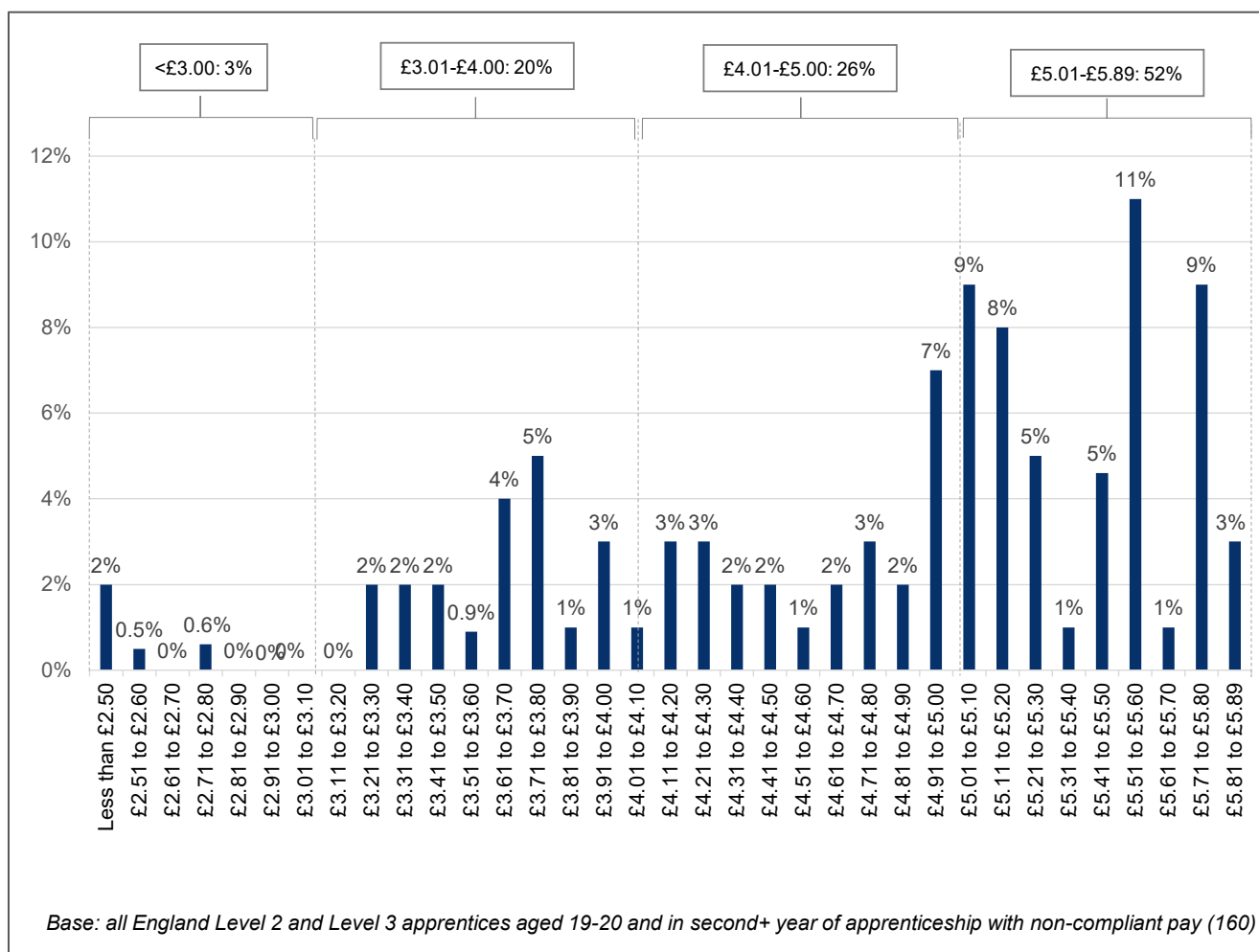


Figure 3-12 shows the distribution of pay below £3.70 for those aged 16 to 18 or in the first year of their apprenticeship among those with calculable pay figures. (Note this section uses the calculated gross hourly pay rather than the basic hourly pay figures used elsewhere in the report – see the discussion on this in the earlier ‘rates of pay’ section 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): around half (48%) were paid within 10% of the correct rate (between £3.33 and £3.69). A small number of apprentices were paid very close (within three pence) to the correct rate (4%), which was also in line with 2016 (4%).

Those aged 16 to 18 or in the first year of their apprenticeship with non-compliant pay are receiving higher levels of pay to those reported in the 2016. The mean pay figure for this group of non-compliant apprentices in 2018/19 was £3.14 an hour and the median £3.31, higher than in 2016 (mean of £2.78 an hour and a median of £2.79).

**Figure 3-13 Distribution of pay for those with non-compliant pay aged 19-20 and in the second year or later of apprenticeship (England Level 2 and Level 3)**

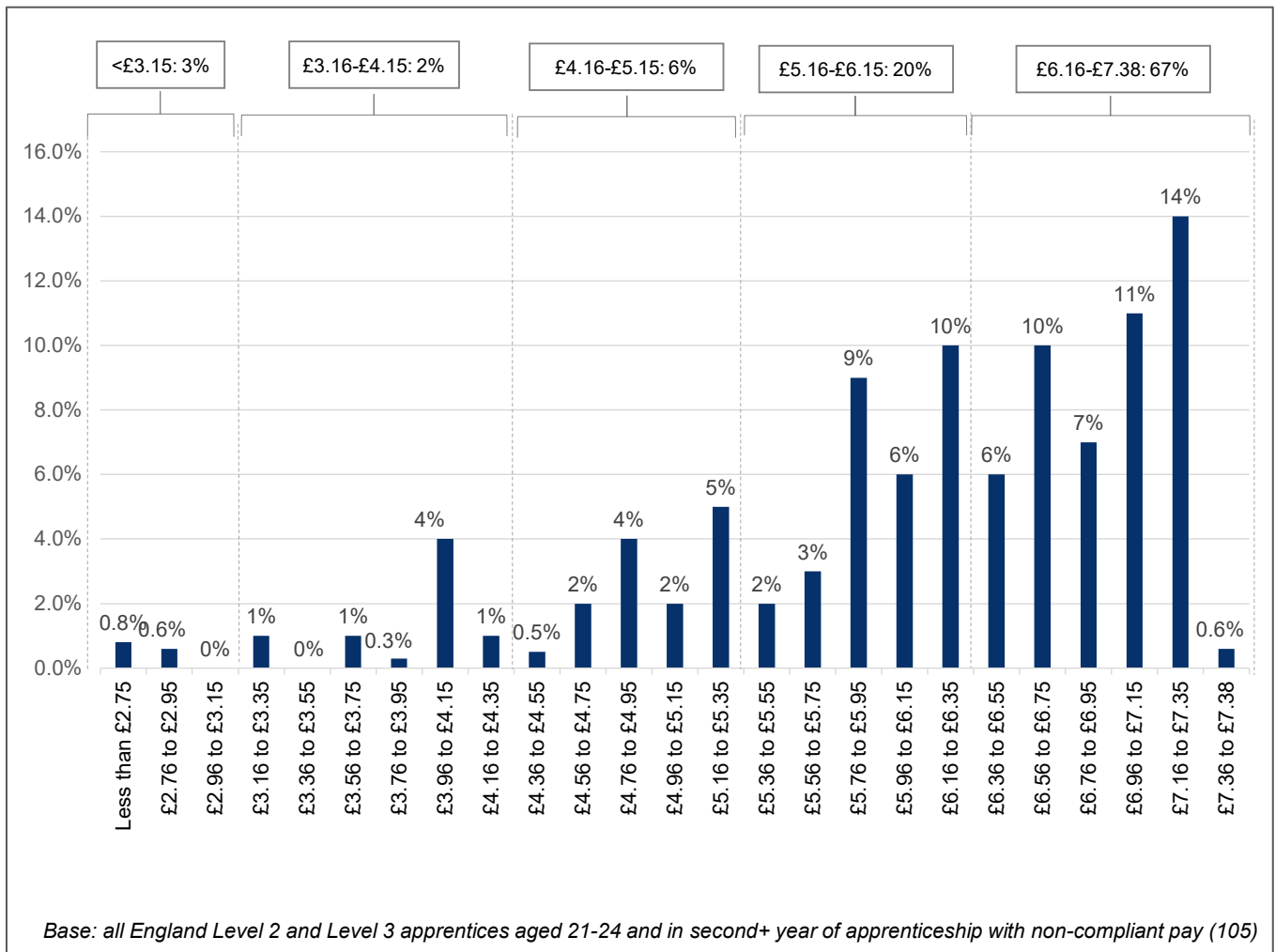


Of those with non-compliant pay aged 19 to 20 and in the second year of their apprenticeship or later, 1% had a gross hourly pay figure very close to the NMW rate (between £5.86 and £5.89), and just under a third (30%) were paid within 10% of the correct rate (between £5.31 and £5.89).

Among those with non-compliant pay aged 19 to 20 and in the second year of their apprenticeship or later, over half (54%) were paid more than £5.00 an hour and a quarter (26%) received between £4.00 and £4.99 per hour. A small proportion (4%) were paid £3.00 an hour or less.

The mean pay figure for non-compliant apprentices aged 19 to 20 and in the second year of their apprenticeship or later in England was £4.77, and the median £5.03. This compares to a mean of £4.26 and a median of £4.58 for this group of apprentices in 2016.

**Figure 3-14 Distribution of pay for those with non-compliant pay aged 21-24 and in the second year or later of apprenticeship (England Level 2 and Level 3)**



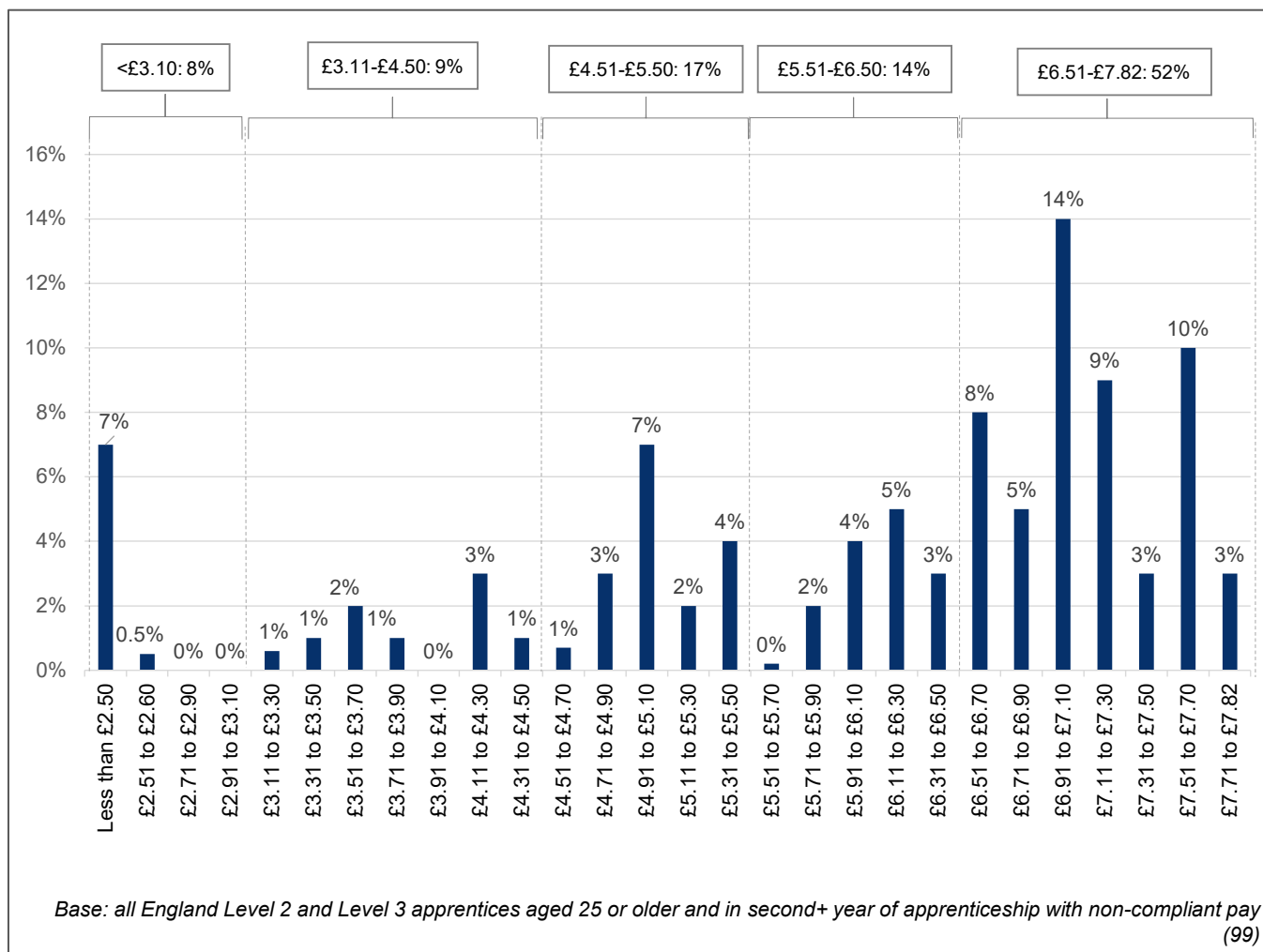
Among non-compliant apprentices aged 21 to 24 and in the second year of their apprenticeship or later, 1% had a gross hourly pay figure very close to the NMW rate (between £7.36 and £7.38), and overall four-tenths (38%) were paid within 10% of the correct rate (between £6.64 and £7.38). Around half 47% received between £5.00 and £6.64.

Among those with non-compliant pay aged 25 or older and in the second year of their apprenticeship or later, the majority (85%) were paid more than £5.00 an hour and 11% received between £4.00 and £4.99. A very small minority (1.4%) were paid £3.00 an hour or less.

As shown in Figure 3-14 there was a spike in non-compliance among apprentices aged 21 to 24 and in the second year of their apprenticeship or later in the £5.76 to £5.90 bracket, suggesting that some apprentices were still being paid at the previous minimum wage rate having turned 21.

The mean pay figure for non-compliant Level 2 and Level 3 apprentices in England aged 21 to 24 and in the second year of their apprenticeship or later was £6.09, and the median was £6.32. This compares to a mean of £5.58 and a median of £5.91 for this group of apprentices in 2016.

**Figure 3-15 Distribution of pay for those with non-compliant pay aged 25 or over and in the second year or later of apprenticeship (England Level 2 and Level 3)**



Of those with non-compliant pay that were aged 25 or older and in the second year of their apprenticeship or later, a small proportion (<1%) had had a gross hourly pay figure very close to the NMW rate (between £7.82 and £7.79), though around a third (34%) were paid within 10% of the correct rate (between £7.05 and £7.82).

As shown in Figure 3-15, there was a spike around the £5.00 level, as well as another around the £7.00 level. There was not, however, a spike in the £7.31 to £7.50 bracket, which would suggest that some apprentices within this group were still being paid at the previous minimum rate after having turned 25 were this spike to have been present.

Among those with non-compliant pay aged 25 or older and in the second year of their apprenticeship or later, three-quarters (76%) were paid more than £5.00 an hour and 11% received between £4.00 and £4.99. A small proportion (8%) were paid £3.00 an hour or less.

The mean pay figure for non-compliant apprentices aged 25 or older and in the second year of their apprenticeship or later in England was £5.91 and the median £6.59. This compares to a mean of £5.86 and a median of £6.30 for this group of apprentices in 2016.

### 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 England 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 3.14 shows the levels of non-compliant pay resulting from each of the calculation methods.

**Table 3.14 Comparison of non-compliance by different calculation methods by age, gender, year of apprenticeship, and framework (England Level 2 and Level 3)**

	<b>Base</b>	NMW (current method) %	Unpaid overtime removed %	Basic hourly pay rate <sup>20</sup> %	All earnings and all hours %
<b>Age</b>					
16-18	299	20	8	8	9
19-20	669	29	18	18	18
21-24	461	28	14	14	17
25+	341	13	8	8	8
<b>Gender</b>					
Male	1238	18	8	8	10
Female	532	22	13	13	13
<b>Year of apprenticeship</b>					
A year or less	568	13	16	12	7
More than a year	1200	27	14	9	15
<b>Framework</b>					
Hairdressing	293	50	29	29	23
Children's Care	213	34	26	26	25
Construction and related	217	23	8	9	9
Engineering and Manufacturing Technologies	420	19	7	7	9
Health, Social Care and Sport	239	19	12	12	11
Electrotechnical	282	18	10	10	10
Business and related	268	16	7	8	8
Retail	191	14	4	4	5
Hospitality and Catering	181	13	7	7	6
Management	194	8	3	3	4
Customer Service	193	15	4	4	7
Other - L2/L3	175	28	19	19	22
<b>Total 2018/19</b>	<b>2,866</b>	<b>20</b>	<b>10</b>	<b>10</b>	<b>11</b>

Base: All England 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 3.14, 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, including *all earnings and all hours* in the calculation has a marked effect on compliance rates within Hairdressing frameworks (falling from 50% non-compliant to 23%), although removing unpaid overtime or utilising basic hourly pay rate also has a strong impact on Hairdressing apprentices

<sup>20</sup> Table A2 in the appendices details the pay elements included in each compliance calculation presented in this table.

(falling from 50% to 29% in both cases). This suggests that in some cases Hairdressing employers may be using tips or other additional wages to supplement basic wages.

In addition to this, there were significant differences between the different compliance calculation methods in all instances shown in Table 3.14 with the exception of Customer Service frameworks and within Management and Children’s Care frameworks when comparing hourly pay when calculated taking into account *all earnings* and *all hours*.

This certainly suggests a consistent influence of including these elements in hourly pay rates when considering whether pay rates were compliant with national minimum wage 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 overall, due to the fact that each of these pay elements only applied to a minority of apprentices.

Looking at just the groups receiving each of these pay elements in Table 3.15 reveals a greater impact on compliance.

**Table 3.15 Impact on compliance levels according to certain pay elements, among the apprentices who received that element of pay (England Level 2 and Level 3)**

	<i>Base</i>	Proportion of apprentices	Standard non-compliance	Unpaid overtime removed	All earning and all hours included
<b>Received any additional earnings (tips, bonuses, or paid overtime)</b>	856	30%	20%	N/A	11%
<b>Worked unpaid overtime</b>	572	20%	27%	9%	N/A

Base: All L2 and L3 England apprentices for whom a calculation could be made from the extra earning elements and current compliance level was known.

Among all Level 2 and Level 3 apprentices in England for whom compliance could be calculated across each compliance calculation measure, three in ten (30%) had earnings in addition to their basic pay, including tips, bonuses and paid overtime. Based on their pay eligible for the NMW (which excludes all additional earnings), one in five (20%) had non-compliant pay; when their hourly rate was recalculated to incorporate additional earnings this fell to 11%. Looking at the 20% of apprentices for whom compliance could be calculated who worked any unpaid overtime, one quarter (27%) had non-compliant pay when based on pay eligible for the NMW (which includes unpaid overtime); when their hourly rate was recalculated excluding unpaid overtime hours, this fell to 9%.

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. **Unlike in 2016, however, there was no difference in rates of non-compliance when considering those that had recently changed their NMW eligibility and those who had not (23% vs. 21%).**

**When non-compliance is estimated based on payslip information only, this has a relatively small effect, although in contrast to the overall picture, non-compliance among respondents answering with a payslip is slightly lower: 17% of respondents answering with a payslip to hand were calculated to have non-compliant pay, compared with**

22% of non-payslip respondents. This fell further among respondents whose payslip contained both their pay and hours, for whom non-compliance drops to 7%.

**Based on self-reported hourly pay figures only (that is, where the apprentice stated that they knew their hourly pay figure),<sup>21</sup> 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).

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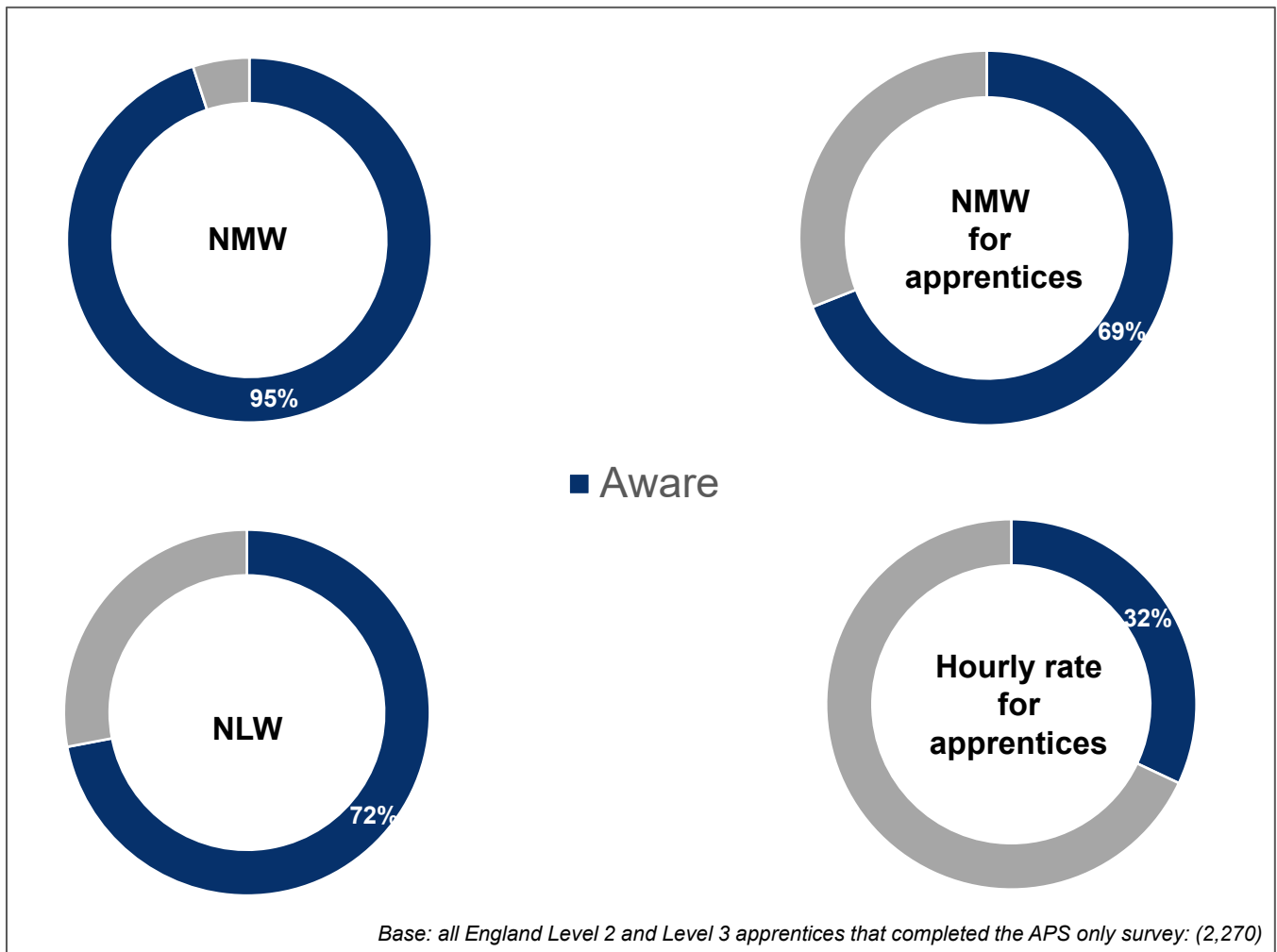
<sup>21</sup> 55% of Level 2 and Level 3 apprentices in England were able to state their hourly pay (an unweighted base of 1842).



## Awareness of the Apprentice Rate of National Minimum Wage

The vast majority of Level 2 and Level 3 apprentices in England (95%) had heard of the National Minimum Wage, in line with 2016 and 2014 (95% for both). There was no difference by age when considering likelihood to be aware of the National Minimum Wage.<sup>22</sup>

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



Apprentices were less aware of the National Living Wage, which came into force from 1st April 2016, with four in five (72%) having heard of it. This is the same as the proportion that had heard of it in 2016 (72%). Awareness rises to 79% of Level 2 and Level 3 apprentices in England that are aged 21 or older, much higher than the youngest apprentices interviewed (62% of 16-18 year olds).

Certain groups were slightly less likely to be aware of the NMW (although among all groups awareness is high), including:

- Level 2 apprentices (94%) when compared to Level 3 apprentices (96%).
- Younger apprentices (95% of those aged 16-18 were aware, rising to 97% of those aged 25 and older);

<sup>22</sup> All questions about awareness of NMW/NLW hourly rates were asked exclusively of apprentices that completed the Apprenticeship Pay Survey 2018/19 as a standalone survey, rather than as part of the joint survey comprising the Apprenticeship Pay Survey and the Apprenticeship Evaluation 2018/19.

- Black/black British apprentices (85%), Mixed race (90%) and Asian/Asian British (91%) apprentices when compared to white British apprentices (96%).
- Apprentices in Construction and related (91%) and Health, Social Care and Sport (90%) (compared with an average of 96% aware across all other frameworks).

More than two-thirds (69%) of Level 2 and Level 3 apprentices in England were aware that there is a National Minimum Wage rate for certain apprentices, which has remained stable since 2016 (66%) following an increase since 2014 (62%). In contrast to awareness of the NMW in general, younger apprentices were more likely to be aware that there is a NMW for apprentices: more than three quarters (78%) of those aged between 16 and 24 were aware, compared with less than around half (53%) of those aged 25 and over.

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

- Female apprentices (65%) when compared to male apprentices (73%).
- Apprentices in Health, Social Care and Sport (49%), Hospitality and catering (56%) and Management (61%) frameworks.

Of all Level 2 and Level 3 apprentices in England, around a third (32%) said they knew the minimum hourly rate for apprentices, a slight increase from with 2016 (29%, which represented an increase from 2014: 27%). Those with non-compliant pay were more likely to be aware of the hourly rate (37%) than those with compliant pay (32%).

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

- Older apprentices (14% of those aged 25 and older were aware, compared with 50% among those aged 16 to 18);
- Apprentices in Health, Social Care and Sport (15%), Hospitality and catering (18%) and Management (17%) 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 (England Level 2 and Level 3 apprentices)**

	<i>Base</i>	<b>Aware of apprenticeship NMW</b>	<b>Aware of hourly rate</b>
Engineering and Manufacturing Technologies	282	81%	40%
Electrotechnical	267	80%	33%
Business and related	222	77%	40%
Customer Service	180	74%	42%
Construction and related	156	73%	39%
Hairdressing	270	72%	44%
Children's care	190	70%	40%
Management	186	61%	17%
Retail	188	60%	31%
Hospitality and Catering	181	56%	18%
Health, Social Care and Sport	148	49%	15%
<b>England Level 2/3 Total (among apprentices completing the standalone Apprenticeship Pay Survey)</b>	<i>2,270</i>	<b>69</b>	<b>32</b>

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

## 4. Pay levels of Level 4 or Higher apprentices

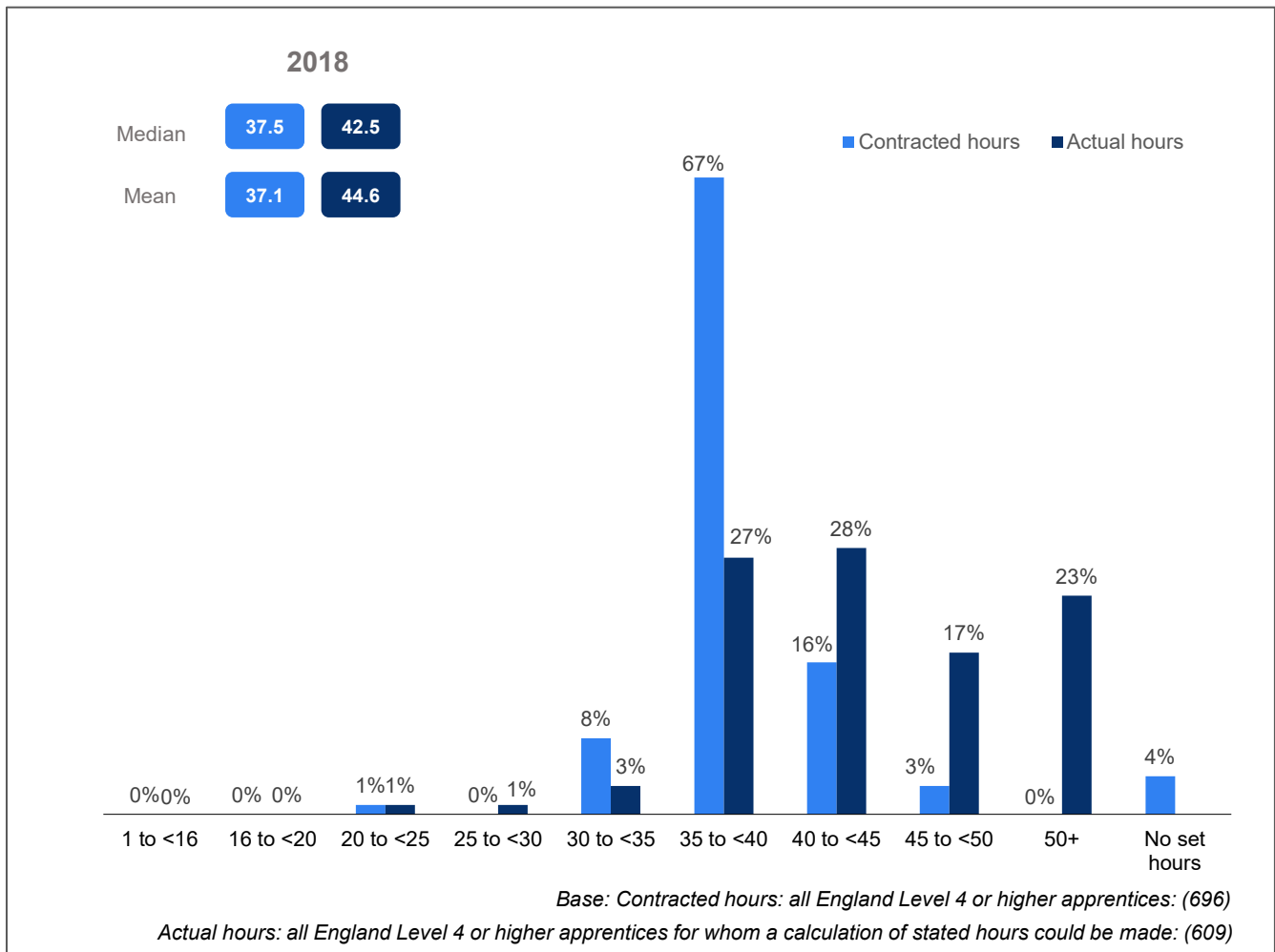
Higher level apprentices (level 4+) comprise 13% of all apprentices. Three-quarters of apprentices in England studying Level 4+ apprenticeships (76%) had been working for their employer before they started their course or training, a considerably larger proportion than among Level 2 and Level 3 apprentices in England (53%). Nearly all 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 England (87% vs. 71%). Around one in twenty had a fixed end date for their employment following completing their apprenticeship (5%) or were employed for the duration of their training only (7%).

It was almost universal for Level 4+ apprentices (95%) to work a set number of hours each week than it was for 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 (67%) or 40 to 44 hours per week (16%). Median weekly contracted hours for Level 4+ apprentices in England was 37.5 hours (mean: 37.1 hours).

As shown in Figure 4-1, actual average hours worked (including training) by Level 4+ apprentices were higher than average contracted hours, with a median of 42.5 hours a week, and a mean of 44.6 hours and overall, around seven in ten (71%) Level 4+ apprentices worked more hours than they were contracted for.

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



## Provision of formal training

Just under a half (47%) of Level 4+ apprentices reported that they received on average at least one day per week of formal training, a similar proportion to Level 2 and Level 3 apprentices in England (51%).

## Pay arrangements

Two-thirds of Level 4+ apprentices (64%) 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 England, among whom 62% had varied pay, and 37% were paid the same each week.

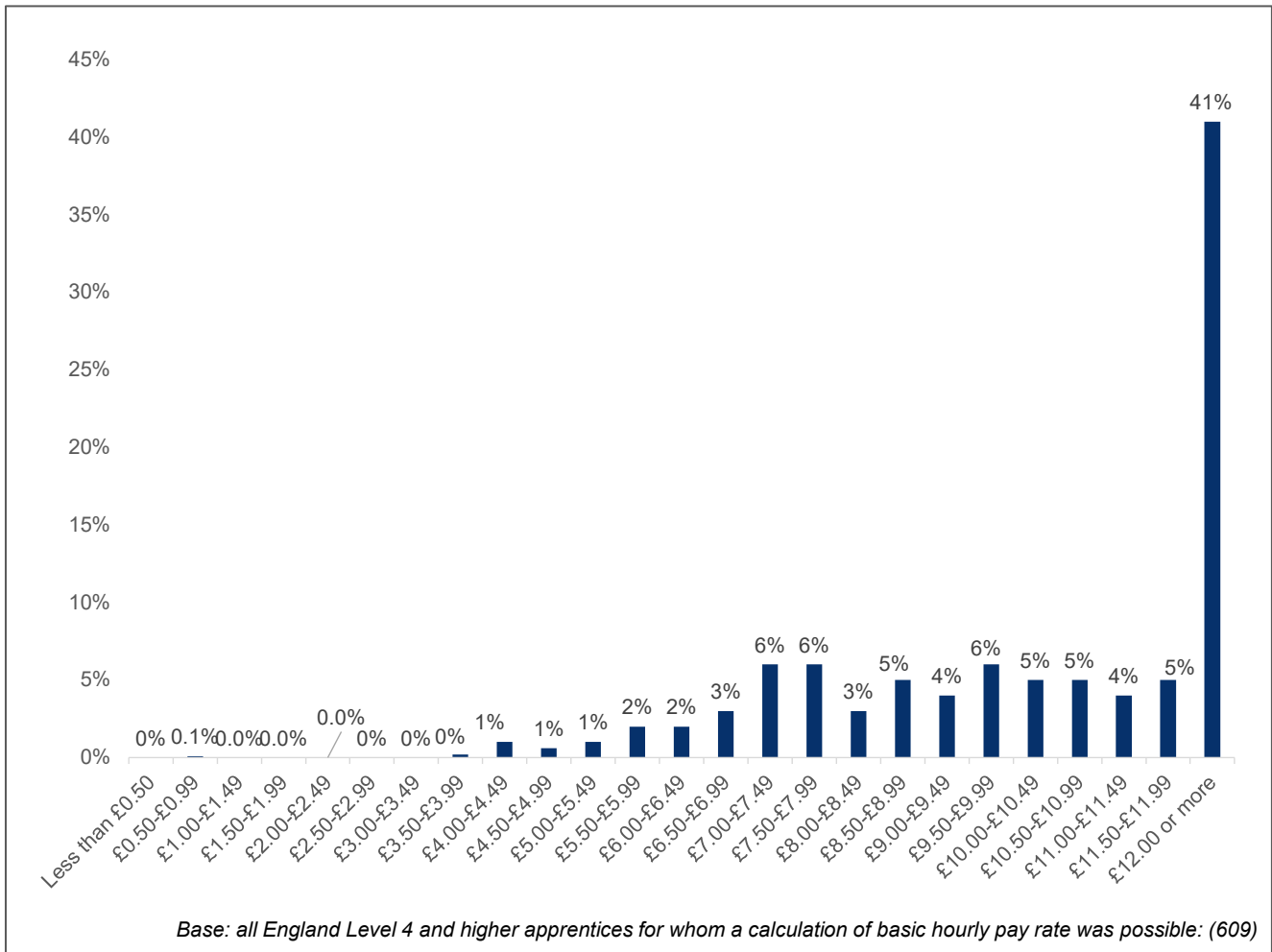
Almost three-fifths of those Level 4+ apprentices whose pay varied (57%, or 20% of all Level 4+ apprentices) said some of their hours were paid at a different rate, compared with 37% (13% of all Level 4+ apprentices) for whom their hours were paid at the same rate.

## Basic hourly pay levels

The median hourly pay for Level 4+ apprentices was £11.07, and the mean hourly pay was £12.57. This is higher than for Level 2 and Level 3 apprentices in England (a median pay of £6.95 an hour, and a mean of £7.64).

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)**



Level 4+ apprentices clustered at the £12.00 or higher point in 2018/19 (41% of Level 4+ apprentices for whom a calculation of pay could be made), with smaller numbers of apprentices in each pay band, particularly from £7.00 and upwards.

Table 4.1 shows mean and median basic hourly pay by key demographics.

**Table 4.1 Basic hourly pay for Level 4+ apprentices in England**

	<i>Base</i>	<b>Mean £</b>	<b>Median £</b>
<b>Level</b>			
Level 4	233	11.27	10.52
Level 5	239	13.53	11.65
Level 6	46	12.91	11.31
Level 7	91	12.14	11.64
<b>Gender</b>			
Male	287	13.09	11.72
Female	322	12.19	10.80
<b>Age</b>			
16-18	6	**	**
19-20	77	9.14	8.67
21-24	165	10.49	9.97
25+	361	13.80	11.97
<b>Length of time on apprenticeship</b>			
One year or less	335	13.10	11.54
More than a year	274	12.23	10.88
<b>England Total</b>	<b>609</b>	<b>12.57</b>	<b>11.07</b>

Base: Level 4+ apprentices in England for whom it was possible from their survey responses to calculate a gross hourly pay figure.

‘\*\*’ denotes a figure not shown due to a low base size.

## Pay increases

More than half (55%) 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 England (53%).

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 22% of all Level 4+ apprentices); with small numbers reporting that they had experienced a pay increase because they had turned 19 (1% of all Level 4+ apprentices or 3% of Level 4+ apprentices that had experienced a pay increase), 21 (1% of all Level 4+ apprentices or 2% of Level 4+ apprentices that had experienced a pay increase), or 25 (1% of all Level 4+ apprentices or 1% of Level 4+ apprentices that had experienced a pay increase), or because of the introduction of the National Living Wage (1% of all Level 4+ apprentices or 2% of Level 4+ apprentices that had experienced a pay increase).

## Average total weekly earnings

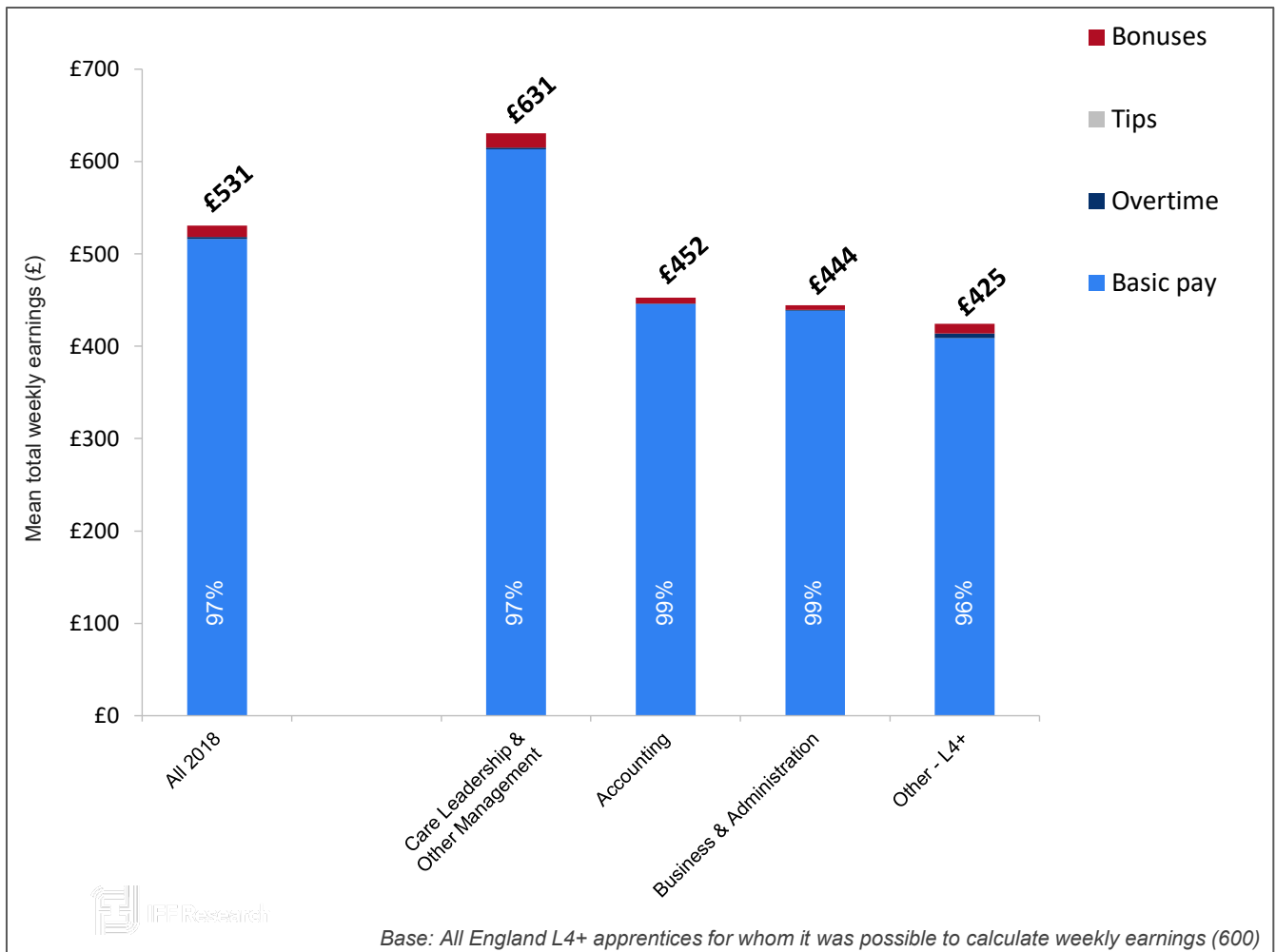
The mean total weekly earnings for Level 4+ apprentices in England was £531 (median: £471). This total weekly earnings figure includes basic pay, pay from overtime, tips from customers and bonuses. The figure is based on apprentices for whom a total weekly earnings figure could be calculated (600; 86% of all Level 4+ apprentices that were interviewed).

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 England (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 England was £517 (median: £462).

Overtime pay made up less than 1% of total weekly earnings and bonuses 2%. (Earnings from tips were negligible, reported by only one Level 4+ apprentice interviewed.)



**Figure 4-3 Mean total weekly earnings of Level 4+ apprentices in England 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 England (67%) had worked overtime – either paid or unpaid – for their employer during their apprenticeship; higher than the proportion of Level 2 and Level 3 apprentices across England (60%).

Under half (45%) of Level 4+ apprentices who had worked any overtime were paid for at least some of this overtime (much lower than the proportion of Level 2 and 3 apprentices (80%); though over half (54%) of Level 4+ apprentices working overtime received time off or flexi leave in return for working overtime,<sup>23</sup> higher than the proportion among Level 2 and Level 3 apprentices (38%).

<sup>23</sup> 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 noted earlier, the receipt of tips was almost non-existent among Level 4+ apprentices in England.<sup>24</sup> The provision of accommodation by employers was also low among Level 4+ apprentices in England (1%). The receipt of bonuses was much higher at 30%.

Among those receiving bonuses, the median bonus (as a weekly figure) was £19, and the mean was £45.

## 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, nine in ten (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 England apprentices paid below the appropriate rate (19%).

Among Level 4+ apprentices, those aged 21-24 were most the likely to receive non-compliant pay (13%), particularly in comparison to those aged 20 or younger (3%). Female apprentices (11%) were also more likely to receive non-compliant pay than male apprentices (6%). Those on Accounting frameworks (4%) were less likely to receive non-compliant pay than those on Business and Administration (11%), or Care, Leadership and Other Management (9%) frameworks.

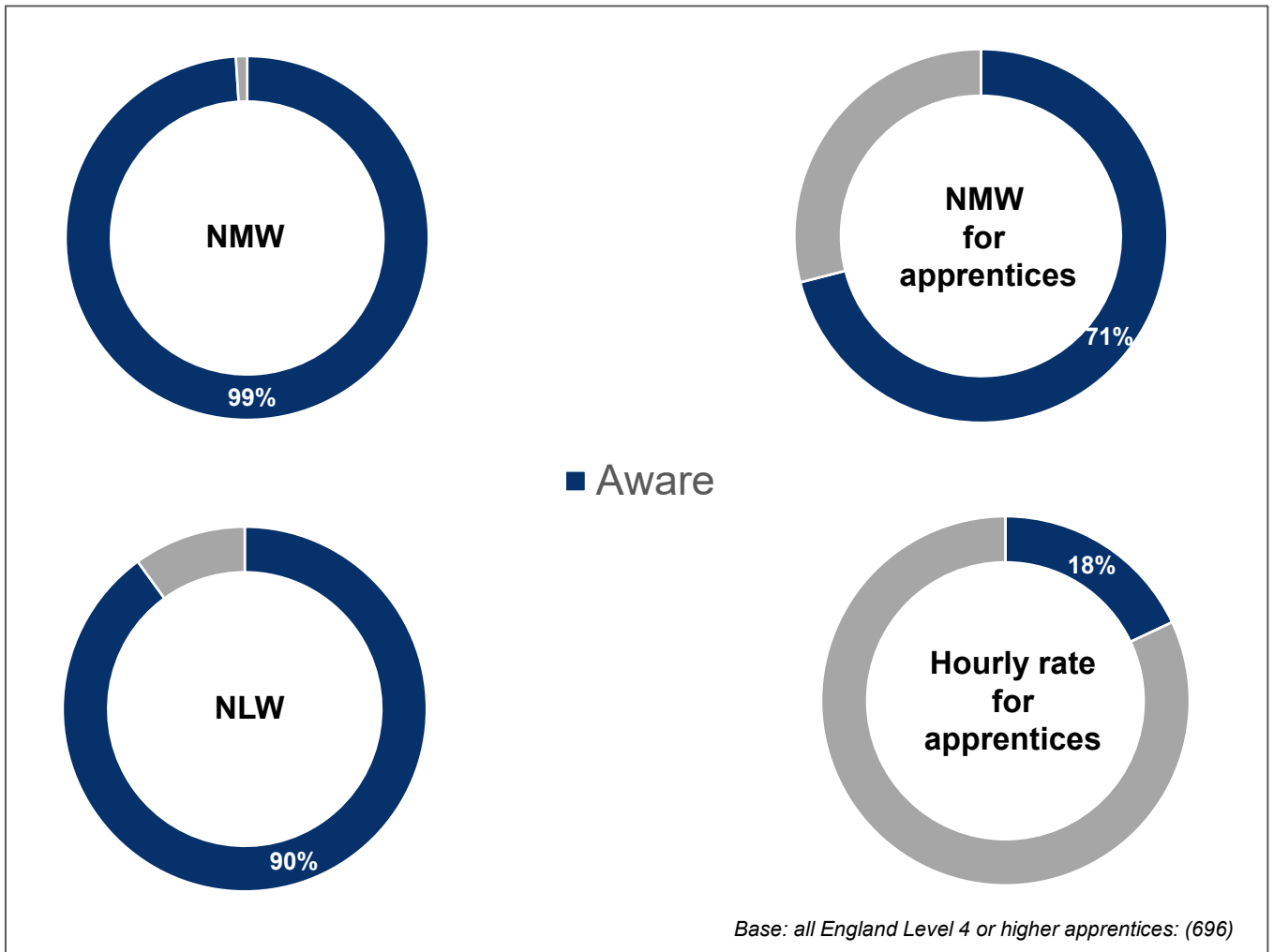
## Awareness of the National Minimum Wage and National Living Wage

Nearly all (99%) Level 4+ apprentices had heard of the National Minimum Wage, and awareness of the National Living Wage was also higher among Level 4+ apprentices (90%) than among Level 2 and 3 apprentices (72%). This was, however, not the case with awareness of the NMW specifically for apprentices (71% Level 4+, 69% Level 2 or 3), although Level 4+ apprentices were less likely to state that they were aware what the hourly minimum rate for apprentices is (18% Level 4+ vs 32% for Level 2 or 3).

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<sup>24</sup> Only one Level 4+ apprentice interviewed reported receiving tips.

**Figure 4-4 Awareness of Minimum Wage Rates (Level 4+ apprentices in England)**



# Appendix A: Supplementary tables

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

	Base	Total weekly earnings	Basic Pay	Overtime	Tips	Bonuses
	n	£	£	£	£	£
Business and related	309	272	263	2	*	6
Children's Care	214	233	230	2	-	*
Construction and related	245	279	269	7	*	8
Customer Service	190	261	253	*	1	6
Electrotechnical	299	370	346	19	*	3
Engineering, Manufacturing Technologies and related	491	320	306	8	*	5
Hairdressing	300	174	164	1	9	1
Health, Social Care and Sport	281	278	270	8	-	*
Hospitality and Catering	184	312	293	10	7	3
Management	211	507	489	10	*	8
Retail	192	297	289	3	2	3
Other 2/3	260	267	260	4	*	3
<b>England Total</b>	<b>3,176</b>	<b>302</b>	<b>291</b>	<b>7</b>	<b>1</b>	<b>4</b>

Base: All Level 2 and 3 apprentices in England 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**

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

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