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**Apprenticeship pay survey  
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The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Business, Innovation and Skills.

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The responsibility for the report rests with the authors at IFF.

# Glossary

BIS	Department for Business, Innovation & Skills
ILR	Individualised Learning Record
NMW	National Minimum Wage
SDS	Skills Development Scotland

# 1. Executive Summary

## Background

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

Apprenticeships are administered by the Skills Funding Agency (SFA) in England, Skills Development Scotland (SDS) in Scotland and the Welsh Government (WG) in Wales.

The National Minimum Wage is the minimum pay per hour almost all workers in the UK are entitled to by law. As well as separate minimum rates for those aged under 18, 18-20 and 21 or over, there is a distinct National Minimum Wage rate for apprentices aged 16 to 18 and those aged 19 or over who are in their first year of the Apprenticeship (all other apprentices are entitled to the National Minimum Wage for their age). At the time the survey was conducted The National Minimum Wage rate per hour for apprentices was £2.68 for those aged 16-18 or in the first year of their Apprenticeship, £5.03 for those in their second year or later and aged 19-20, and £6.31 for those in their second year or later and aged 21 and over.

## Research Objectives

The main aim of this research was to provide an accurate and up-to-date picture of the pay of the apprentice population, both across Great Britain, and within England, Scotland and Wales, in order to assist with development and monitoring of Apprenticeship and National Minimum Wage policy. For example, evidence from the Apprenticeship Pay Survey contributes to the Low Pay Commission's recommendations to Government for the Apprenticeship minimum wage rate.

## Methodology

The survey comprised a large-scale survey of 9,367 apprentices, conducted by telephone from 22 July 2014 to 14 September 2014.

Further details of the survey methodology can be found in Chapter 2, as well as in Appendix B and a separate Technical Report.

## Key Findings

### Basic hourly pay

Among Level 2 and Level 3 apprentices the mean basic pay was £6.79 an hour, and the median £6.31. Among higher apprentices on Level 4 and Level 5 provision, the mean pay was £11.63 an hour, and the median £9.68. 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 overtime, but including time spent training).

**Table 1.1: Mean and Median basic hourly pay for apprentices across GB**

	<i>Base:</i>	<b>Mean</b>	<b>Median</b>
<b>Level 2 / 3</b>	7,265	£6.79	£6.31
Level 2	3,546	£6.29	£6.00
Level 3	3,719	£7.44	£6.60
<b>Level 4/5</b>	713	£11.63	£9.68

*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 1.2. As in previous years, the basic hourly pay figure for Level 2 and Level 3 apprentices was lowest in the Hairdressing framework (£3.95 mean; £2.94 median).

**Table 1.2: Mean and Median basic hourly pay for apprentices across GB**

	<i>Base:</i>	<b>Mean</b>	<b>Median</b>
<b>Level 2 and Level 3 Framework:</b>	<b>7,265</b>	<b>£6.79</b>	<b>£6.31</b>
Hairdressing	450	£3.95	£2.94
Children's Care	460	£5.26	£5.02
Construction and related	902	£5.95	£5.37
Business and related	812	£6.02	£5.80
Engineering/ Manufacturing	1238	£6.50	£5.83
Other	400	£6.82	£6.02
Hospitality and Catering	514	£6.88	£6.31
Customer Service	380	£6.97	£6.71
Retail	456	£7.05	£6.59
Electrotechnical	535	£7.39	£6.24
Health, Social Care & Sport	764	£7.48	£6.52
Management	354	£9.71	£8.42
<b>Level 4 and Level 5 Framework:</b>	<b>713</b>	<b>£11.63</b>	<b>£9.68</b>
Accounting	217	£7.62	£6.94
Care Leadership and Management	391	£12.63	£10.64
Other	105	£11.98	£10.44

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

Basic hourly pay by country according to level of Apprenticeship is shown in Table 1.3. Among Level 2 and 3 apprentices, and Level 2 to Level 5 apprentices, those in Wales had the highest average pay. For Level 4 and 5 apprentices, those in Scotland had the highest pay on average.

Care should be taken with the interpretation of differences such as this, as variations can often be explained by structural differences in the demographic make-up of particular groups. For example, compared with England, a higher proportion of apprentices in Wales are enrolled on higher earning frameworks. The same could be said for differences according to other demographics, such as those based on gender.

**Table 1.3: Mean and Median hourly pay for apprentices by level and country**

	<i>Base</i>	Mean	Median
<b>Level 2 and Level 3 apprentices</b>			
Great Britain	7,265	£6.79	£6.31
England	4,239	£6.78	£6.31
Scotland	1,741	£6.61	£6.11
Wales	1,285	£7.43	£6.63
<b>Level 4 and Level 5 apprentices</b>			
Great Britain	713	£11.63	£9.68
England	394	£10.70	£8.97
Scotland	125	£14.45	£13.98
Wales	194	£11.10	£9.79
<b>All apprentices Level 2 - 5</b>			
Great Britain	7,978	£6.91	£6.32
England	4,633	£6.86	£6.31
Scotland	1,866	£6.79	£6.16
Wales	1,479	£7.84	£6.77

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

Results on hourly pay by year of Apprenticeship, age and gender for Level 2 and Level 3 apprentices are shown in Table 1.4. Older apprentices and those in their second or subsequent year of their Apprenticeship received higher than the overall average hourly pay. There was little difference by gender.

**Table 1.4: Mean and Median hourly pay for level 2 and level 3 apprentices across GB**

	<i>Base:</i>	<b>Mean</b>	<b>Median</b>
<b>Total</b>	<b>7,265</b>	<b>£6.79</b>	<b>£6.31</b>
<b>Year of Apprenticeship:</b>			
First year of Apprenticeship	5,188	£6.56	6.26
Later year of Apprenticeship	2,077	£7.34	6.47
<b>Age:</b>			
16-18	2,005	£4.34	£3.43
19-20	2,071	£5.50	£5.06
21-24	1,562	£6.70	£6.48
25+	1,626	£8.62	£7.27
<b>Gender:</b>			
Male	4,242	£6.79	£6.19
Female	3,023	£6.79	£6.36

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

## Non-compliance

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

Looking only at Level 2 and 3 apprentices for whom compliance can be assessed, 15 per cent were paid below the appropriate NMW.<sup>1</sup> The figure amongst those on Level 4 or Level 5 provision was five per cent. Across all apprentices in Great Britain for whom

<sup>1</sup> Across all apprentices results indicate that 78 per cent of all Level 2 and Level 3 apprentices across Great Britain were paid at or above the NMW, while for 14 per cent their gross hourly pay rate was below the NMW (for eight per cent we cannot determine from their survey responses if their pay was compliant or not).

compliance can be assessed (Levels 2 to 5), 14 per cent were paid below the appropriate NMW.

By framework, non-compliance among Level 2 and Level 3 apprentices was higher than average in Hairdressing (42 per cent), and Children's Care (26 per cent). Among Level 4 and Level 5 apprentices, non-compliance was higher than average in Accountancy (nine per cent).

Younger apprentices were more likely to be earning less than the NMW, with nearly a quarter (24 per cent) of Level 2 and Level 3 16-18 year olds having non-compliant pay levels, compared with 20 per cent of 19-20 year olds, 17 per cent of those aged 21-24, and eight per cent of those aged 25 or older.

The length of time the apprentice had spent on the course was a further factor impacting on compliance: more than a quarter (27 per cent) of Level 2 and Level 3 apprentices that had been on the course for more than a year were being paid less than NMW, compared with nine per cent of those who had been on their course for a year or less. Similarly, 11 per cent of Level 4 and Level 5 apprentices that had been on the course for more than a year were being paid less than NMW, compared with one per cent of those who had been on the course for a year or less. This could imply that some non-compliance cases are due to apprentices moving up to the next NMW bracket, without their pay being increased to the correct levels.

In addition, Level 2 and Level 3 apprentices that had not worked for their employer before they started their Apprenticeship were more likely to be paid below the appropriate NMW rate (23 per cent) than those who were already working for their employer at the start of the Apprenticeship (10 per cent).

Other groups of Level 2 and Level 3 apprentices more likely to be paid less than the NMW include:

- Apprentices who worked unpaid overtime hours (27 per cent);
- Apprentices who did not have a written contract (28 per cent);
- Apprentices who received tips from customers (29 per cent).

For Level 2 and Level 3 apprentices aged 16-18 or in the first year of their Apprenticeship, the mean pay figure among non-compliant apprentices was £2.30 an hour (cf. their minimum wage of £2.68)<sup>2</sup>. A fairly high proportion was close to the NMW level: nine per cent were paid very close to the NMW, between £2.65 to £2.67, and overall more than two-fifths (44 per cent) were paid within 10 per cent of the correct rate (between £2.41 and £2.67). This indicates that non-compliance could in some cases be due to measurement or calculation error:

Among those aged 19-20 and in the second year or later, the mean pay figure among non-complaint apprentices was £3.98 (cf. their minimum wage of £5.03). Eight per cent had a

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<sup>2</sup> Just 42 Level 4 and Level 5 apprentices were paid below the appropriate NMW; due to the low base size, it is not possible to analyse the distribution of their pay.

gross hourly pay figure very close to the NMW rate (between £5.00 and £5.02), and overall nearly two-fifths (38 per cent) were paid within ten per cent of the correct rate (between £4.53 and £5.02), with a clear spike at the £5.00 (five per cent).

Among those aged 21 or over and in the second year or later of their Apprenticeship, the mean pay figure was £4.96 (cf. their minimum wage of £6.31). Compared with the previous groups, a smaller proportion were paid very close to the NMW (just two per cent were paid between £6.28 and £6.30), while overall less than a third (30 per cent) were paid within 10 per cent of the correct NMW amount (between £5.68 and £6.30).

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).

Although overall levels of non-compliance for Level 2 and Level 3 apprentices were slightly lower when calculated from basic rate pay, total earnings, and pay excluding unpaid overtime hours, these differences were not significant, suggesting that there is no single factor driving non-compliance. However, there was a large difference within Hairdressing: according to the NMW calculation, 45 per cent of apprentices within this framework had non-compliant pay, but this dropped to 35 per cent when total earnings were taken into account.

## Total weekly earnings

The mean total weekly earnings among Level 2 and Level 3 apprentices was £257, and the median £238. Overall 94 per cent of their total weekly pay came from ‘basic’ pay and five per cent from overtime (with the remainder coming from tips and bonuses).

Earnings varied widely by framework, with the mean total weekly pay highest among Level 2 and Level 3 apprentices on the Management framework (£393) and lowest (at £152) in the Hairdressing framework.

Across all Level 4 and 5 apprentices in Great Britain, mean total weekly earnings were £480 (median: £413). Again earnings varied by framework, with the mean total weekly pay highest among apprentices in Other Level 4 and 5 frameworks (£513) and lowest (at £301) in the Accountancy framework.

## 2. Introduction

### Background

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

Apprenticeships are administered by the Skills Funding Agency (SFA) in England, Skills Development Scotland (SDS) in Scotland and the Welsh Government in Wales. Although funding arrangements differ slightly in each country, in all three countries employers are required to pay wages and meet other employment costs.

The National Minimum Wage is the minimum pay per hour almost all workers in the UK are entitled to by law<sup>3</sup>. As well as separate minimum rates for those aged under 18, 18-20 and 21 or over, there is a distinct National Minimum Wage rate for apprentices aged 16 to 18 and those aged 19 or over who are in their first year of the Apprenticeship. All other apprentices are entitled to the National Minimum Wage for their age.

The current and recent National Minimum Wage rates are shown in Table 2.1. At the time of the survey the NMW rates that applied were the 2013 rates, shown in bold.

**Table 2.1: National Minimum Wage Rates (hourly)**

	Apprentices (16-18 or in first year)	Under 18	18-20	21 and over
<b>From 1 October 2013 to 30 September 2014 (the rate in effect at time of survey fieldwork)</b>	<b>£2.68<sup>4</sup></b>	<b>£3.72</b>	<b>£5.03</b>	<b>£6.31</b>
From 1 October 2012 to 30 September 2013	£2.65	£3.68	£4.98	£6.19
From 1 October 2011 to 30 September 2012	£2.60	£3.68	£4.98	£6.08

At the time the study was conducted, apprentices in their first year of study or aged 16 to 18 were entitled to a minimum £2.68 an hour, apprentices aged 19 to 20 in their second or

<sup>3</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 <https://www.gov.uk/national-minimum-wage/who-gets-the-minimum-wage>.

<sup>4</sup> In October 2014 (after the fieldwork for this survey took place) the NMW rates were increased, with the apprentice rate increasing to £2.73 an hour.

later year of their Apprenticeship were entitled to £5.03 an hour, and those aged 21 or older in their second or later year were entitled to £6.31 an hour.

## Research Objectives

The main objective of this research was to provide an accurate and up-to-date picture of the pay of apprentices across Great Britain, and within England, Scotland and Wales, in order to assist with development and monitoring of Apprenticeship and National Minimum Wage (NMW) policy. For example, evidence from the Apprenticeship Pay Survey contributes to the Low Pay Commission's recommendations to Government for the Apprenticeship minimum wage rate.

More specifically, the research objectives were to investigate:

- the wages employers are paying apprentices
- the number of hours apprentices spend working and undertaking training, in order to establish their hourly wage rates
- the range of wage rates and differences by type of apprentice, for example by gender, age, framework, ethnicity, disability, level, number of years since starting the programme and prior employment status.

## Methodology

The survey comprised a large scale survey of 9,367 apprentices, conducted by telephone from 22 July 2014 to 14 September 2014. Respondents had to be on provision (i.e. current apprentices) at the time of the interview.

## The questionnaire

Prior to the main fieldwork, the proposed questionnaire was cognitively tested. This involved 12 discussions (all but two conducted face-to-face) with apprentices across different levels and covering a broad spread of frameworks. The proposed questionnaire was revised following these interviews and then extensively piloted. The pilot involved 50 interviews with apprentices: 43 with Level 2 and Level 3 apprentices (across 12 grouped frameworks) and seven among Level 4 and Level 5 apprentices.

The final questionnaire used for the survey is appended. It is worth noting a number of features of the 2014 questionnaire, in that they were somewhat different from those used in previous Apprenticeship Pay surveys.

- Respondents were encouraged to answer with a recent payslip to hand in order to ensure accuracy of response. Overall 3,213 (34 per cent) answered with a payslip.
- If apprentices did not answer with a payslip (or if their answers within this section did not allow an hourly pay figure to be calculated, for example because of 'don't know' responses), then they were asked about their pay and hours for the last full working week. They were asked if the pay and hours of this last full working week

were typical and if not they were asked about a typical week. The latter was then used for calculating hourly pay.

- Respondents were encouraged to answer pay questions in gross rather than net (take home) terms, though were offered the opportunity to answer either way. Responses answered in net terms were converted to gross for the analysis, as the National Minimum Wage is based on gross pay. The conversion calculation is provided in the Appendix in the section 'Net to Gross Pay Conversion Calculation'.
- Respondents were offered the opportunity to answer about their pay for a frequency of their preference, from hourly to annual. At the analysis stage, pay was converted to an hourly figure to assess whether their pay met or exceeded the National Minimum Wage. The method for this conversion is detailed in the Appendix section entitled 'Gross Hourly Pay Conversion'.

## Sampling and weighting

Three different national sample frames were used: the Individualised Learner Record (ILR) in England; Scotland's Corporate Training System; and the Lifelong Learning Wales Record.

The sample for the main stage was structured to achieve a desired profile of interviews across Great Britain to enable analysis by country, broad framework and level. By level within country, the aim was to achieve:

- In England: 6,000 interviews with Level 2 / Level 3 apprentices and 500 with Level 4 / Level 5 apprentices
- In Scotland 2,000 interviews with Level 2 / Level 3 apprentices and 150 with Level 4 / Level 5 apprentices
- In Wales: 2,000 interviews with Level 2 / Level 3 apprentices and 200 with Level 4 / Level 5 apprentices

Within these overall targets, targets were set by level within framework for both England and Scotland (in Wales there was relatively limited sample available, and an interview was attempted with the entire available sample). For Level 2 and Level 3 apprentices 12 broad frameworks were used: Business Administration; Children's Care, Learning and Development; Construction; Customer Service; Electrotechnical; Engineering; Hairdressing; Health and Social Care; Hospitality and Catering; Management; Retail; and Other. For Level 4 and Level 5 apprentices, three framework categories were used: Accounting; Care Leadership and Management and Management; and Other.

The targets were set to over-represent smaller frameworks (those with a lower number of apprentices) in relation to the proportion of the overall apprentice population they represented in order to ensure sufficient base sizes at the analysis stage, while still undertaking more interviews within larger frameworks. The Appendix provides further detail on how sample targets were set (in the 'Sampling' section).

To achieve the desired number of interviews in England and Scotland sample was supplied on an approximate 3 to 1 basis, adjusted in some frameworks where lower responses rates were achieved in 2012. In Wales, 4,297 names were supplied.

Before being contacted all respondents were sent a letter introducing the research and requesting participation. A copy of the letter is appended (note in Wales respondents were sent the letter in both English and Welsh and they were also able to complete the survey in either language).

At the analysis stage the data was weighted to ensure it was representative of the population of apprentices within each country of Great Britain by framework and level, as well as by age, gender and year of Apprenticeship. Further information about the weighting process is included in the Appendix.

Full details of the survey method can be found in the separate Technical Report.

## Comparisons with previous Apprenticeship Pay Surveys

Within this report we make comparisons with the two most recent Apprenticeship Pay surveys. It should be noted that these had a somewhat different coverage than the 2014 study:

- The Apprenticeship Pay Survey 2012<sup>5</sup> covered England (6,507 telephone interviews), Wales (1,817 telephone interviews) and Northern Ireland (640 postal self-completion interviews). The 2012 survey covered Level 2 and Level 3 apprentices but not, as in the 2014 survey, higher apprentices. Fieldwork was undertaken from October – December 2012. The survey covered current apprentices but, unlike the 2014 survey, also included recent completers (defined as those completing after April 2012, so up to eight months prior to fieldwork).
- The Apprenticeship Pay Survey 2011<sup>6</sup> covered the whole of the UK (not as in 2014 Great Britain) with the following achieved sample sizes: England 6,140 interviews, Scotland 2,041, Wales 1,997 and Northern Ireland 842 interviews. In Northern Ireland the interviews were conducted using a postal self-completion methodology, elsewhere telephone interviews were used. The 2011 survey covered Level 2 and Level 3 apprentices but not higher apprentices. Fieldwork was undertaken from June and July 2011. The survey included current apprentices as well as recent completers (defined as those completing in 2011, so up to seven months prior to fieldwork).

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<sup>5</sup> <https://www.gov.uk/government/publications/apprenticeship-pay-survey-2012>

<sup>6</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32286/12-p137-apprenticeship-pay-survey-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32286/12-p137-apprenticeship-pay-survey-2011.pdf)

It is also worth noting that the questionnaire used in the 2014 survey was substantially re-designed from that used in the 2011 and 2012. *For these reasons caution is needed when making comparisons between the 2014 and the earlier Apprenticeship Pay Surveys.*

Some of the key differences include:

- The 2014 questionnaire tried where possible to fix pay and hours to a definite time period (e.g. from their payslip or if not the last full working week). In 2012 all pay and hours worked and trained questions asked about their *usual* pay or hours.
- Not aiming to obtain separate hours for work and for time spent training (nor a split between off and on-the-job training hours). Apprentices were asked about the hours they worked, and then about any additional hours spent training. Respondents were left to decide whether they treated on-the-job training within their hours of work or as additional training – the key objective was for an accurate picture of the combined total hours of work and training.
- Accommodation provision and charges were included in 2014 - this factor was not taken into account in 2012 or 2011<sup>7</sup>. At the time of the survey the offset rate for accommodation charges was £34.37 a week and if an employer charges more than this, the difference is taken off the apprentice's pay which counts for the minimum wage<sup>8</sup>. This means that the higher the accommodation charge, the lower an apprentice's pay when calculating the minimum wage. If the accommodation is at or below the offset rate of £34.37 a week, it does not have an effect on the apprentice's pay whereas if the accommodation is free, the offset rate is added to the apprentice's pay.
- Questions on overtime in 2014 explored unpaid overtime, overtime paid at their normal hourly rate and (unlike 2012) overtime paid at a higher rate. The latter explored both the higher rate of pay and the hours worked at the higher rate. Higher rate overtime pay and hours are not included in calculations of hourly pay in relation to whether these meet National Minimum Wages rates.

## Key variables used in this report

In the following 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 Appendix B in the section entitled 'Net to Gross Pay Conversion Calculation').

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<sup>7</sup> The provision of accommodation by an employer to an apprentice is the only benefit in kind which can be taken into account when calculating the minimum wage.

<sup>8</sup> <https://www.gov.uk/national-minimum-wage-accommodation>

## Basic gross hourly pay

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

## Gross hourly pay for calculating NMW compliance

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

- Pay excluding any overtime paid at a higher rate, tips and bonuses. (Note that although bonuses can count towards the NMW, 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 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.

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 for 7,982 respondents (85 per cent of all respondents).

The hourly pay figure calculated in this way has been used to determine compliance or not with the NMW, but the actual pay rate has not been shown other than in Figures 3.12, 3.13 and 3.14 (and the equivalents in each chapter) which show pay levels of those paid below the NMW.

## Compliance / Non-compliance with the National Minimum Wage (NMW)

Cases where the information supplied by the apprentice indicates that they are not being paid the NMW 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.

More apprentices are either compliant or non-compliant than we were able to calculate an exact gross hourly pay figure for because<sup>9</sup>:

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<sup>9</sup> Of those for whom it was possible to assess whether their pay was compliant or not, for 95 per cent (unweighted) it was possible to calculate an exact gross hourly pay figure for.

- In some cases where an individual gave a range answer on pay or hours, whatever end of the range they fell they were still either compliant or not
- 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 or the other, hence excluding those where it was not possible to determine compliance.

The relevant NMW 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 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 pay figure.

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

Reducing non-compliance with the National Minimum Wage is a priority for the Government. There are campaigns in place to increase awareness, for example in England the Apprentices Minister writes to all new apprentices informing them of their NMW entitlement. There are resources dedicated to dealing with cases of underpayment, notably the Pay and Work Rights Helpline. More information about the action being taking to reduce levels of non-compliance can be found on the gov.uk website.

## 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.

## The profile of apprentices

The demographic profile of apprentices is shown on the Table 2.2. These are based on weighted survey data – weighting was undertaken by level within framework, age, gender and year of the Apprenticeship. Most Level 2/3 apprentices were aged over 20 (64 per cent), with around one in seven aged under 19 (14 per cent). Level 4/5 apprentices had an older profile, and seven in ten were aged 25 plus (71 per cent). Level 2/3 apprentices were evenly split by gender, while a majority of Level 4/5 apprentices were women (57 per cent).

**Table 2.2: Demographic profile of apprentices**

	Level 2/3	Level 4/5
<i>Base: all</i>	8,526	841
	%	%
<b>Age</b>		
16-18	14	1
19-20	22	12
21-24	23	15
25+	41	71
<b>Gender</b>		
Male	51	43
Female	49	57
<b>Ethnicity</b>		
White	89	92
Asian / Asian British	5	5
Black / Black British	4	3
Mixed	1	*
Other	1	*
<b>Country</b>		
England	89	72
Scotland	6	6
Wales	5	23

Table 2.3 shows the profile of Level 2 / Level 3 apprentices by framework. The most common frameworks being undertaken were Health and Social Care and Sport (21 per cent) and Engineering, Manufacturing technologies (17 per cent). Just over half of Level 2/3 apprentices were undertaking Level 2 Apprenticeships (56 per cent). This varied widely by framework, from less than 0.5 per cent in Electrotechnical to 79 per cent in Retail undertaking their Apprenticeship at Level 2.

Most Level 2/3 apprentices were in their first year of the Apprenticeship (70 per cent). Again this varied by framework, from three in ten in Electrotechnical to over eight in ten for Business and related, Customer Service, and Hospitality and Catering.

Table 2.3 also shows how the proportion of young apprentices aged 16-18 varies by framework. The Construction and particularly the Hairdressing frameworks had a particularly young profile (with 29 and 46 per cent respectively aged under 19).

Although overall there was a roughly even gender split (49 per cent of Level 2 and Level 3 apprentices were female), this varied widely by framework, with the proportion of female apprentices much higher in Children's Care (92 per cent) and Hairdressing (89 per cent), and much lower in Electrotechnical, Engineering and Manufacturing technologies and Construction (each less than five per cent).

**Table 2.3: Framework details (Level 2 and Level 3 apprentices)**

	Column %	Row %				
	%		Level 2	1 <sup>st</sup> Year of the Apprenticeship	Aged 16-18	Female
<b>GB</b>	100	%	<b>56</b>	<b>70</b>	<b>14</b>	<b>49</b>
Business and related	11	%	59	83	14	64
Children's Care <sup>10</sup>	5	%	31	74	14	92
Construction	6	%	62	54	29	3
Customer Service	6	%	72	85	11	57
Electrotechnical	2	%	*	30	22	1
Engineering, Manufacturing technologies	17	%	49	53	23	3
Hairdressing	4	%	70	67	46	89
Health and Social Care and Sport	21	%	55	72	5	75
Hospitality and Catering	7	%	78	81	9	56
Management	7	%	54	76	*	56
Retail	7	%	79	79	7	44
Other Level 2/3	7	%	70	80	14	43

*\* refers to a figure of less than 0.5 per cent but more than 0.*

<sup>10</sup> 'Children's Care' has been used in the report as an abbreviation for the full framework title of 'Children's Care, Learning and Development and Well Being'

Most of the Level 4/5 apprentices were undertaking Care Leadership and Management framework (59 per cent), with the remainder on Accountancy (15 per cent) or other frameworks (25 per cent). Most were on Level 5 provision (58 per cent), though this varied widely from five per cent in Accountancy to 93 per cent in Care Leadership and Management. Most were on the first year of their Apprenticeship (62 per cent), though in Accountancy there was an almost even divide (with 51 per cent in their first year).

Among Level 2 / 3 apprentices, one in six (16 per cent) were receiving benefits or tax credits. This was much higher among women (25 per cent compared with eight per cent of men) and those aged 25 plus (34 per cent). Child tax credit (11 per cent of all Level 2/3 apprentices), Working tax credit (nine per cent) and Housing benefit (five per cent) were by far the most common benefits / tax credits being received. Among level 4/5 apprentices, the same proportion (16 per cent) were receiving benefits or tax credits, and this was again higher among women (20 per cent, compared with 10 per cent of men), and those aged 25 plus (21 per cent). Most were receiving either Child tax credit (8 per cent of all Level 4/5 apprentices) or Working tax credit (five per cent)

## About this report

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

- **Chapter 3** examines results across Great Britain covering those undertaking Level 2 or Level 3 Apprenticeships
- **Chapter 4** examines results for individuals undertaking Level 2 or Level 3 Apprenticeships in England
- **Chapter 5** examines results for individuals undertaking Level 2 or Level 3 Apprenticeships in Scotland
- **Chapter 6** examines results for individuals undertaking Level 2 or Level 3 Apprenticeships in Wales
- **Chapter 7** examines results for individuals in Great Britain undertaking intermediate and advanced Apprenticeships at Level 4 or 5. It also discusses some findings for the Level 2-5 combined.

## 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 per cent. A zero percentage value is denoted by '-' in the tables.

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

All figures on tables and charts are based on weighted findings from the 2014 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).

## 3. Pay levels of Level 2 and Level 3 Apprentices in Great Britain

### Key facts and summary

Two-thirds of Level 2 and 3 apprentices (67 per cent) had already been working for their employer when they started their Apprenticeship. This was much higher in Wales (78 per cent) and much lower than average in Scotland (59 per cent).

Most Level 2 and 3 apprentices were employed on a permanent basis (76 per cent). Ten per cent were employed just for the duration of their Apprenticeship, rising to approaching a quarter of those aged 16-18 (24 per cent) and on the Hairdressing framework (22 per cent).

Apprentices worked and trained a mean average of 39.7 hours a week in total (median 40 hours). In Electrotechnical, Construction, Engineering and Management apprentices worked more hours than average (means of 42-44 hours a week). In all other frameworks the mean average was in the 37-39 hours a week range.

Among Level 2 and Level 3 apprentices in Great Britain, the mean basic pay was £6.79 an hour, and the median £6.31. Apprentices in Wales had a slightly higher rate than average – this was also found in the 2012 and 2011 Apprenticeship Pay surveys.

**Table 3.1: Basic rate hourly pay (Level 2 and Level 3 apprentices)**

	Base n	Mean £	Median £
<b>Great Britain</b>	7,265	<b>£6.79</b>	<b>£6.31</b>
England	4,239	£6.78	£6.31
Scotland	1,741	£6.61	£6.11
Wales	1,285	£7.43	£6.63

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

As found in previous Apprenticeship Pay Surveys, those in Hairdressing had the lowest basic hourly pay (a mean of £3.95 and a median of £2.94) and those on a Management framework the highest (a mean of £9.71 and a median of £8.42).

Across GB around a third (35 per cent) of apprentices said their hourly rate had increased during their Apprenticeship. This was higher in Scotland (50 per cent). It was also higher among those that had been on their course longer than a year (54 per cent).

Taking overtime, tips and bonuses into account, the mean average total weekly earnings was £257 (median £238). Again this varied widely by framework, with earnings highest among Management (a mean of £393 a week) and lowest among those on the Hairdressing framework (£152). Basic pay accounted for 94 per cent of total earnings, and overtime five per cent (the remainder is accounted for by tips and bonuses).

Results indicate that (among apprentices where the necessary pay details had been provided) 15 per cent of all Level 2 and Level 3 apprentices were paid below the NMW. Non-compliant pay was more common among apprentices in Hairdressing (42 per cent), Children's Care (26 per cent) and Construction (26 per cent). In comparison, just four per cent of Level 2 and Level 3 Management apprentices for whom compliance could be calculated were paid below the NMW.

High levels of non-compliance with the NMW were found among the following groups: those employed for the duration of the Apprenticeship only (28 per cent), those that had been on the course for more than a year (27 per cent), those aged 16-18 (24 per cent) and those that had not worked for their employer before they started their Apprenticeship (23 per cent).

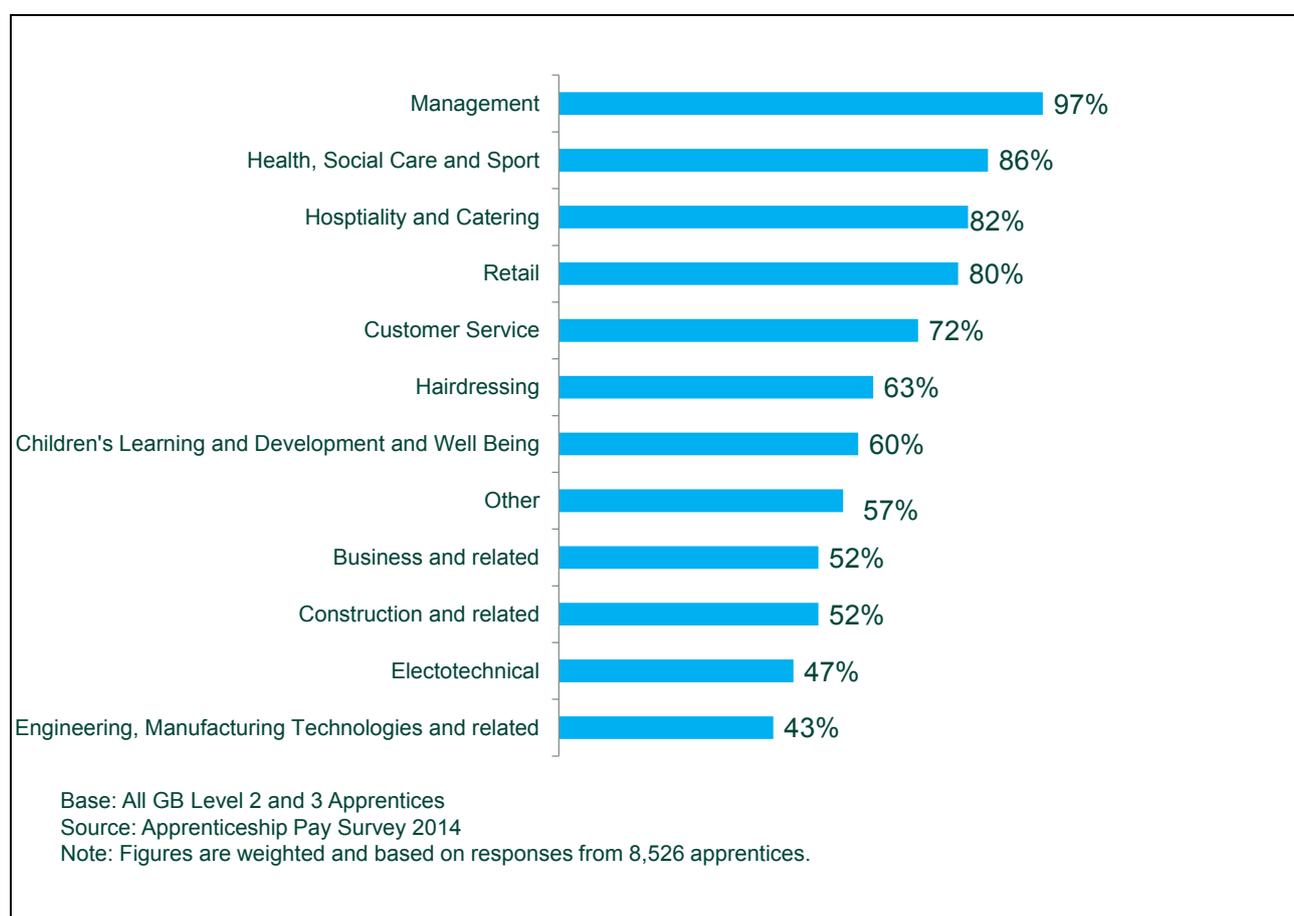
Although the vast majority (94 per cent) of apprentices had heard of the National Minimum Wage, and three-fifths were aware that there is a National Minimum Wage rate for certain apprentices (62 per cent), only around a quarter (26 per cent) knew or claimed to know the actual minimum rate for apprentices.

## Routes into Apprenticeships

Two-thirds of Level 2 and 3 apprentices (67 per cent) had already been working for their employer when they started their Apprenticeship. This is a broadly similar level to the England figure for the 2012 Apprenticeship Pay Survey and the Great Britain figure for the 2011 Apprenticeship Pay Survey when seven in ten were working for their employer before embarking on their training. This demonstrates that employers are continuing to use Apprenticeships largely to develop existing staff, rather than recruiting new workers onto Apprenticeships. The 2014 results varied widely by country, with those based in Wales much more likely to have been existing staff (78 per cent) than those in Scotland (59 per cent).

There were noticeable differences across framework in terms of whether apprentices were working for their employer prior to beginning their training (see Figure 3.1). As in 2011 and 2012, the frameworks with the highest proportion of those already working for their employer were Management (97 per cent), Health, Social Care and Sport (86 per cent), Hospitality and Catering (82 per cent), Retail (80 per cent) and Customer Service (72 per cent).

**Figure 3.1: Proportion of Level 2 and Level 3 apprentices in GB working for their employer prior to starting their Apprenticeship, by framework**



As might be expected, the likelihood of working for their employer prior to enrolment increased with age. Only around a third of 16-18 year olds (36 per cent) already worked for their employer before their Apprenticeship, increasing to 42 per cent of 19-20 year olds, 64 per cent of 21-24 year olds and 93 per cent of those aged 25 or older. As in previous years, female apprentices were also more likely to have already been working for their employer (76 per cent, compared with 58 per cent of males).

## Working arrangements and number of hours contracted to work

### Contractual and employment arrangements

Nine in ten Level 2 and Level 3 apprentices across Great Britain reported having a written contract of employment (90 per cent), eight per cent said they had had no written contract, and two per cent were unsure<sup>11</sup>. In most cases these written contracts covered the full year: 85 per cent of all Level 2 and 3 apprentices had a written contract for the full year compared with three per cent having a contract covering part of the year (two per cent

<sup>11</sup> Although noting the wording in the 2014 survey was slightly different to 2012, results across the two surveys are very similar: in 2012 87 per cent of Level 2 and Level 3 apprentices in England indicated that they had a contract of employment.

were unsure as to whether their contract was for the full year or not). Of the three per cent of Level 2 and Level 3 apprentices contracted to work only part of the year, a third (34 per cent) were unsure how many weeks a year they were contracted to work, eight per cent were contracted for 12-26 weeks, 32 per cent for 27-39 weeks, and 25 per cent for between 40-51 weeks.

Three-quarters (76 per cent) of GB Level 2 and 3 apprentices worked for their employers on a permanent basis with no fixed end date. Far fewer were employed for the duration of their training only (ten per cent) or had a fixed end date for their employment after completion of their training (six per cent). Six per cent had another arrangement and three per cent were unsure what their employment / contract circumstances were.

The employment arrangement and contractual status differed according to framework and age, as Table 3.2 shows.

Hairdressing and Construction apprentices were the least likely to report having a written contract (72 and 81 per cent respectively). In addition, Hairdressing apprentices were also the least likely to be employed on a permanent basis (59 per cent).

By age, the proportion of apprentices with a written contract was lowest among 16-18 year olds (83 per cent) and highest among those aged 25 plus (93 per cent). In a similar way the proportion of apprentices with a permanent contract or working arrangement increased with age, from just over half (53 per cent) of 16-18 year old apprentices to over nine in ten (92 per cent) of those aged 25 or over.

**Table 3.2: Written contracts and employment arrangements by framework and age of GB Level 2 and 3 apprentices**

	Base	%	Written contract		Employment arrangement <sup>1</sup>		
			Yes	No	Permanent	For training period only	Fixed end after completion
<b>Apprenticeship Framework</b>							
Management	450	%	95	4	97	1	*
Retail	528	%	93	5	82	5	7
Business and related	927	%	92	7	66	15	9
Health and Social Care and Sport	948	%	93	7	86	4	3
Other	480	%	91	7	63	18	8
Engineering, Manufacturing technologies	1,416	%	89	8	68	14	8
Customer Service	462	%	89	8	81	8	4
Children's Care	549	%	89	10	68	14	8
Electrotechnical	611	%	88	9	67	17	6
Hospitality and Catering	599	%	86	12	87	5	2
Construction	1,022	%	81	14	66	15	8
Hairdressing	534	%	72	23	59	22	6
<b>Age</b>							
16-18	2,133	%	83	13	53	24	10
19-20	2,479	%	89	9	63	18	9
21-24	1,850	%	88	10	74	10	6
25 +	2,064	%	93	6	92	1	2
<b>GB Total</b>	<b>8,526</b>	<b>%</b>	<b>90</b>	<b>8</b>	<b>76</b>	<b>10</b>	<b>6</b>

Base: All GB L2 and L3 apprentices

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

<sup>1</sup> This question was asked of all apprentices, irrespective of whether or not they had a written contract.

## Contracted hours versus the number of hours worked

The vast majority (85 per cent) of apprentices had a set number of contracted hours. As Figure 3.2 outlines, this was most often 35-39 hours a week (38 per cent of all Level 2 and 3 apprentices) or 40-44 hours a week (22 per cent): the mean was 35.4 contracted hours a week and the median 37.5 hours.

Two per cent of apprentices were contracted to work 1-15 hours, which is fewer hours than they should under Apprenticeship funding rules. This was more common among apprentices undertaking Retail (seven per cent) and Children's Care Apprenticeships (six per cent).

The total weekly hours worked (including time spent working or training and doing overtime) is higher than the number of contracted hours, as Figure 3.3 shows. For example, although only four per cent of apprentices had contracted hours of more than 45 hours a week, around a quarter of Level 2 and Level 3 apprentices (26 per cent) reported working and training these hours.<sup>12</sup>

Males were more likely than females to be working and training more than 45 hours a week towards their Apprenticeship (30 per cent compared to 20 per cent) as were those over 20 (26 per cent of those aged 21+ compared with 23 per cent among those aged 19-20). There were also noticeable differences across framework. Apprentices in Electro technical, Engineering and Construction and were particularly likely to be working / training for more than 45 hours a week (38, 33 and 30 per cent respectively).

The mean number of hours apprentices reported working and training per week was 39.7, 4.3 more than those with contracted hours were contracted to work (the difference between the two median calculations was 2.5 hours). Those who did not have a set number of hours to work each week worked and trained for a mean total of 39.7 hours a week (and a median of 40), as per those with set contracted hours. Just over half (53 per cent) worked 40 hours a week or more whereas only 26 per cent were contracted to do so.

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<sup>12</sup> Apprentices were not asked whether their contracted hours also covered hours spent training. It is not possible therefore to determine the degree to which whether extra hours worked beyond their contracted hours, comprise training hours or additional working hours. However, it should be noted that an apprentice's contract should cover the time spent working and training off-the-job.

**Figure 3.2: Number of hours contracted to work versus number of actual hours working and training**

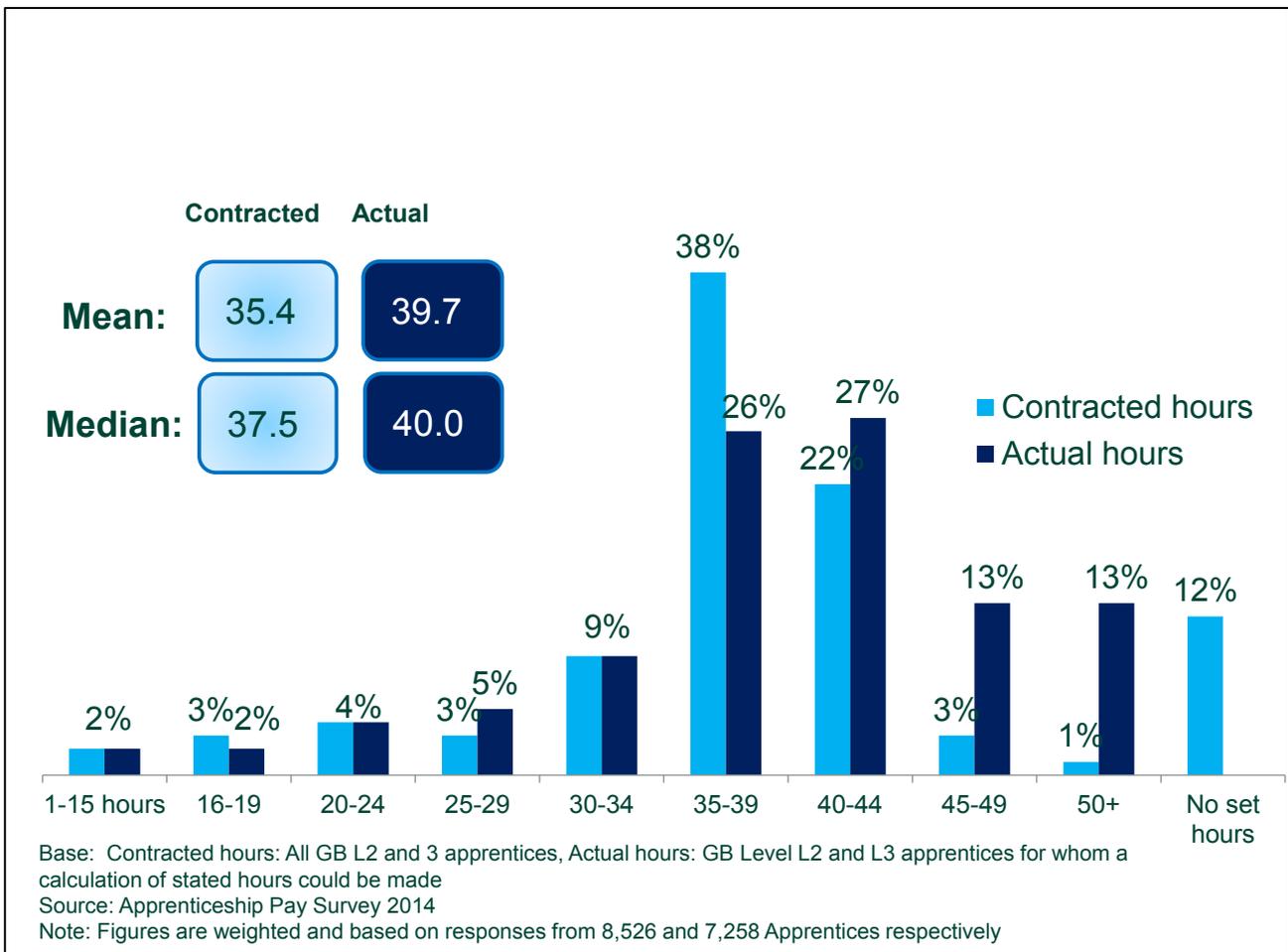


Table 3.3 shows actual hours worked compared against the hours apprentices were contracted to work. In addition, the final column shows the percentage of apprentices who worked more hours than contracted. Overall 63 per cent of apprentices worked a higher number of hours than they were contracted to, higher among those with lower contracted hours (around four-fifths contracted to work less than 30 hours a week worked / trained for more hours than their contracted hours).

**Table 3.3: Number of hours contracted to work versus number of actual hours working and training**

	Actual hours worked						% working longer actual hours than contracted <sup>13</sup>	
	Base		1-19	20-29	30-39	40-49		50+
Contracted hours	7,258							
<b>1-19</b>	272	%	36	42	11	7	4	81
<b>20-29</b>	380	%	5	51	34	8	3	77
<b>30-39</b>	3,443	%	2	2	55	32	9	63
<b>40-49</b>	2,090	%	1	1	11	69	19	56
<b>50+</b>	69	%	3	*	1	18	79	50
<b>No set hours</b>	1,004	%	7	12	24	38	18	n/a

*Base: GB L2 and L3 apprentices for whom a calculation of actual hours could be made*

Table 3.4 shows the mean and median figures for both contracted and actual hours broken down by framework, and also shows the difference between contracted and actual hours.

Apprentices in the Retail, Health, Social Care and Sport, and Children's Care frameworks had a lower number of contracted and actual hours than the average but the difference in the mean figures between the actual and contracted hours was higher than average. Conversely, Construction apprentices worked a higher than average mean number of hours but the gap between their contracted and actual hours was lower than average. Apprentices training in Engineering, Management and Electrotechnical had both a greater number of weekly hours and a bigger difference between their contracted and actual hours than average.

<sup>13</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.

**Table 3.4: Number of hours apprentices contracted to work versus number of actual hours (Level 2 and Level 3 apprentices across GB)**

			Mean hours			Median hours		
	Contracted hours Base	Actual hours Base	Contracted	Actual	Extent to which actual hours exceed contracted hours	Contracted	Actual	Extent to which actual hours exceed contracted hours
	n	n	Hours					
Business & related	897	811	36.1	38.5	2.4	37.5	38.0	0.5
Children's Care	486	459	32.0	37.5	5.5	35	39.5	4.5
Construction	815	902	39.1	42.8	3.7	40	40.0	0.0
Customer Service	421	379	35.3	37.9	2.5	37.5	38.0	0.5
Electrotechnical	491	534	38.9	43.7	4.8	40	42.0	2.0
Engineering, Manufacturing technologies	1268	1236	38.9	42.7	3.8	39	41.0	2.0
Hairdressing	411	449	36.5	38.9	2.4	38	40.0	2.0
Health & Social Care & Sport	704	763	32.9	38.7	5.8	35	38.4	3.4
Hospitality and Catering	404	514	32.7	38.4	5.6	35	39.3	4.3
Management	412	354	36.5	41.9	5.4	37.5	41.0	3.5
Retail	486	456	32.0	37.8	5.9	36	39.0	3.0
Other	423	401	34.5	38.0	3.5	37	38.5	1.5
<b>GB Total</b>	<b>7,218</b>	<b>7,258</b>	<b>35.4</b>	<b>39.7</b>	<b>4.4</b>	<b>37.5</b>	<b>40</b>	<b>2.5</b>

Base for contracted hours: All GB L2 and L3 apprentices with a specified number of contracted hours (7,218). Base for actual hours: GB L2 and L3 apprentices for whom a calculation of hours worked could be made (7,258).

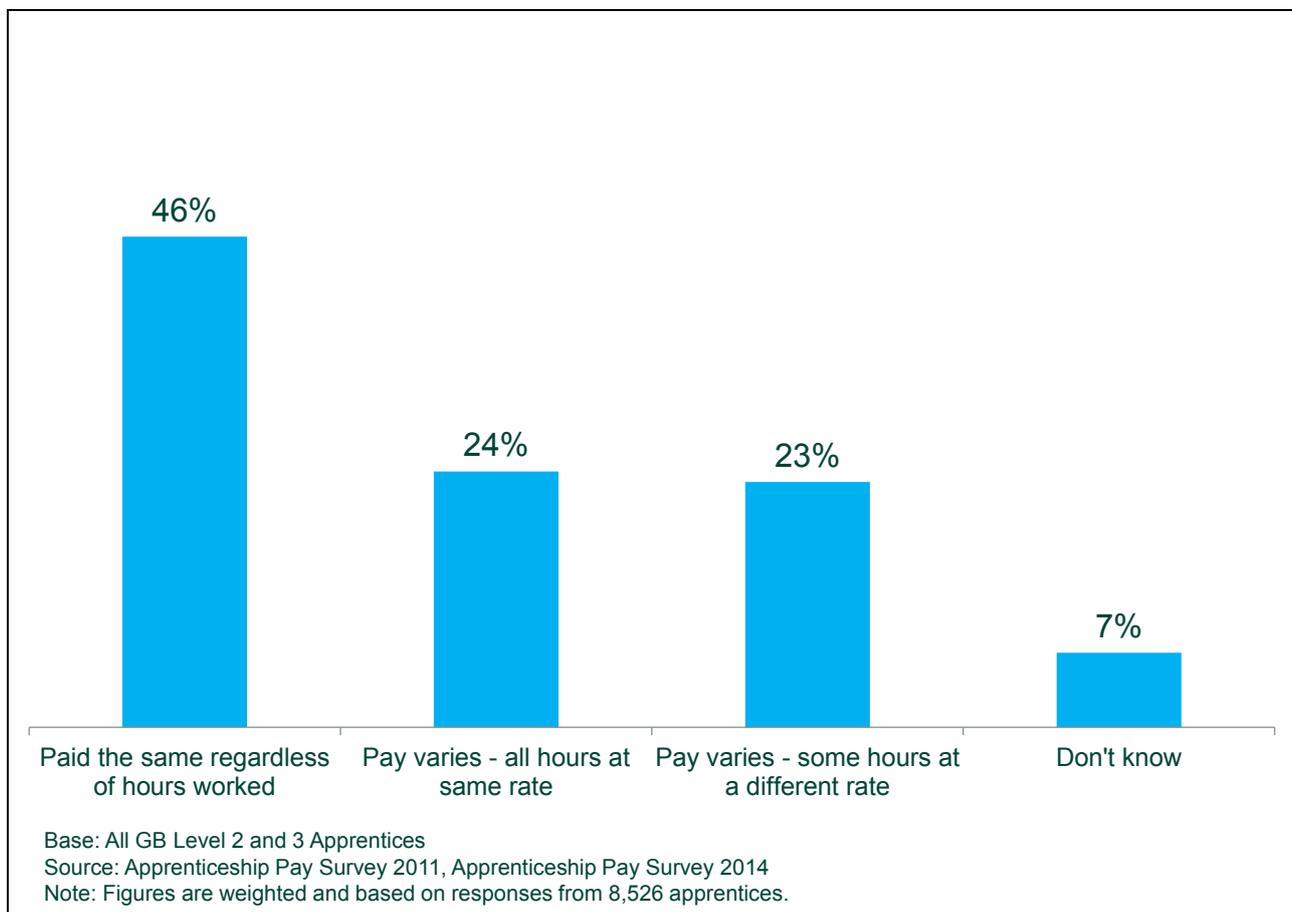
Shading in grey denotes where weekly hours are higher than the overall average.

## Rates of Pay

### Pay arrangements

Approaching half of apprentices (46 per cent) were paid the same total amount each week, regardless of the number of hours they worked. A quarter (24 per cent) were paid the same hourly rate and their pay varied according to the number of hours they worked, and a similar proportion (23 per cent) of apprentices were paid different hourly rates under different circumstances, for example if they worked overtime or at weekends, as shown in Figure 3.3.

**Figure 3.3: Pay arrangements for apprentices (Level 2 and 3 across GB)**



Younger apprentices were more likely to get paid the same total amount each week, regardless of the hours they worked. This was the case for 56 per cent of 16-18 and 51 per cent of 19-20 year olds, compared with 46 per cent of 21-24 year olds and 40 per cent of those over 25. There were also very wide differences across framework as Table 3.5 shows. For example in Business and related and in Hairdressing more than two-thirds of apprentices were paid the same each week, while this applied to only just over a quarter in Health and Social Care and Sport, Electrotechnical, and Hospitality and Catering.

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

	Base		Paid the same amount, irrespective of number of hours	Pay varies – all hours at the same rate	Pay varies – some hours at different rate
	<i>n</i>				
<b>Framework</b>					
Business and related	927	%	77	10	6
Hairdressing	534	%	70	26	3
Other	480	%	65	13	16
Customer Service	462	%	56	27	10
Construction	1,022	%	48	16	28
Engineering, Manufacturing technologies	1,416	%	47	9	34
Children's Care	549	%	45	38	8
Management	450	%	45	31	17
Retail	528	%	38	27	27
Hospitality and Catering	599	%	28	49	16
Electrotechnical	611	%	26	17	50
Health and Social Care and Sport	948	%	26	34	34
<b>Age</b>					
16-18	2,133	%	57	18	17
19-20	2,479	%	51	20	21
21-24	1,850	%	46	25	24
25+	2,064	%	40	28	25
<b>GB Total</b>	<b>8,526</b>	<b>%</b>	<b>46</b>	<b>24</b>	<b>23</b>

*Base: All GB L2 and L3 apprentices*

*Note: Figures are weighted and based on responses from 8,526 Apprentices. Row percentages do not sum to 100% due to exclusion of "Other" and "Don't know" responses.*

## Pay levels

The 2011 Apprenticeship Pay Survey reported mean hourly pay for Level 2 and Level 3 apprentices of £5.84 per hour (and a median of £5.86). In 2012, an overall GB figure was not provided but taking the England figure for contextual purposes, the mean was £6.21 and the median £6.21.

In 2014 the mean basic hourly pay was £6.79 and the median £6.31, higher than the levels reported in the previous Apprenticeship Pay Surveys (though caution is needed when comparing across the two studies because of some methodological differences, as discussed in Chapter 2). Table 3.6 shows the 2014 mean and median basic hourly pay by

framework, in ascending order of mean hourly pay. How this figure is calculated is discussed in Chapter 2 (section 2.5 entitled 'Key variables used in this report').

Frameworks that had below average basic hourly pay were Hairdressing, Children's Care, Construction, Business, and Engineering and Manufacturing Technologies.

Similar patterns exist compared with 2012, when Management apprentices had the highest average basic hourly pay and Hairdressing apprentices the lowest. This pattern has been the case since the Apprenticeship Pay survey began in 2005.

**Table 3.6: Mean and Median basic hourly pay (GB Level 2 and Level 3)**

	Base n	Mean hourly pay	Difference from overall mean (£6.79)	Median hourly pay £	Difference from overall median (£6.31)
Hairdressing	450	3.95	-2.84	2.94	-3.37
Children's Care	460	5.26	-1.53	5.02	-1.29
Construction and related	902	5.95	-0.84	5.37	-0.94
Business and related	812	6.02	-0.77	5.80	-0.51
Engineering/ Manufacturing	1238	6.50	-0.29	5.83	-0.48
Other	400	6.82	0.03	6.02	-0.29
Hospitality and Catering	514	6.88	0.09	6.31	0.00
Customer Service	380	6.97	0.18	6.71	0.40
Retail	456	7.05	0.26	6.59	0.28
Electrotechnical	535	7.39	0.60	6.24	-0.07
Health, Social Care & Sport	764	7.48	0.69	6.52	0.21
Management	354	9.71	2.93	8.42	2.11
<b>GB Total</b>	<b>7,265</b>	<b>£6.79</b>		<b>£6.31</b>	

*Base: All GB L2 and L3 Apprentices where pay could be calculated based on responses provided*

Table 3.7 shows the mean and median basic hourly pay rate by demographics. Predictably hourly pay increased with age, level of Apprenticeship and length of time apprentices had been on their course. There was no difference between the mean basic pay rates of females and males (although the median average was slightly higher among women).

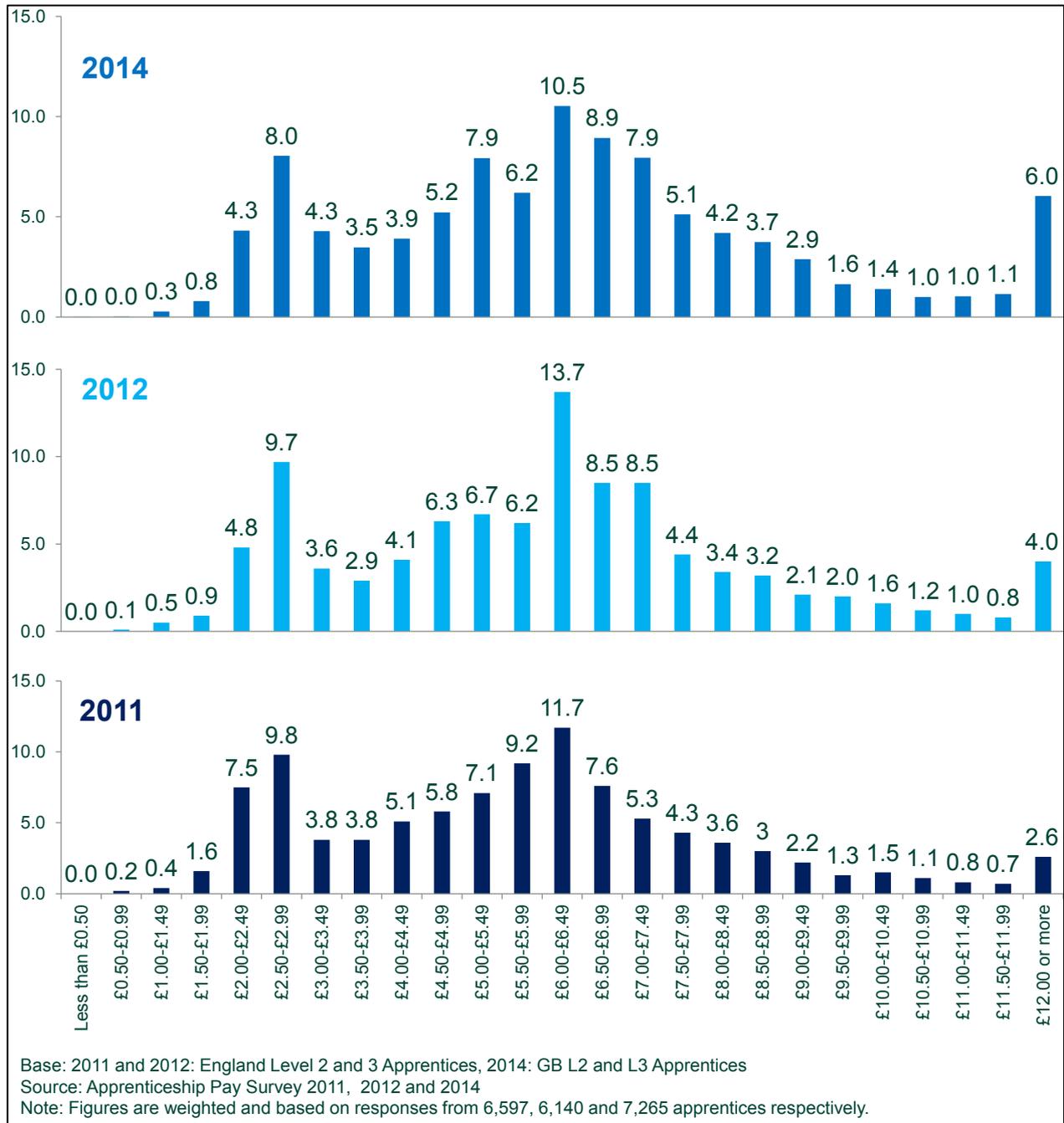
**Table 3.7: Basic hourly pay for Level 2 and Level 3 apprentices in Great Britain**

	Base n	Mean	Median £
<b>Level</b>			
Level 2	3,546	6.29	6.00
Level 3	3,719	7.44	6.60
<b>Gender</b>			
Male	4,242	6.79	6.19
Female	3,023	6.79	6.36
<b>Age</b>			
16-18	2,005	4.34	3.43
19-20	2,071	5.50	5.06
21-24	1,562	6.70	6.48
25+	1,626	8.62	7.27
<b>Ethnicity</b>			
White	6,799	6.64	6.30
Asian / Asian British	203	7.08	6.63
Black / Black British	130	9.62	6.60
Mixed/Other	128	7.31	6.81
<b>Length of time on Apprenticeship:</b>			
One year or less	5,188	6.56	6.26
More than a year	2,077	7.34	6.47
<b>GB Total</b>	<b>7,265</b>	<b>£6.79</b>	<b>£6.31</b>

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

The proportions of apprentices falling within specific pay bands is outlined in Figure 3.4 (later we discuss pay bands specifically for those not receiving the NMW). The figure also provides findings from the 2011 and 2012 surveys based on apprentices in England.

**Figure 3.4: Distribution of basic hourly pay, 2011, 2012 and 2014 (%) (Level 2 and 3 apprentices across GB in 2014, In England 2012 and 2011)**



As in 2011 and 2012, there are clear peaks where there is a correspondence with the NMW for the various age groups i.e. between £2.50-£3.00, £5.00-£5.50 and £6.00-£6.50. In 2014, 54 per cent were being paid between £2 and £6.49.

Six per cent had a basic pay of £12.00+ an hour. This was higher among those aged over 25 and undertaking Management Apprenticeships (11 per cent and 19 per cent).

## Pay increases

Over a third (35 per cent) indicated that their hourly rate had increased during their Apprenticeship. Predictably, length of time on the course affected likelihood of wage changes: 54 per cent of those who had been on their Apprenticeship longer than a year had received a pay increase compared with 27 per cent of those still in their first year. Those aged 19-24 were more likely than average to have had a pay increase (50 per cent of 19-20 and 46 per cent of 21-24 year olds, compared with 38 and 20 per cent of 16-18 year olds and those aged 25+ respectively).

Almost half of males had received a pay rise (45 per cent), a substantially higher proportion than among females (25 per cent).

By framework, those **least** likely to have received an increase were training in:

- Health and Social Care (19 per cent)
- Management (19 per cent)
- Customer Service (25 per cent)
- Hospitality and Catering (28 per cent)

Among those that had received a pay increase, 44 per cent said it had occurred because they had completed the first year of their course (equivalent to 16 per cent of all apprentices), 12 per cent indicated this was because they had turned 19 (equivalent to four per cent of all apprentices), and eight per cent said it was because they had turned 21 (three per cent of all apprentices).

Overall 18 per cent of all Level 2 and 3 apprentices in GB (and 52 per cent of those who received a pay rise) had a wage increase because they either turned 19 or 21 or because they entered the second year of their Apprenticeship, i.e. reasons relating to changes in the NMW band. Of course, apprentices may receive a pay increase without knowing the reason for the rise.

**Table 3.8: Experienced any pay increases by framework and age (Level 2 and Level 3 apprentices across GB)**

	<i>Base</i>		
<b>Framework</b>			
Electrotechnical	611	%	72
Engineering, Manufacturing technologies	1,416	%	62
Construction	1,022	%	57
Hairdressing	534	%	38
Business and related	927	%	37
Children's Care	549	%	29
Other	480	%	29
Retail	528	%	29
Hospitality and Catering	599	%	28
Customer Service	462	%	25
Health and Social Care and Sport	948	%	19
Management	450	%	19
<b>Age</b>			
16-18	2,133	%	38
19-20	2,479	%	50
21-24	1,850	%	46
25+	2,064	%	20
<b>GB Total</b>	<b>8,526</b>	<b>%</b>	<b>35</b>

*Base: All GB L2 and L3 Apprentices*

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

In 2011 and 2012, analysis of hourly pay against contracted hours in England was undertaken which showed those working part-time earned more per hour. In 2012, the mean salary for apprentices whose contracted hours were less than 16 hours per week was £9.69 per hour (£8.66 in 2011). This fell to £6.16 per hour for those working between 16 and 29 hours a week (£6.05 in 2011) and £6.09 for those contracted for 30 hours or more (£5.60 in 2011). The report suggested a potential reason could be a lack of recognition by apprentices that training time was included as part of contractual working hours or because of misreporting.

Similar analysis in 2014 shows that the average basic hourly wage of those with contracted hours of less than 16 hours a week, although still higher than that of other apprentices, was more closely aligned with the overall mean/median than in 2011 or 2012.

Table 3.9 shows the mean and median basic hourly rate of those who were contracted to work a set number of hours a week by number of hours worked. Overall, the mean basic pay for apprentices with contracted hours was £7.18, higher than the overall GB mean

basic wage (£6.79). The mean basic pay for apprentices with contracted hours of less than 16 hours was £8.08 an hour, falling to £7.66 an hour for those working 16-29 hours before falling again to £7.10 for those working 30+ hours a week. Median pay had the same patterns but to a much less marked extent.

**Table 3.9: Mean and Median basic hourly rate based on contracted weekly hours**

	Base n	Mean £	Median £
Less than 16 hours	108	£8.08	£6.50
16-29 hours	543	£7.66	£6.42
30 hours or more	5,606	£7.10	£6.30
<b>Total</b>	<b>6,257</b>	<b>£7.18</b>	<b>£6.31</b>

*Base: All GB 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.*

*\*\* denotes base sizes too small for reporting. Base: those with set, contracted hours.*

## Premium and Overtime rates

As stated previously, just under a quarter of apprentices (23 per cent) were paid at a different rate for some of the hours that they worked.<sup>14</sup>

If hours varied, and apprentices were answering using a payslip<sup>15</sup>, they 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 per cent) of these respondents were paid a higher rate for at least some of these hours: the mean higher hourly pay rate amongst these apprentices was £11.66, in comparison to the overall £6.75 basic rate across all Level 2 and 3 apprentices, a difference of just under £5 an hour. However, caution should be taken when interpreting these findings due to a relatively small base size (unweighted 341).

Those apprentices not answering questions using a payslip were asked how much they were paid per hour on average for the paid overtime they worked. This included all paid

<sup>14</sup> In 2014 new questions were introduced to capture apprentices' overtime rates in order to feed into the total weekly pay calculations though (higher rate overtime is not counted towards NMW compliance). For further discussion on the contribution overtime has towards weekly earning, see the Total Earnings section of this chapter.

<sup>15</sup> Respondents were encouraged to answer the 2014 survey with a recent payslip to hand in order to ensure accuracy of response. If apprentices did not answer with a payslip (or if their answers within the payslip section did not allow an hourly pay figure to be calculated, for example because of 'don't know' responses), then they were asked about their pay and hours for the last full working week. They were asked if the pay and hours of this last full working week were typical, and if not they were asked about a typical week. The latter was then used for calculating hourly pay.

overtime, regardless of whether it was paid at their standard or at a higher rate. Table 3.10 shows how the basic rate for these apprentices compared to their overtime rate. The table is ranked according to the degree to which overtime rates exceed basic rates (using the mean figures).

The mean hourly rate for paid overtime for these apprentices was £8.11 and the median £7.00 (compared with a mean among these apprentices of £7.47 an hour for basic pay and a median of £6.00). This differed widely across frameworks. Mean overtime rates were highest amongst those working in Management. However, these apprentices were already starting off from a relatively high standard rate. Business, Engineering and Electrotechnical apprentices on the other hand, reported the biggest differences between their basic and overtime rates.

**Table 3.10: Hourly basic pay rate versus overtime rate of apprentices not answering with a payslip who provided paid overtime information**

	Mean hourly pay rate				Median hourly pay rate		
	Base <i>n</i>	Standard rate £	Overtime / premium rate £	Amount overtime rate exceeds basic	Standard rate £	Overtime / premium rate £	Amount overtime rate exceeds basic
Health & Social Care & Sport	139	£7.57	£7.15	-£0.42	£6.68	£7.00	£0.32
Hospitality & Catering	76	£6.78	£6.79	£0.01	£6.30	£6.60	£0.30
Children's Care	43	£6.17	£6.37	£0.20	£5.06	£6.35	£1.29
Management	53	£10.84	£11.06	£0.22	£8.38	£9.00	£0.62
Retail	33	£7.34	£8.14	£0.80	£6.49	£7.22	£0.73
Customer Service	31	£5.81	£6.63	£0.82	£6.09	£6.50	£0.41
Other	98	£7.12	£8.58	£1.46	£6.92	£7.00	£0.08
Electrotechnical	88	£7.60	£9.36	£1.76	£6.75	£9.00	£2.25
Engineering & Manufacturing	170	£7.11	£8.88	£1.77	£6.10	£8.33	£2.23
Construction	93	£7.56	£9.38	£1.82	£7.31	£8.25	£0.94
Business & related	37	£6.05	£8.58	£2.53	£5.85	£7.00	£1.15
Hairdressing	18	**	**	**	**	**	**
<b>GB Total</b>	<b>879</b>	<b>£7.47</b>	<b>£8.11</b>	<b>£0.64</b>	<b>£6.50</b>	<b>£7.00</b>	<b>£0.50</b>

\*\*\* denotes base sizes too small for reporting in these frameworks

## Total weekly earnings

### Average total weekly earnings

Across Level 2 and 3 apprentices in Great Britain, the mean total weekly earnings was £257 (median: £238): this includes basic pay plus paid overtime, tips from customers and bonuses. The figure here is based on those respondents for whom a total weekly earnings figure could be calculated (7,055 respondents).

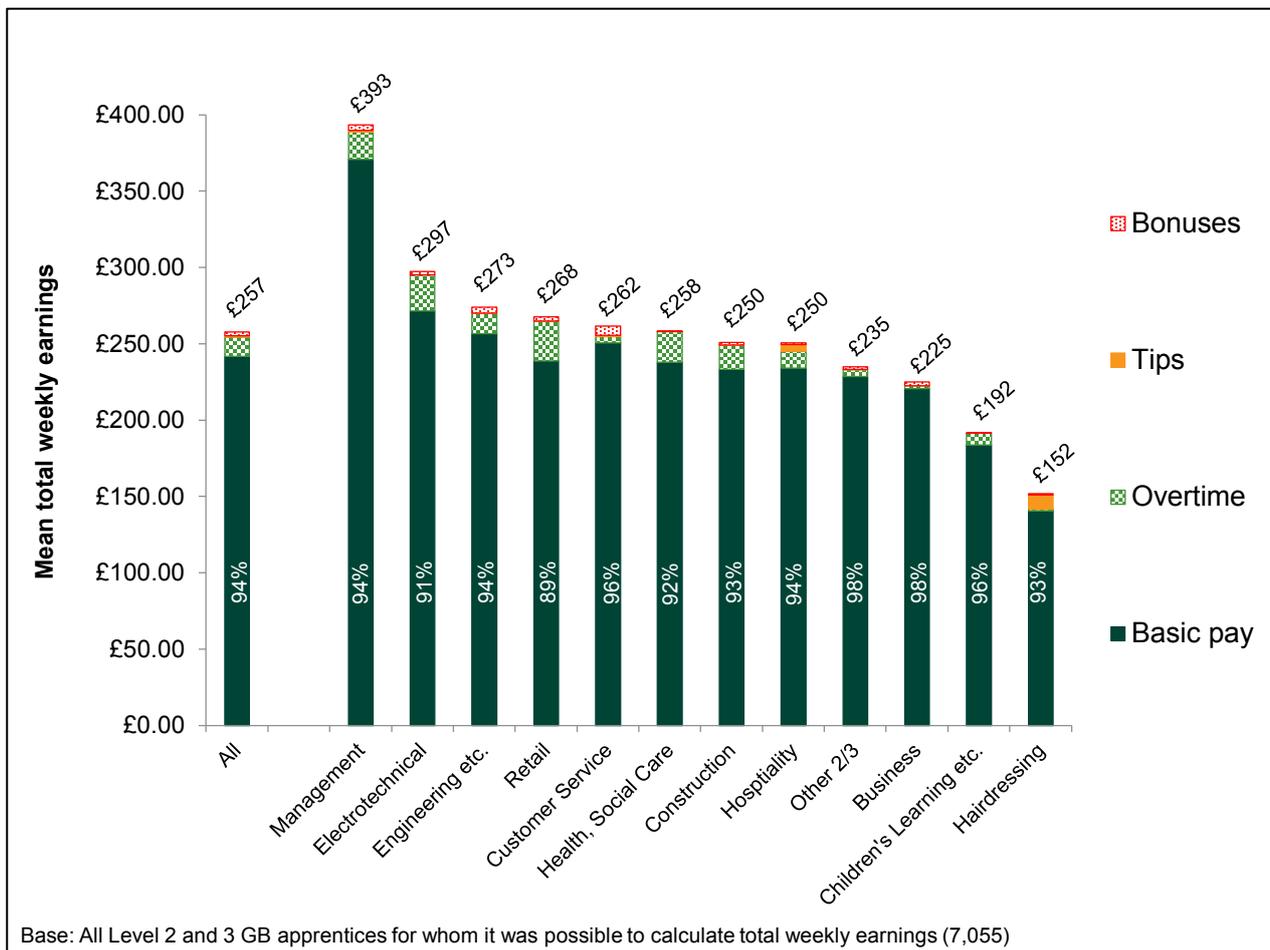
As detailed in Figure 3.5, there were substantial variations in the average weekly earnings by framework. Higher average earnings were found in the Management, Electrotechnical, and Engineering and Manufacturing Technologies frameworks. A complete table of these figures can be found in Table A1 in Appendix A.

Weekly earnings above the average for Level 2 and 3 apprentices were also found among male apprentices (£275; median: £250) and those aged 25 or above (£315; median: £290).

Figure 3.5 also illustrates the composition of total weekly earnings by its individual components: basic pay, overtime, tips from customers and bonuses. As would be expected, basic pay constitutes the greatest proportion of total weekly earnings across all frameworks (an average of 94 per cent). However, there were differences by framework in terms of the other component of weekly earnings:

- Proportional weekly earnings from **overtime** were highest in the Retail (10 per cent), Electrotechnical (nine per cent) and Health, Social Care and Sport frameworks (eight per cent), compared with the average of five per cent across all apprentices;
- Proportional weekly earnings from **tips from customers** were highest in the Hairdressing (four per cent) and Hospitality and Catering frameworks (two per cent), compared with the average of less than one per cent across all apprentices;
- The proportion of total earnings from **bonuses** was highest in the Customer Service framework (two per cent, compared with the average of one per cent across all apprentices).

**Figure 3.5: Mean total weekly earnings of Level 2 and 3 GB Apprentices split by basic pay, overtime, tips and bonuses, and the percentage of the mean total weekly earnings made up by basic pay, by framework<sup>16</sup>**



## Earnings at basic pay

The mean weekly earnings from basic pay - i.e. earnings excluding paid overtime, tips from customers and bonuses – across all GB Level 2 and 3 apprentices was £242 (median: £229). Earnings from basic pay account for the vast majority of total weekly earnings (94 per cent).

As detailed in Table 3.11, there was substantial variation in weekly earnings from basic pay by framework, with those in the Management, Electrotechnical and Engineering and Manufacturing Technologies frameworks earning above average basic pay. Those in Hairdressing reported the lowest basic weekly earnings.

<sup>16</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 (three per cent), this has not been included in Figure 3.6.

Other groups that earned a higher than average basic weekly pay were male apprentices (£257; median: £238) and those aged 25 or above (£296; median: £277).

**Table 3.11: Mean and median total weekly earnings from basic pay for Level 2 and 3 apprentices in Great Britain, by framework**

	Base	Mean	Median
	n	£	£
Management	345	371	346
Electrotechnical	520	272	255
Engineering, Manufacturing Technologies and related	1,220	257	240
Customer Service	366	251	238
Retail	427	239	210
Health, Social Care and Sport	725	238	233
Hospitality and Catering	487	234	226
Construction and related	883	233	218
Other 2/3	390	229	203
Business and related	800	221	210
Children's Care	448	184	153
Hairdressing	444	141	110
<b>GB Total</b>	<b>7,055</b>	<b>242</b>	<b>229</b>

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

## Overtime

Around six in ten Level 2 and 3 apprentices across GB (61 per cent) had worked overtime, paid or unpaid, for their employer during their Apprenticeship, similar to the 64 per cent of apprentices in England and 59 per cent of apprentices in Wales that had worked overtime in the 2012 Apprenticeship Pay Survey.

As detailed in Table 3.12, overtime was most common in the Electrotechnical (76 per cent), Management (73 per cent) and Retail (72 per cent) frameworks. By comparison, fewer than half in the Business and related (43 per cent) and Hairdressing frameworks (40 per cent) ever worked overtime.

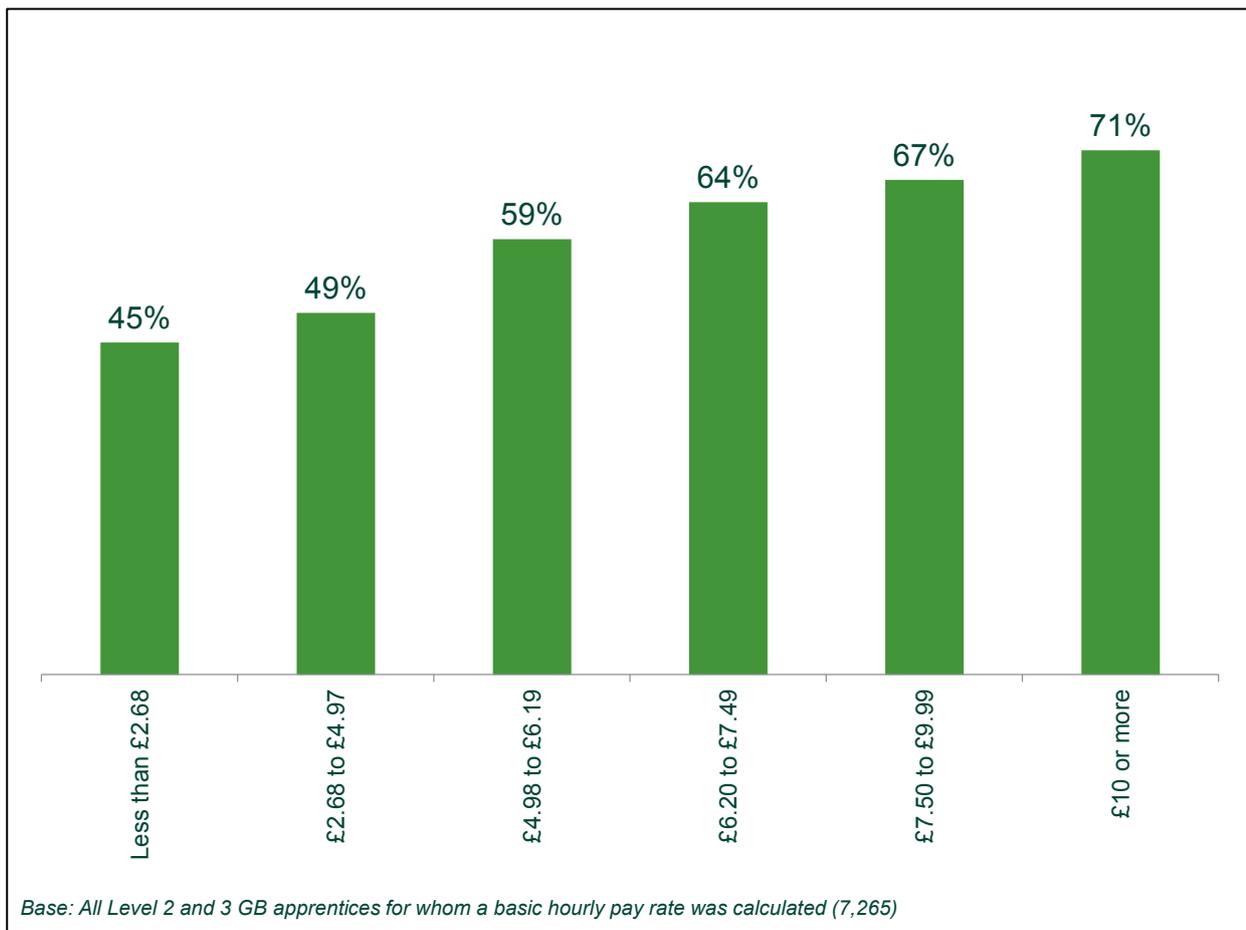
**Table 3.12: Proportion of GB Level 2 and 3 apprentices working overtime, by framework**

	Base	Work overtime (paid or unpaid)
	N	%
Electrotechnical	611	76
Management	450	73
Retail	528	72
Hospitality and Catering	599	67
Health, Social Care and Sport	948	64
Engineering, Manufacturing Technologies and related	1,416	63
Children's Care	549	62
Construction and related	1,022	61
Other (level 2/3)	480	57
Customer Service	462	52
Business and related	927	43
Hairdressing	534	40
<b>GB Total</b>	<b>8,526</b>	<b>61</b>

*Base: all Level 2 and 3 GB apprentices*

Working overtime was more common among male apprentices (62 per cent compared with 59 per cent among female apprentices) and older apprentices (increasing from 49 per cent among those aged 16-18 years to 65 per cent among those aged 25 or older). The incidence of ever working overtime during their Apprenticeship was also higher among those with a higher gross hourly pay rate (see Figure 3.6).

**Figure 3.6: Proportion of GB Level 2 and Level 3 apprentices working overtime, by basic hourly pay**



The mean number of hours overtime (either paid or unpaid) worked by apprentices working overtime and able to give a figure was 7.5 hours a week (median: 6.0 hours). This suggests an increase from the mean of 6.0 hours reported for GB apprentices in 2011 and 6.2 hours reported for apprentices in England in 2012. Among those who worked overtime:

- 72 per cent worked less than 10 hours overtime per week;
- 17 per cent worked between 10 and 14 hours;
- 5 per cent worked between 15 and 19 hours; and
- 7 per cent worked 20 or more hours overtime per week.

The number of overtime hours worked per week was highest in the following frameworks (figures based on those apprentices working overtime):

- Health, Social Care and Sport (mean: 10.3 hours ; median: 8.0 hours);
- Retail (7.8 hours; median: 6.0 hours);
- Hospitality and Catering (7.7 hours; median: 5.0 hours);
- Management (7.6 hours; median: 7.0 hours); and
- Construction and related (7.6 hours; median: 6.0 hours).

### Earnings from overtime

Around four-fifths of apprentices that ever worked overtime (81 per cent) were paid for at least some of the additional hours they worked, whereas 18 per cent were not paid for any of the additional hours they worked. For comparison, in 2012 the proportion not paid for at least some of their overtime hours was 22 per cent of Level 2 and 3 apprentices in England and 19 per cent of apprentices in Wales.

As shown in Figure 3.7, apprentices in the Electrotechnical framework were the most likely to be paid for at least some of their overtime hours (93 per cent), followed by those in the Health, Social Care and Sport, Retail and Construction frameworks (89, 88 and 87 per cent, respectively).

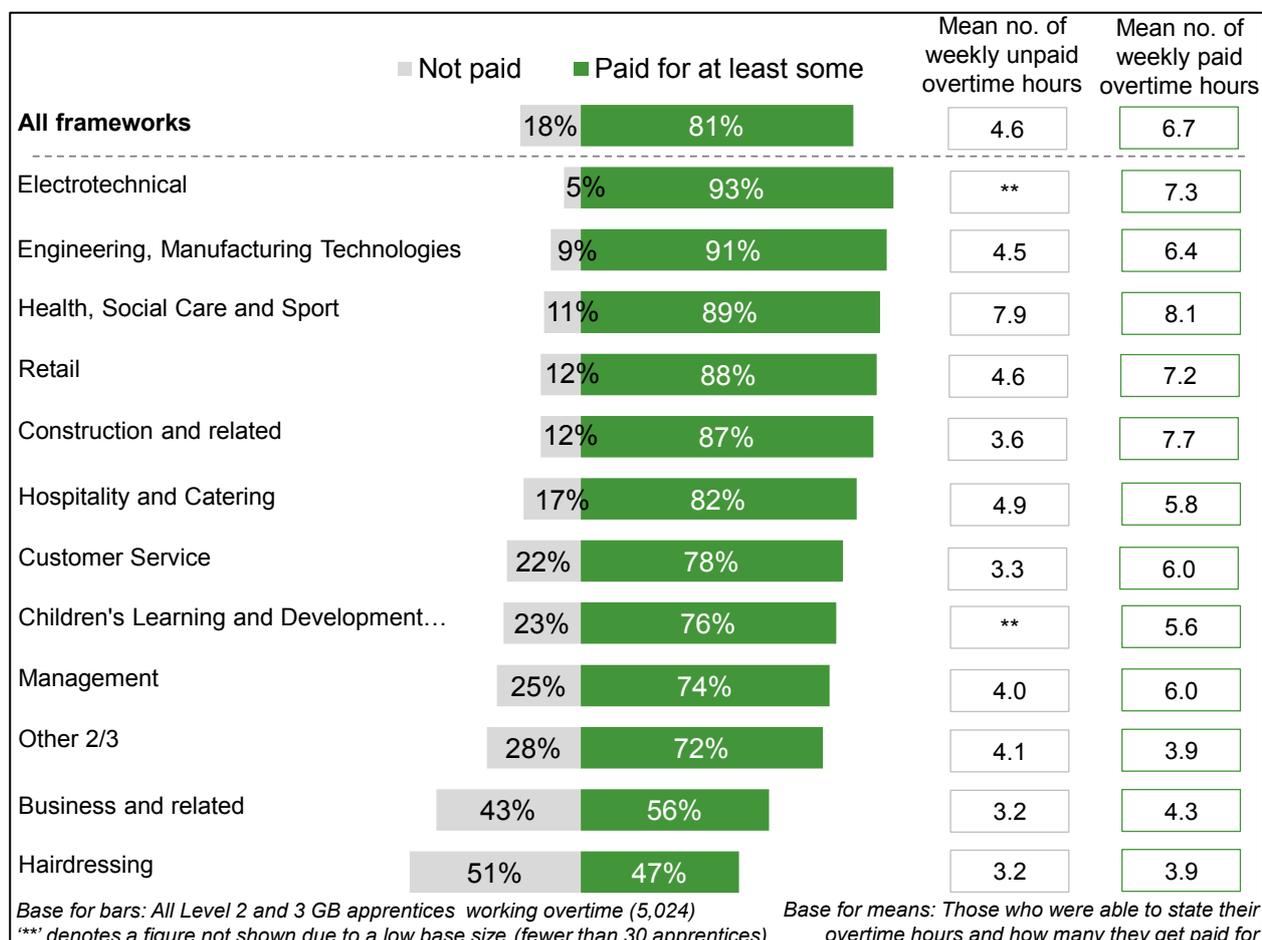
In contrast, apprentices in Hairdressing were the most likely to report that they were not paid for any of the hours they work overtime (51 per cent), followed by apprentices in the Business and related framework (43 per cent)<sup>17</sup>.

A higher proportion of males were paid for at least some of their overtime hours (84 per cent, compared with 79 per cent of female apprentices).

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<sup>17</sup> Note that these groups had the lowest proportions reporting that they worked overtime.

**Figure 3.7: Proportion of Level 2 and 3 GB apprentices paid for at least some of their overtime compared with those not paid for their overtime (and the mean number of weekly paid and unpaid overtime hours), by framework**



Among those apprentices who were paid for at least some of their overtime (and were able to provide a figure for how much paid overtime they worked in a typical week) the mean number of paid overtime hours was 6.7 (median: 5.0 hours). More specifically, 44 per cent did up to four hours paid overtime, 31 per cent did between five and nine hours overtime and 25 per cent did 10 hours or more paid overtime.

By framework, apprentices in the Health, Social Care and Sport (8.1 hours; median: 7.0 hours), Construction (7.7 hours; median: 6.0 hours), Electrotechnical (7.3 hours; median: 5.0 hours) and Retail frameworks (7.2 hours; median: 5.0 hours) did more paid overtime than average. Note that the next section provides detail on unpaid overtime but, for context, of the four frameworks listed above, it was only the Health, Social Care and Sport framework where the number of unpaid overtime hours was also above average.

Among those who were paid for their overtime (and were able to state how much they were paid for this) the mean amount earned in a week from overtime was £73.78 (median: £50.63). By framework, apprentices in the Construction (£93.48; median: £58.85), Retail (£86.75; median: £50.88), Electrotechnical (£86.38; median: £52.00), Management (£82.56; median: £50.88) and Health, Social Care and Sport frameworks (£80.90; median: £69.63) earned the greatest amounts from overtime. As reported earlier, earnings from

overtime formed a greater proportion of total weekly earnings in the Retail, Electrotechnical and Health, Social Care and Sport frameworks (ranging from eight per cent in Health, Social Care and Sport to 10 per cent in Retail) compared to the average across all frameworks (five per cent).

### 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>18</sup>.

Among the 18 per cent of Level 2 and 3 apprentices who ever worked overtime but were not paid for any of their overtime hours (equivalent to 11 per cent of all Level 2 and 3 apprentices) the mean number of unpaid overtime hours was 4.6 (median: 3.0 hours)<sup>19</sup>. In 2011 it was reported that Level 2 and 3 apprentices across GB worked 4.2 hours unpaid overtime, and in 2012 it was reported that apprentices in England worked 4.4 hours and those in Wales worked 4.1 hours unpaid overtime per week. Hence results look similar across the three surveys.

As detailed in Table 3.13, among apprentices who worked unpaid overtime (and were able to state their total number of overtime hours and usual hours), those in the Health, Social Care and Sport framework reported the highest number of weekly unpaid overtime hours (mean: 7.9 hours; median: 5.0 hours).

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<sup>18</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>19</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 (see the following footnote).

**Table 3.13: Mean and median weekly unpaid overtime hours for Level 2 and 3 apprentices in Great Britain, by framework**

	Base n	Mean hours	Median hours
Health, Social Care and Sport	52	7.9	5.0
Hospitality and Catering	53	5.0	3.0
Retail	33	4.6	3.0
Engineering, Manufacturing Technologies and related	43	4.5	3.5
Other 2/3	56	4.1	3.0
Management	62	4.0	3.0
Construction and related	43	3.6	3.0
Customer Service	36	3.3	2.0
Business and related	84	3.2	2.0
Hairdressing	47	3.2	2.0
Electrotechnical	17	**	**
Children's Care	29	**	**
<b>GB Total</b>	<b>555</b>	<b>4.6</b>	<b>3.0</b>

*Base: all Level 2 and 3 GB apprentices working unpaid overtime and who were able to state their total number of unpaid overtime hours*

*‘\*\*’ denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

### Time off in lieu or flexi leave

Among those apprentices who ever worked overtime, either paid or unpaid, just under two-fifths (39 per cent) were given time off in lieu or flexi leave in return<sup>20</sup>. This is very similar to the levels reported in 2011 for GB apprentices (38 per cent) and in 2012 for Level 2 and 3 apprentices in England (41 per cent) and Wales (37 per cent).

<sup>20</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.

Apprentices in the Business and related (57 per cent) and Hairdressing (52 per cent) frameworks were more likely than average to receive time off in lieu or flexi leave in return for working overtime. As shown previously in Figure 3.8, apprentices in these two frameworks were the least likely to receive payment for at least some of their overtime.

Those who never get paid for their overtime hours were more likely to receive time off in lieu or flexi leave (57 per cent) than those paid for at least some of their overtime hours (34 per cent).

## **Tips from customers**

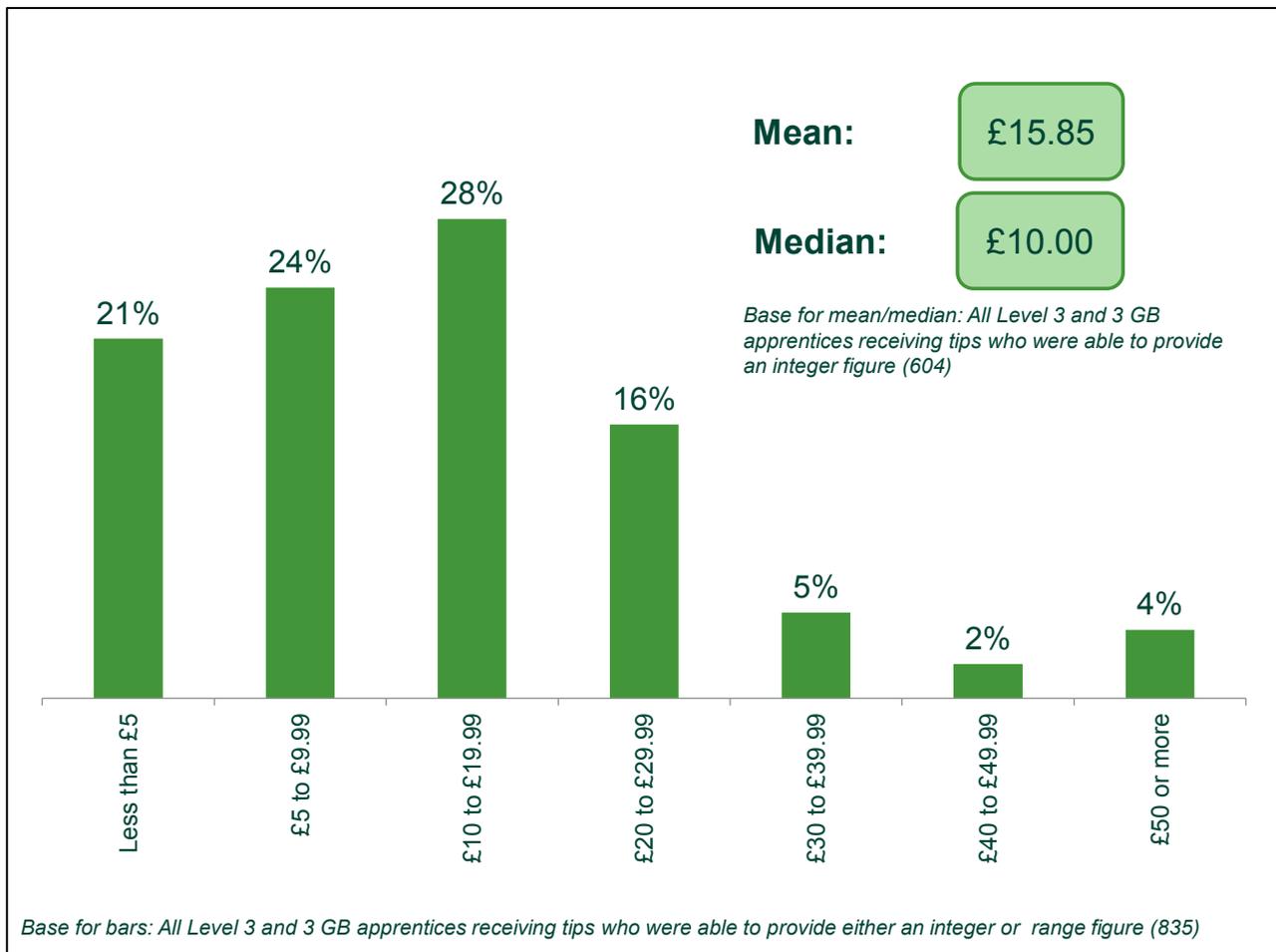
Seven per cent of all apprentices reported that they received tips from customers.

As was found in the 2012 survey there were marked differences by framework, with Level 2 and 3 apprentices in Hairdressing (75 per cent) and Hospitality and Catering (29 per cent) the most likely to report that they received tips in their line of work. Across all other frameworks an average of three per cent of apprentices reported that they received tips (ranging from zero in Children's Care to seven per cent in Construction and related).

As shown in Figure 3.8, the vast majority of apprentices receiving tips reported that they received tips totalling less than £30 in a typical week. Among those receiving tips the weekly mean was £15.85 (median: £10.00).

Overall tips account for an average of less than one per cent of total weekly earnings, although higher in Hairdressing (four per cent) and the Hospitality and Catering (two per cent) frameworks.

**Figure 3.8: Amount received in tips by Level 2 and 3 apprentices in GB during a typical week**



## Bonuses

Just under one fifth of Level 2 and 3 apprentices (18 per cent) received bonuses from their employer. For comparison, in 2011 it was reported that 26 per cent of apprentices across GB received bonuses, and in 2012 that 23 per cent of apprentices in England and 20 per cent of apprentices in Wales received bonuses.

The following groups were more likely to have received bonuses:

- Those in the Engineering and Manufacturing Technologies (31 per cent), Retail (25 per cent) and Customer Services (25 per cent) frameworks;
- Male apprentices (23 per cent compared with 12 per cent of female apprentices);
- Those aged 16 to 24 years (21 per cent compared with 14 per cent of those aged 25 or older); and
- Level 3 apprentices (21 per cent compared with 15 per cent of Level 2 apprentices).

Whilst the profile of apprentices in the Engineering and Manufacturing Technologies framework consists of a greater proportion than average of male apprentices, those aged

below 25 years of age and those on a Level 3 Apprenticeship, the demographic profiles for the other two frameworks where apprentices were particularly likely to have received bonuses (Retail and Customer Services) were broadly similar to the average across all apprentices.

The mean bonus paid across all apprentices receiving bonuses was equivalent to £17.24 a week (median: £9.62). As detailed in Table 3.14, apprentices in the Customer Service framework received the highest mean bonuses (equivalent to £28.81 a week; a median of £22.38). There were wide differences in the mean and median figures overall, and in some specific frameworks, indicating a small proportion of apprentices receiving very high bonuses compared with the average.

Bonuses account for an average of one per cent of total weekly earnings, highest among Customer Service framework (two per cent).

**Table 3.14: Mean and median weekly bonus for Level 2 and 3 apprentices in Great Britain, by framework**

	Base	Mean weekly bonus	Median weekly bonus
	n	£	£
Customer Service	79	28.81	22.38
Management	66	25.01	12.50
Business and related	127	18.85	11.54
Electrotechnical	63	17.37	4.81
Engineering, Manufacturing Technologies and related	276	17.30	9.62
Construction and related	82	16.66	4.81
Hospitality and Catering	45	15.31	8.08
Retail	95	13.23	5.88
Other 2/3	43	12.49	9.62
Health, Social Care and Sport	34	9.03	2.31
Hairdressing	56	7.63	1.92
Children's Care	22	**	**
<b>GB Total</b>	<b>988</b>	<b>17.24</b>	<b>9.62</b>

*Base: all Level 2 and 3 GB apprentices receiving bonuses and able to give a figure for the amount of bonus they receive.*

*\*\*\* denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

## 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 £4.91 is added to the apprentice’s wages for each day that 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.

Overall, three per cent of all apprentices were provided with live-in accommodation by their employer for an average of five days (median: seven days). Two per cent were provided with free accommodation and one per cent were provided with charged-for accommodation at a mean weekly amount of £39.24 (median: £30.00).

By framework, the provision of accommodation (either free or charged for) was most common in the Electrotechnical and Construction and related frameworks (both eight per cent)<sup>21</sup>. The provision of accommodation was slightly more common among apprentices in Scotland (five per cent) compared with those in England and Wales (three and four per cent respectively).

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<sup>21</sup> The higher levels of accommodation provision within these frameworks may be explained by those apprentices at the Construction Industry Training Board’s (CITB) National Construction College.

## Compliance with the National Minimum Wage

This section looks at the extent to which the pay of apprentices is compliant with the National Minimum Wage (NMW) 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)'.

Looking only at apprentices for whom compliance or non-compliance can be calculated, 85 per cent were paid at or above the appropriate NMW, while 15 per cent were paid below the appropriate NMW.<sup>22</sup>

Any analysis of changes in the extent of non-compliance between different Apprenticeship Pay surveys needs to take account both of methodological differences between these surveys (see section 2.4 'Comparisons with previous Apprenticeship Pay Surveys'), and also changes in minimum pay rates. Fieldwork for the 2014 survey was undertaken prior to the October 2014 increase and thus at the time, NMW was at the rate introduced in October 2013: the relevant NMW rates are shown in Table 2.1.

The 15 per cent paid below the NMW in 2014 compares with 29 per cent reported as earning below the NMW in England in 2012<sup>23</sup>, and 20 per cent in 2011 (figures for Great Britain are not available for these years). It is worth noting that the 2012 figure for non-compliance was potentially inflated due to a change in NMW levels occurring during the survey fieldwork period, meaning some instances of non-compliance could have been caused by apprentices failing to report recent changes in pay.

There were considerable differences in the proportions being paid below the NMW by framework, as shown in Table 3.15, and was much higher among Level 2 and Level 3 apprentices in Hairdressing (42 per cent), and Children's Care (26 per cent). Compliance was highest among Management apprentices, with just four per cent being paid below the NMW.

Younger apprentices were more likely to be earning less than the NMW, with nearly a quarter of 16-18 year olds (24 per cent) having non-compliant pay levels, compared with 20 per cent of 19-20 year olds, 17 per cent of those aged 21-24, and eight per cent of those aged 25 or older.

Another factor that impacts on compliance is the length of time the apprentice had spent on the course: over a quarter (27 per cent) of those that had been on the course for more than a year were being paid less than NMW, compared with nine per cent of those who had been on their course for a year or less. This could imply that a substantial proportion of non-compliance cases are due to apprentices moving up to the next NMW bracket, without their pay being increased.

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<sup>22</sup> Across all Level 2 and Level 3 apprentices, 79 per cent were paid at or above the NMW, 13 per cent below the NMW, and for eight per cent it was not possible to determine from their survey responses if their pay was compliant or not. In the analysis results have been re-based excluding the latter group.

<sup>23</sup> England is used as a comparator here as Scotland did not participate in the 2012 Survey, and England accounts for 89% of GB apprentices.

Looking at apprentices in their second year or later who were 21 years old exactly reveals a high level of non-compliance: two-fifths (40 per cent) of this group were paid below the correct NMW of £6.31 an hour, compared with a level of 27 per cent among all apprentices aged 21 and over in their second year or later.

Apprentices that had not worked for their employer before they started their Apprenticeship were also more likely to be paid below the appropriate NMW rate (23 per cent, compared with 10 per cent among those who were already working for their employer at the start of the Apprenticeship).

Other groups more likely to be paid less than the NMW include:

- Those employed for the training period only (28 per cent) or with a fixed end date after completion (27 per cent), compared with 11 per cent of those with permanent employment;
- Level 2 apprentices (16 per cent compared with 13 per cent of Level 3 apprentices);
- Apprentices with no written contract (28 per cent, compared with 13 per cent of apprentices with a written contract);
- Apprentices with no set contracted hours each week (18 per cent);
- Apprentices who worked unpaid overtime hours (27 per cent, compared with 14 per cent of those who did not work any unpaid overtime);
- Apprentices who received tips from customers (29 per cent, compared with 14 per cent of those who did not receive any tips); and
- Apprentices who knew the hourly minimum rate for apprentices (18 per cent).

**Table 3.15: Compliance with NMW by framework for GB Level 2 and Level 3 apprentices**

	<i>Base</i>		<b>Paid the NMW or higher</b>	<b>Paid below NMW</b>
Hairdressing	483	%	58	42
Children's Care	497	%	74	26
Construction and related	960	%	79	21
Electrotechnical	569	%	83	17
Engineering, Manufacturing Technologies and related	1,332	%	85	15
Business and related	883	%	87	13
Retail	487	%	88	12
Health, Social Care and Sport	845	%	88	12
Customer Service	422	%	90	10
Hospitality and Catering	550	%	91	9
Management	422	%	96	4
Other (level 2/3)	446	%	80	20
<b>GB Total</b>	<b>7,896</b>	<b>%</b>	<b>85</b>	<b>15</b>

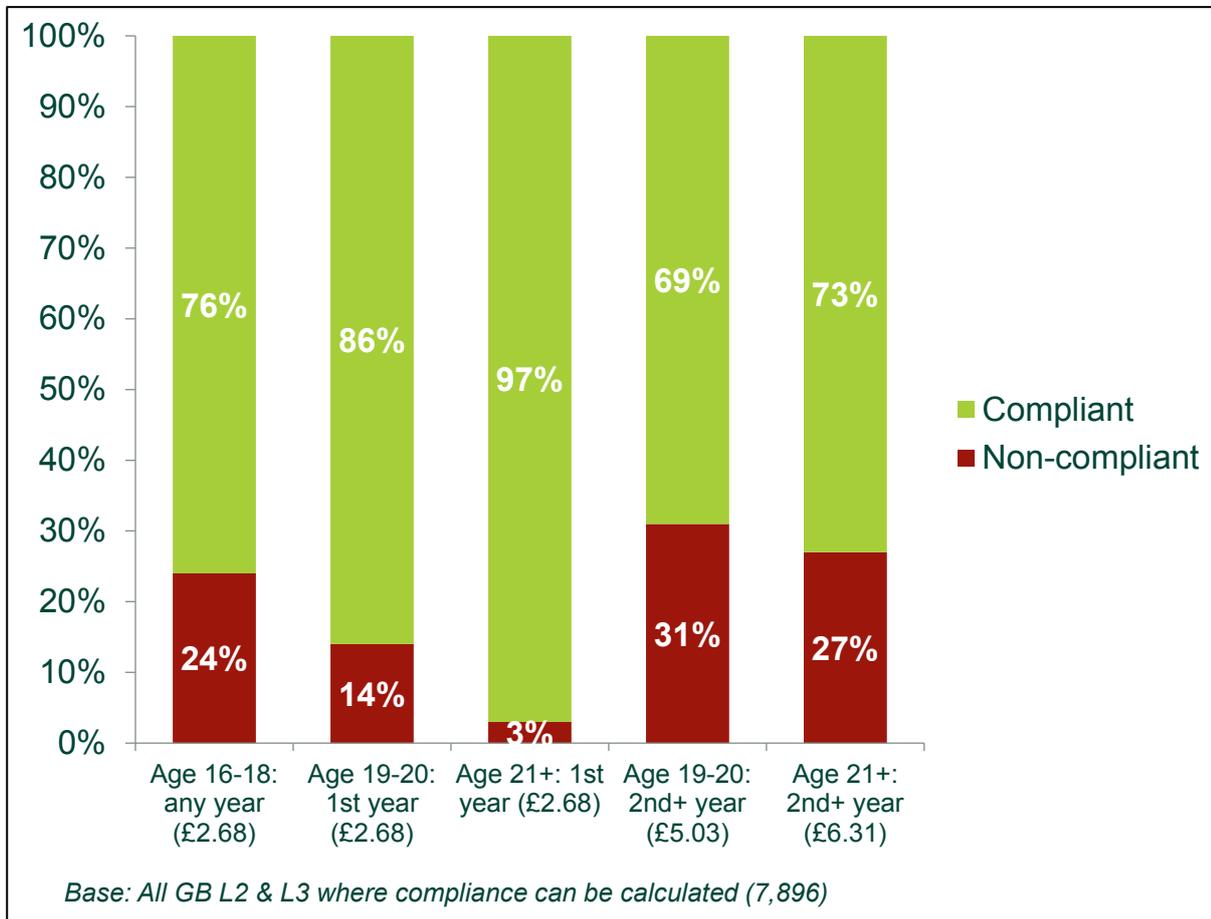
*Base: all Level 2 and Level 3 apprentices with known compliance in GB*

Looking at compliance split by the different NMW levels for each age group and year of Apprenticeship, those aged 19-20 in their second or later year of their Apprenticeship were the most likely to be in the non-compliant category, with 31 per cent paid less than the appropriate NMW rate, £5.03 an hour. Those aged 21 or over in the second year or later were slightly less likely to be non-compliant, with 27 per cent paid less than £6.31, the minimum level for that group.

Among apprentices eligible for the lowest level of NMW, £2.68, those aged 16-18 were the most likely to be paid below the NMW (24 per cent). Of those aged 19-20 and in their first year, 14 per cent were non-compliant, while only a small proportion of those aged 21+ and in their first year were paid less than £2.68 (three per cent).

These results are shown in Figure 3.9.

**Figure 3.9: Compliance by age and year of Apprenticeship (GB Level 2 and Level 3 apprentices)**



Among those whose pay was non-compliant with the NMW, 49 per cent were aged under 19 or on the first year of the Apprenticeship (hence they should have been being paid a minimum of £2.68 an hour), 15 per cent were entitled to the £5.03 NMW rate and 36 per cent should have been being paid a minimum of £6.31 an hour.

Table 3.16 and Figure 3.10 show the pay distribution for Level 2 and 3 apprentices in Great Britain, also indicating within each pay band the relevant compliance rate. This is based on respondents where it was possible to calculate an exact pay figure (7,266 of the 8,526 Level 2 and Level 3 apprentices interviewed). As well as showing the distribution of hourly pay rates, Figure 3.10 also shows which NMW rate applied to respondents and whether the pay was compliant or not. For example, it shows in the final column that five per cent of all apprentices for whom accurate pay could be calculated received over £9 an hour and needed a minimum of £6.31 an hour to be compliant, while nine per cent received over £9 an hour and needed £2.68 an hour to be compliant (i.e. they were aged under 19 or on the first year of their Apprenticeship).

A very small proportion of apprentices for whom a NMW pay rate could be calculated were paid £1.50 an hour or less (0.4 per cent). Eight per cent were paid between £1.51 and £2.67: the majority of apprentices within that range were eligible for the £2.68 minimum

rate (seven per cent of all Level 2 and Level 3 apprentices), with a minority eligible for the higher rates of £5.03 or £6.31 (fewer than 0.5 per cent each).

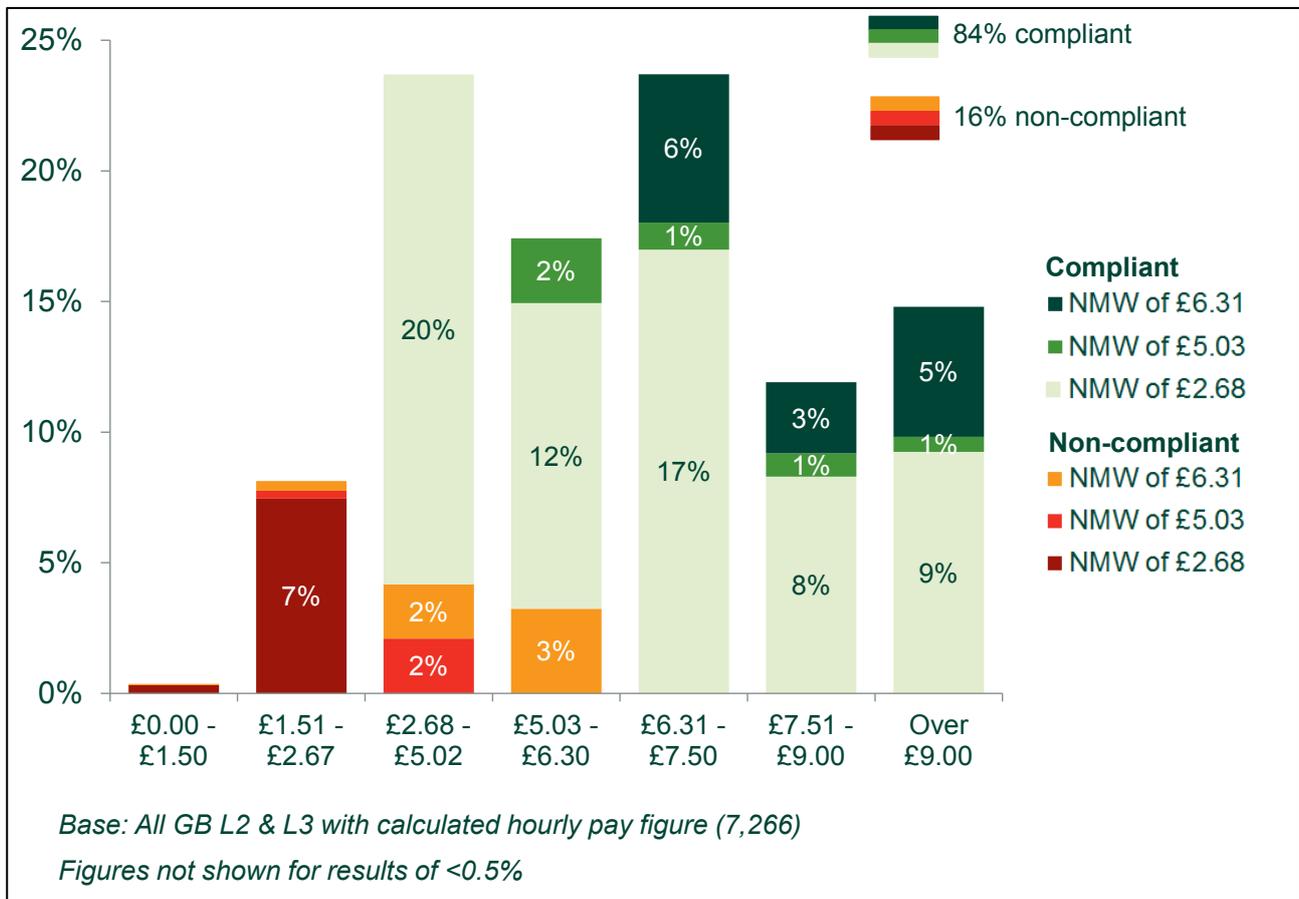
Around a quarter of the Level 2 and 3 apprentices for whom exact pay figures could be calculated received between £2.68 and £5.02 an hour (24 per cent); within this group, two per cent were non-compliant as they were eligible for NMW of £5.03, and a further two per cent were eligible for NMW of £6.31.

**Table 3.16: Apprentice pay rates and compliance / non-compliance (GB Level 2 & 3)**

		Proportion of apprentices in each pay band							
		£0.00- £1.50	£1.51- £2.67	£2.68- £5.02	£5.03- £6.30	£6.31- £7.50	£7.51- £9.00	Over £9.00	Total
Compliant		-	-	19.5	14.2	23.7	11.9	14.8	84
Non-compliant	%	0.4	8.1	4.1	3.2	-	-	-	16

*Base: All GB L2 and L3 apprentices with calculated hour pay figure (7,266). Each figure is based on the overall base; hence for example 4.1 per cent of all Level 2 and Level 3 apprentices where an hourly pay figure could be calculated received non-compliant pay of £2.68 to £5.02 an hour.*

**Figure 3.10: Level 2 and Level 3 Apprentice Pay Rates and non-compliance distribution (GB)<sup>24</sup>**



Just under a fifth of all Level 2 and 3 apprentices were paid between £5.03 and £6.30 an hour (17 per cent); within this group, three per cent were receiving non-compliant pay, as they were eligible for the minimum rate of £6.31 an hour.

Half (50 per cent) of all Level 2 and 3 apprentices with a calculable hourly pay figure received £6.31 an hour or more (the level of pay which at the time of the survey was compliant for any apprentice of whatever age or year of their Apprenticeship): within the group paid £6.31 or more an hour, a quarter were paid between £6.31 and £7.50 an hour (24 per cent), 12 per cent were paid between £7.51 and £9.00 an hour, and 15 per cent were paid more than £9.00 an hour.

<sup>24</sup> Note that the different base results in slightly different compliance figures compared to Level 2 and 3 overall: 16 per cent of those with calculable pay had a non-compliant pay level, compared with 15 per cent of all Level 2 and 3 apprentices in Great Britain

## Apprentices paid less than the National Minimum Wage

### CHAID analysis<sup>25</sup> on the relationship between demographic and Apprenticeship characteristics and pay being non-compliant with the NMW

As already shown there are a number of characteristics that appear to be related to the likelihood of apprentice pay being non-compliant. CHAID analysis was used to rank the characteristics that are significantly associated with non-compliance. A series of variables were fed into the model (age, gender, country, whether on first or later year of the Apprenticeship, framework and level). **The analysis shows that framework is the primary factor associated with higher / lower compliance.**

Within framework in nearly all cases the factor most associated with compliance / non-compliance was year of Apprenticeship, with those on the first year of the Apprenticeship more likely to be receiving compliant pay. The two exceptions were Hairdressing, where the factor most associated with compliance / non-compliance was Level (compliance being noticeably higher among Level 3 apprentices), and Construction, where country was the factor most associated with compliance / non-compliance (those in Scotland were more likely to be compliant than those in the rest of Great Britain).

### Distance from the National Minimum Wage

Overall, six per cent of Level 2 and Level 3 apprentices in Great Britain with non-compliant pay were paid very close to the NMW (within three pence of the appropriate rate), and nearly two-fifths (38 per cent) were paid within 10 per cent of the appropriate rate.

Figure 3.11 shows the distribution of pay below £2.68 for those aged 16-18 or in the first year of their Apprenticeship with calculable pay figures. (Note this section uses the calculated gross hourly pay rather than the basic hourly pay figure – see the discussion in Chapter 2.) The mean pay figure for this group of non-compliant apprentices was £2.30 an hour. A fairly high proportion were close to the NMW level, indicating that the non-compliance could in some cases be due to measurement or calculation error (e.g. respondents giving rounded figures): nine per cent were paid very close to the NMW, between £2.65 to £2.67, and overall more than two-fifths (44 per cent) were paid within 10 per cent of the correct rate (between £2.41 and £2.67).

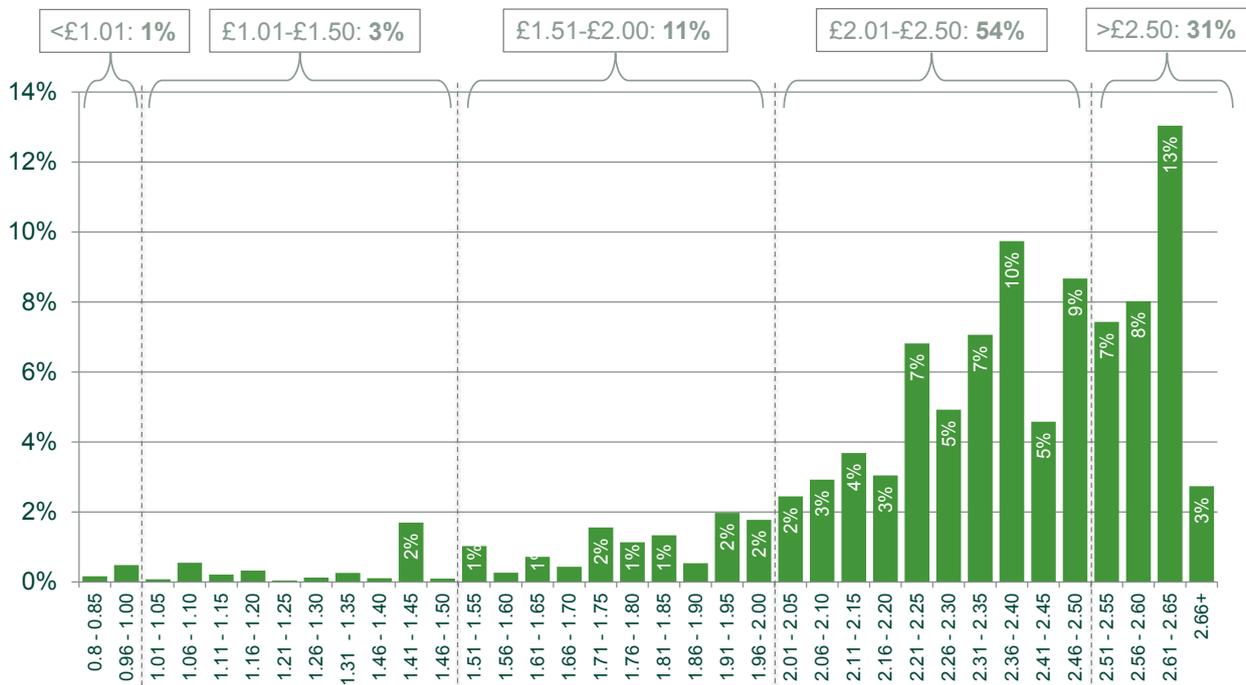
There was a considerable spike at exactly £2.65, which was the previous Apprenticeship minimum wage rate; six per cent of those aged 16-18 or in the first year of the Apprenticeship with non-compliant pay were paid specifically this amount, which may indicate that some employers had not updated their pay to account for the change in regulations.

A very small proportion (one per cent of those non-compliant) reported pay levels below £1.00 an hour, with the lowest figure being £0.80.

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<sup>25</sup> CHAID is discussed in more detail in Appendix B.

**Figure 3.11: Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of Apprenticeship (GB Level 2 and 3)**

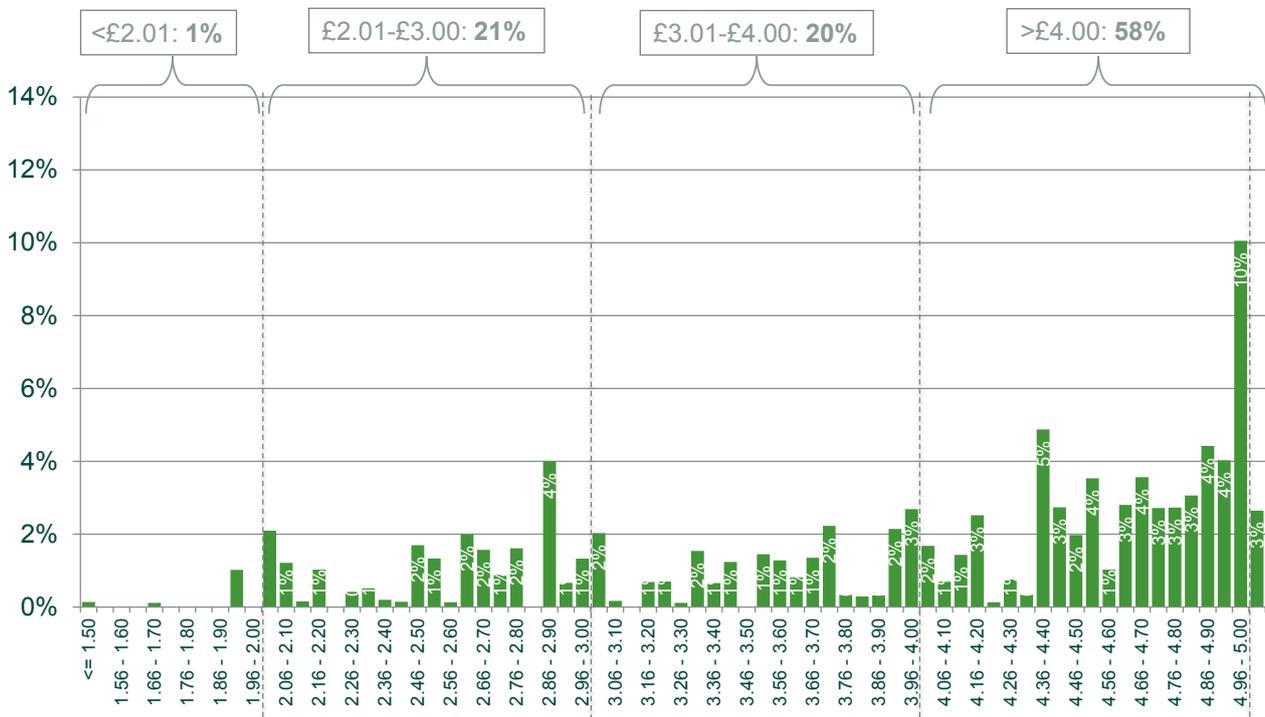


Base: All GB L2 & 3 aged 16-18 or in first year with non-compliant pay (741)

The pattern of pay for those aged 19-20 and in the second year or later with pay below their minimum wage of £5.03 was quite different, as shown in Figure 3.12. Eight per cent had a gross hourly pay figure very close to the NMW rate (between £5.00 and £5.02), and overall nearly two fifths (38 per cent) were paid within ten per cent of the correct rate (between £4.53 and £5.02). There was a clear spike at the exact £5.00 level (five per cent). However, below this, the distribution down to the lowest pay level for this group was relatively evenly spread.

The mean pay figure for this group of non-compliant apprentices (those aged 19-20 and in the second year or later of their Apprenticeship) was £3.98 an hour.

**Figure 3.12: Distribution of pay for those with non-compliant pay aged 19-20 and in the second year or later of Apprenticeship (GB)**

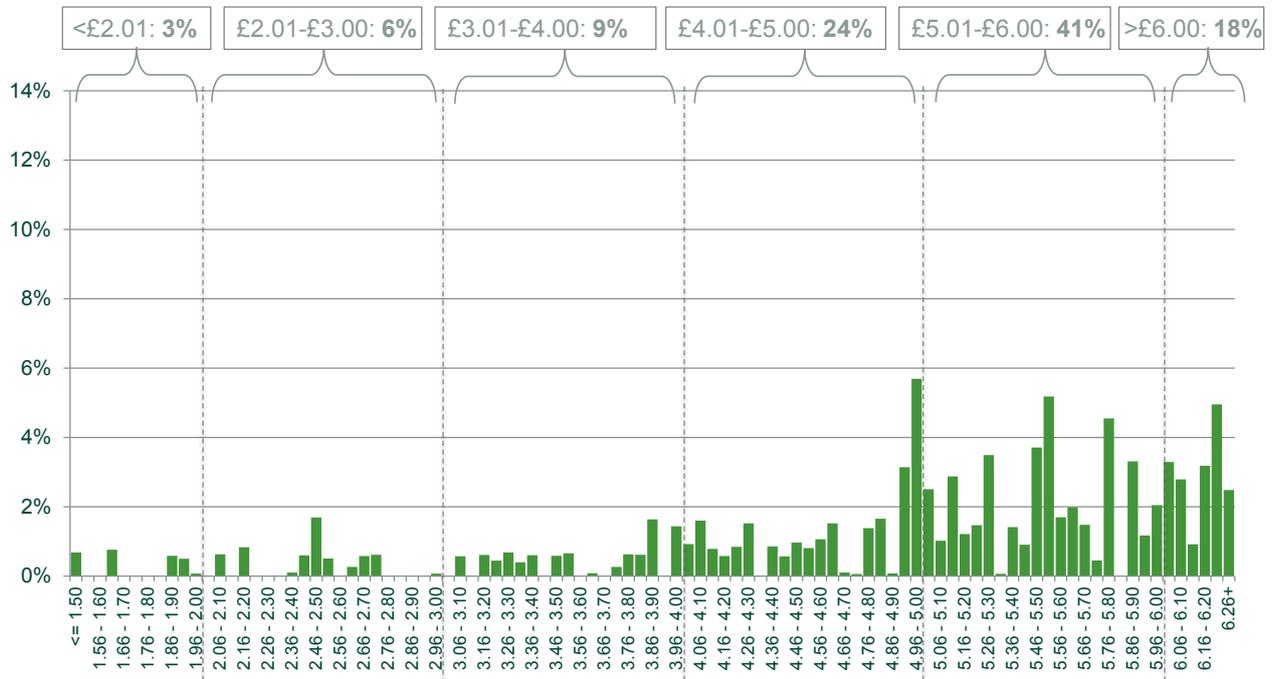


Base: All GB L2 & 3 aged 19-20 and in 2<sup>nd</sup>+ year with non-compliant pay (221)

Looking at Apprentices aged 21 or over and in the second year or later of their Apprenticeship (see Figure 3.13), there was a wide variation in the pay levels of those whose pay had been calculated as non-compliant. Compared with the previous groups, a smaller proportion were paid very close to the NMW (just two per cent were paid between £6.28 and £6.30), while overall less than a third (30 per cent) were paid within 10 per cent of the correct NMW amount (between £5.68 and £6.30).

The mean pay figure within this group of non-compliant apprentices (those aged 21 or over and in the second year or later of their Apprenticeship) was £4.96 an hour.

**Figure 3.13: Distribution of pay for those with non-compliant pay aged 21 or more and in the second year or later of Apprenticeship (GB)**



Base: All GB L2 & 3 aged 21 or more and in 2<sup>nd</sup>+ year with non-compliant pay (277)

## Impact of underlying pay elements on compliance

In calculating the compliance of an apprentice's wages with the National Minimum 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 charging high amounts for live-in accommodation. Conversely, underpayment could be the results 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. For example, prior to October 2009 tips received from customers could be counted towards NMW pay rates (regardless of whether they are paid to the employer through their payroll or given directly to the worker by customers or a troncmaster); the 2012 survey suggested that employers may be using tips as a means to top up the wages of Apprentices, particularly in low-paying frameworks.

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 rates investigated. To ensure like-for-like comparisons all of the figures have been based on GB Level 2 and Level 3 apprentices for whom compliance could be determined for *all* of the pay elements.

- current NMW method:
  - earnings:
    - including basic pay
    - including accommodation costs (addition or deduction)
  - hours:
    - including hours worked at basic pay
    - including unpaid overtime
- unpaid overtime removed:
  - earnings:
    - including basic pay
    - including accommodation costs (addition or deduction)
  - hours:
    - including hours worked at basic pay
    - excluding unpaid overtime<sup>26</sup>
- basic hourly rate pay<sup>27</sup> (accommodation and unpaid overtime removed):
  - earnings:
    - including basic pay
    - excluding accommodation costs (addition or deduction)
  - hours:
    - including hours worked at basic pay
    - excluding unpaid overtime
- all earnings and hours:
  - earnings:
    - including basic pay
    - including overtime pay
    - including tips
    - including bonuses
    - including accommodation costs (addition or deduction)
  - hours:
    - including hours worked at basic pay
    - including unpaid overtime
    - including paid overtime

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<sup>26</sup> Where an employer has asked the apprentice to work unpaid overtime, this is counted in their total working hours and has been included in the calculation of their National Minimum Wage compliance. Where the extra hours are the choice of the apprentice, these hours do not count towards the NMW.

<sup>27</sup> This is the same method as the basic hourly pay rate used throughout the report

**Table 3.17 Comparison of non-compliance across different pay rates by, age, gender, year of Apprenticeship, and framework**

		NMW (current method)	Unpaid overtime removed	Basic hourly pay rate	All earnings and all hours
	<i>Base</i>	%	%	%	%
<b>TOTAL</b>	7260	15.9	15.2	15.3	15.2
<b>Age</b>					
16-18	2005	24.9	24.1	24.2	22.6
19-20	2071	20.8	19.7	20.0	19.8
21-24	1562	17.8	17.1	17.2	16.6
25+	1622	8.1	7.6	7.6	8.4
<b>Gender</b>					
Male	4240	15.7	15.0	15.2	14.9
Female	2020	16.1	15.4	15.5	15.5
<b>Year of Apprenticeship</b>					
A year or less	5184	10.3	9.8	9.9	9.6
More than a year	2076	29.2	27.8	27.9	28.2
<b>Framework</b>					
Business and related	811	13.9	13.1	13.6	13.6
Children's Care, Learning and Development	460	28.4	27.6	27.6	30.5
Construction and related	902	22.0	21.6	21.9	21.3
Customer Service	380	11.2	10.7	10.7	10.2
Electrotechnical	535	17.7	17.1	16.9	16.5
Engineering, Manufacturing Technologies and related	1238	16.2	15.3	15.4	14.5
Hairdressing	450	45.1	43.0	43	35.4
Health, Social Care and Sport	762	12.2	11.4	11.4	12.1
Hospitality and Catering	514	9.7	9.6	9.8	8.1
Management	353	4.3	4.2	4.2	4.3
Retail	455	12.4	12.4	12.4	12.4
Other 2/3	400	22.3	21.1	21.3	24

As Table 3.17 shows, if the NMW were calculated differently (and in the way that some employers may be calculating it) then non-compliance would probably be lower among all three of these alternate rates. However, this was less than one percentage point lower in all three cases and none of these differences were statistically significant. Across all of these rates non-compliance follows broadly the same pattern according to age, gender, and year of Apprenticeship, with only small differences in non-compliance within each group between the different pay measures.

There are some large differences by framework. Within the Hairdressing framework 45.1 per cent of apprentices had non-compliant pay according to the NMW calculation; compared with a much lower figure of 35.4 per cent if all earnings were taken into account. This suggests employers of Hairdressing apprentices in some cases may be expecting tips or other additional pay to supplement basic wages. As mentioned previously (in the 'Tips from customers' section) apprentices in Hairdressing were the most likely to report that they received tips (75 per cent).

**Table 3.18: Impact on compliance levels according to certain pay elements, among the apprentices who received that element of pay**

	<b>Base</b>	<b>Proportion of Apprentices</b>	<b>Current compliance levels<sup>1</sup></b>	<b>Compliance rate with element removed or added<sup>2</sup></b>
	n	%	%	%
Received any additional earnings (tips, bonuses or paid overtime)	2,902	39	12.8	10.5
Received bonuses	953	5	13.2	8.8
Received tips	566	7	30.3	20.1
Worked unpaid overtime	504	15	29.3	19.5

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

- 1. The rate for 'Current compliance levels' was calculated using the normal NMW compliance calculation method.*
- 2. These rates were recalculated as follows. For those who 'Received any additional earnings (tips, bonuses or paid overtime)' all the possible elements of pay and hours worked were included. 'Received bonuses' was calculated using the normal NMW method, except with bonuses included. 'Received tips' was calculated using the normal NMW method, except with tips included. 'Worked unpaid overtime' was calculated using the normal NMW method, except with any hours worked as unpaid overtime removed.*

It is reasonable to conclude that the inclusion or exclusion of unpaid overtime, bonuses, tips, higher rate pay and accommodation only had a marginal effect on compliance at the overall level. This is to be expected, as each of these pay elements only applied to a minority of apprentices. Looking just at the groups receiving these pay elements (Table 3.18) reveals that there was an impact on compliance in some cases.

Of all GB Level 2 and Level 3 apprentices for whom non-compliance could be calculated across each pay measure, two-fifths (39 per cent) 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) 12.8 per cent had non-compliant pay. When their hourly rate was recalculated to incorporate additional earnings this dropped to 10.5 per cent, a small but significant difference.

Looking only at those who received bonuses, 13.2 per cent had non-compliant pay based on hourly pay eligible for the NMW, compared with 8.8 per cent non-compliant if pay is based on total earnings. There was an even greater difference among those who received tips: a level of 30.3 per cent non-compliance based on pay eligible for the NMW, falling to 20.1 per cent non-compliance if additional earnings were included in hourly pay calculations. Seven per cent of apprentices worked unpaid overtime hours. Based on their pay calculated with unpaid hours included, 29.3 per cent received non-compliant pay; however, when their hourly pay was calculated excluding these unpaid hours, non-compliance falls to 19.5 per cent.

To explore the suggestion that underpayment was caused by employers being slow to react to a change in NMW rate eligibility, compliance was investigated among those aged over 18 who had recently (within the two months prior to interview) finished their first year, or turned 19 or 21 in age. At an overall level there was no difference in compliance between those who had recently changed eligibility and those who hadn't (28 per cent non-compliance in both groups). Although splitting these further suggested increased non-compliance for those who had a birthday (35 per cent non-compliance) and decreased for those who had recently complete their first year (23 per cent), these findings were not statistically significant. Significant differences were found among those who had recently turned 21; 43 per cent non-compliance compared with 28 per cent for those aged 21 and over who had neither finished their first year recently nor turned 21 recently (and 18% non-compliance among those aged 21 and over who had recently completed their first year).

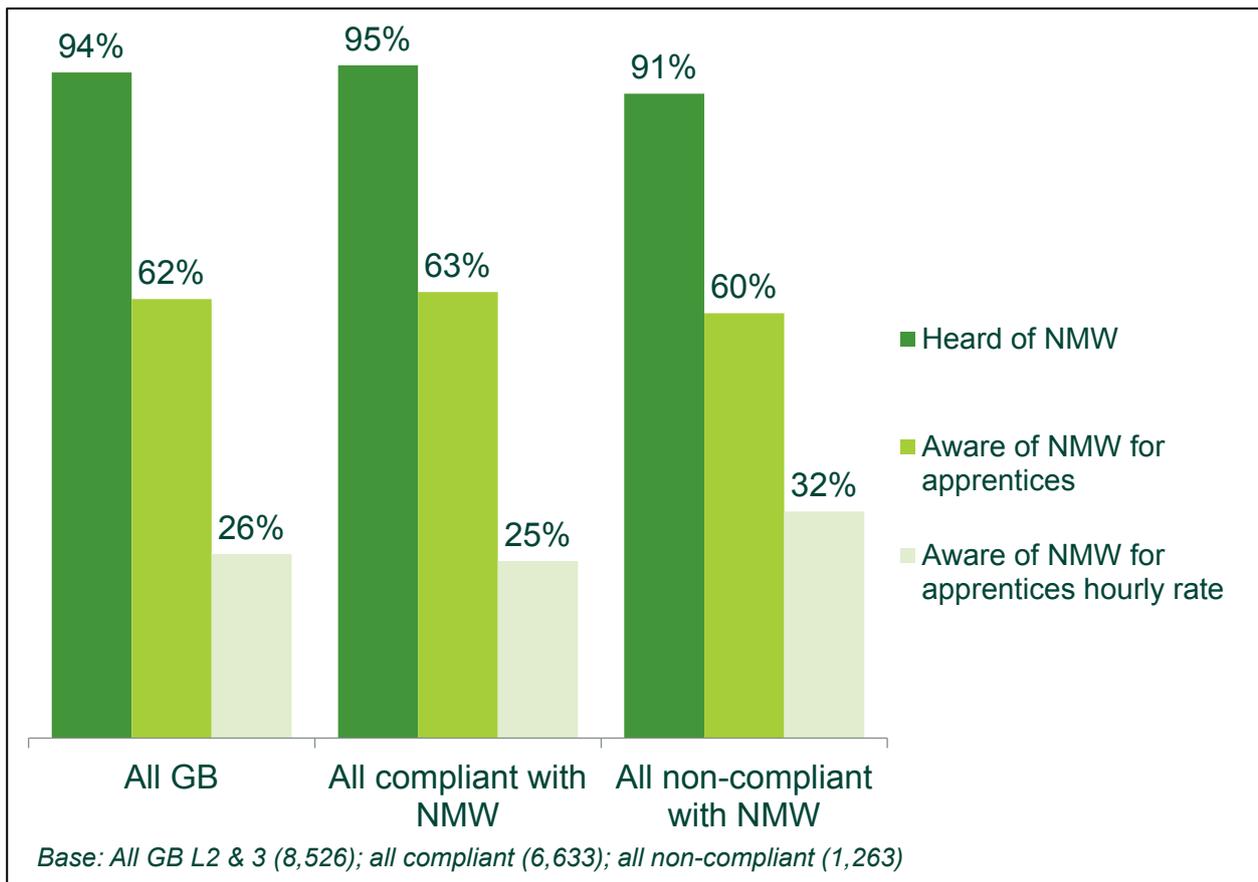
There is a third possibility related to this section, which is that apprentices did not provide exact amounts during interview. Apprentices were asked to have a pay slip to hand, but this was only possible in a third of cases; where a pay slip was not available apprentices made an estimate. Evidence from other pay surveys suggests respondents are likely to overestimate hours, underestimate earnings and round numbers, rather than give accurate amounts. Given the very precise numbers in this report, small errors can substantially impact on derived pay rates. For example, a first year apprentice working 38 hours per week at £2.68 per hour will earn £101.84, but they may report this as 38 hours per week for £100. This produces a derived hourly pay rate of £2.63, which is non-compliant by 2%.

Interestingly, based on self-reported hourly pay figures only (that is, where the apprentice stated they knew their hourly pay figure), the level of non-compliance was significantly lower. Just five per cent of Apprentices who reported their basic hourly pay rate gave a non-compliant figure.

## Awareness of the Apprentice Rate of the National Minimum Wage

The vast majority of Apprentices (94 per cent) had heard of the National Minimum Wage. Awareness of the NMW was lower among those with non-compliant pay (91 per cent, compared with 95 per cent of those with a compliant pay level).

**Figure 3.14: Knowledge of National Minimum Wage (GB)**



Awareness of the NMW was lower among the following groups:

- 16-18 year olds (90 per cent, compared with 95 per cent of those aged 19 plus);
- Non-white ethnic groups (89 per cent of Asian/Asian British apprentices and 90 per cent of Black/Black British apprentices, compared with 95% of White British apprentices);
- Apprentices in Scotland (90 per cent, compared with 95 per cent in Wales and 95 per cent in England);
- Apprentices in the Hairdressing framework (86 per cent).

Apprentices were also asked if they were aware that there is a National Minimum Wage rate for certain apprentices. Three-fifths of all Level 2 and Level 3 apprentices (62 per cent) were aware, which is an increase on the proportion aware in England in 2012 (52 per cent). Again, awareness of the NMW for apprentices was lower among those with non-compliant pay (60 per cent, compared with 63 per cent of those with a compliant pay level); however, in contrast to awareness of the general NMW, older apprentices were less likely to be aware of the NMW for apprentices: only half of those aged 25 or older (51 per cent) were aware, compared with 66 per cent of those aged 16-18, 68 per cent of those aged 21-24, and 73 per cent of those aged 19-20.

In terms of framework, as shown in Table 3.18, those on Business, Electrotechnical and Engineering frameworks were the most likely to know that there was a NMW rate for apprentices (with 77 per cent, 76 per cent and 74 per cent aware respectively), while those on the Health, Social Care and Sport framework were least likely to be aware (49 per cent).

Only a quarter of GB Level 2 and Level 3 apprentices (26 per cent) were aware of the hourly minimum rate for apprentices. In contrast to general awareness, apprentices with a non-compliant hourly pay rate were more likely to say that they were aware of the hourly minimum rate for apprentices (32 per cent) than those with a compliant rate of pay (25 per cent). These awareness figures were entirely self-reported; actual knowledge of the Apprenticeship NMW rates was not tested.

Those with permanent contracts of employment were also less likely to say they knew the minimum hourly rate for apprentices (23 per cent, compared with 38 per cent of those employed for the training period only, and 34 per cent of those employed with a fixed ending after completion). This could imply that those who are permanent employees are less likely to identify themselves as 'apprentices', and are thus less familiar with Apprenticeship wage rates.

Other groups less likely to say they knew the minimum hourly rate for apprentices included:

- Those aged 25 or over (14 per cent, compared with 34 per cent of those aged 16-24);
- Women (21 per cent, compared with 30 per cent of men);
- Black/Black British apprentices (16 per cent, compared with 26 per cent of White British and 29 per cent of Asian/Asian British);
- Apprentices in Scotland (17 per cent) and Wales (16 per cent), compared with 27 per cent in England).

By framework, knowledge of the hourly rate largely mirrored awareness of the existence of the Apprenticeship NMW, with those on Business and related, Electrotechnical and Engineering frameworks most likely to say they knew the hourly rate (43 per cent, 33 per cent and 34 per cent respectively), and those on the Health, Social Care and Sport framework least likely (14 per cent). Results are shown in Table 3.19, ranked by awareness of the Apprenticeship NMW.

**Table 3.19: Awareness of an Apprenticeship NMW and of the NMW hourly rate by framework (GB Level 2 and Level 3 apprentices)**

	Base	Aware of Apprenticeship NMW	Aware of hourly rate
	N	%	%
Business and related	927	77	43
Electrotechnical	611	76	33
Engineering, Manufacturing Technologies and related	1,416	74	34
Construction and related	1,022	67	26
Other (level 2/3)	480	65	29
Hairdressing	534	64	30
Customer Service	462	62	29
Hospitality and Catering	599	55	22
Management	450	55	15
Children's Care	549	54	26
Retail	528	52	15
Health, Social Care and Sport	948	49	14
<b>GB Total</b>	<b>8,526</b>	<b>62</b>	<b>26</b>

*Base: All GB L2 & L3 apprentices*

## 4. Pay levels of Level 2 and Level 3 Apprentices in England

### Key facts and summary

Two-thirds (67 per cent) of Level 2 and 3 apprentices in England were already working for their employer when they started their Apprenticeship, the same as found GB-wide, though slightly lower than the 2012 level in England (71 per cent). Most Level 2 and 3 apprentices were employed on a permanent basis (76 per cent). In comparison 10 per cent were employed just for the duration of their Apprenticeship.

Apprentices worked and trained a mean average of 39.7 hours a week in total (median 40 hours), very similar to the GB-wide results (a mean of 39.7 and a median of 40 hours a week). Those in Electrotechnical, Construction, Engineering and management worked and trained longer hours than average (means of 42-44 hours a week).

The mean basic hourly pay (i.e. excluding overtime, tips or bonuses) was £6.78, and the median £6.31, very similar to GB levels (£6.79 and £6.31 respectively).

A third (34 per cent) of apprentices said their hourly rate had increased during their Apprenticeship, with this much higher among 19-20 year olds (49 per cent) and those aged 21-24 (46 per cent), men (44 per cent), and those in their second or later year of the Apprenticeship (52 per cent).

Taking overtime, tips and bonuses into account mean average total weekly earnings was £256 (median £237), almost identical to the GB levels. Again this varied widely by framework, with earnings highest in Management (a mean of £389 a week) and lowest among those on the Hairdressing framework (£151). Basic pay accounts for 94 per cent of total earnings, and overtime five per cent (the remainder is accounted for by tips and bonuses).

Results indicate that (among apprentices where the necessary pay details had been provided) 15 per cent of all Level 2 and Level 3 apprentices were paid below the NMW, the same as found GB wide. Non-compliance was higher among apprentices in Hairdressing (42 per cent), Children's Care (26 per cent) and Construction (24 per cent). In comparison, just four per cent of Level 2 and Level 3 Management apprentices for whom compliance could be calculated were paid below the NMW.

Higher than average levels of non-compliance with the NMW were also found among the following groups: those aged 16-18 (25 per cent), those that had been on the course for more than a year (28 per cent), those that had not worked for their employer before they started their Apprenticeship (24 per cent) and those not employed on a permanent basis (29 per cent).

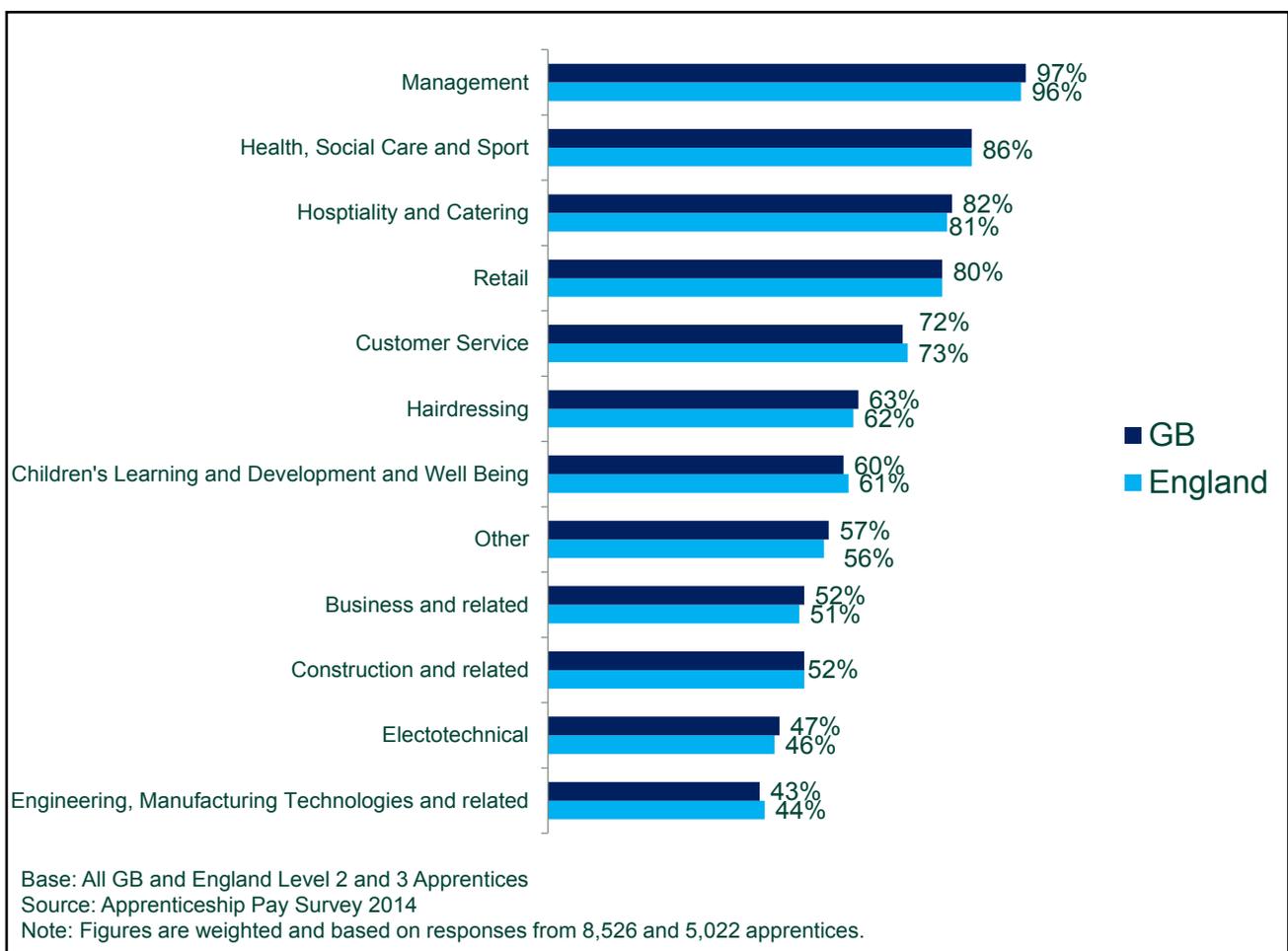
Although the vast majority (95 per cent) of apprentices had heard of the National Minimum Wage, and around three-fifths were aware that there is a National Minimum Wage rate for certain apprentices (62 per cent), only around a quarter knew or claimed to know the

actual minimum rate for apprentices (27 per cent, though this was much higher than found in Scotland (17 per cent) and Wales (16 per cent)).

## Routes into Apprenticeships

In England in 2014, two-thirds of Level 2 and 3 apprentices (67 per cent) had already been working for their employer when they started their Apprenticeship. As Figure 4.1 shows, the breakdown by framework of those Apprentices working for their employer beforehand mirrors that found GB-wide.

**Figure 4.1: Proportion of apprentices in England compared with GB working for their employer prior to starting their Apprenticeship**



## Working arrangements and number of hours contracted to work

### Contractual and employment arrangements

Regarding contractual arrangements, the England figures replicate those at GB level: 90 per cent of Level 2 and Level 3 apprentices in England had a written contract of employment, eight per cent said they had had no written contract, and two per cent were unsure.

Three-quarters (76 per cent) of Level 2 and 3 apprentices in England worked for their employers permanently with no fixed end date, 10 per cent were employed for the duration of their training only and five per cent had a fixed end date for their employment after completion of their training. (Six per cent had another arrangement and three per cent were unsure what their employment / contract circumstances were).

As was the case across GB, the employment arrangement and contractual status differed according to framework and age, as shown in Table 4.1. Hairdressing and Construction apprentices were the least likely to have a written contract (23 and 16 per cent respectively said they had no written contract). Similarly, Hairdressing apprentices were also the least likely to be employed on a permanent basis (58 per cent).

The proportion of apprentices in England with a written contract was lowest among 16-18 year olds (83 per cent) and highest among those aged 25 plus (94 per cent). The proportion of apprentices with a permanent working arrangement increased steadily with age from just over half (52 per cent) of 16-18 year old apprentices to over nine in ten (92 per cent) of those aged 25 or over.

**Table 4.1: Incidence of written contracts and employment arrangements by framework and age (Level 2 and 3 apprentices in England)**

	Base	Written contract		Employment arrangement <sup>1</sup>			
		Yes	No	Permanent	For training period only	Fixed end after completion	
	N	%			%		
<b>Apprenticeship framework</b>							
Management	278	%	95	4	97	1	-
Health & Social Care & Sport	615	%	93	7	86	4	3
Retail	337	%	93	7	81	5	7
Business and related	574	%	92	7	66	16	8
Other	256	%	91	7	62	18	8
Children's Care	371	%	89	10	68	14	8
Customer Service	328	%	89	8	82	8	3
Engineering, Manufacturing technologies	746	%	89	8	69	14	7
Electrotechnical	451	%	88	9	69	17	5
Hospitality and Catering	328	%	87	11	87	6	2
Construction	357	%	79	16	67	14	8
Hairdressing	379	%	73	23	58	22	7
<b>Age</b>							
16-18	1,267	%	83	13	52	25	9
19-20	1,393	%	89	9	63	18	9
21-24	1,038	%	88	10	74	10	7
25 +	1,322	%	94	6	92	1	2
<b>England Total</b>	<b>5,020</b>	<b>%</b>	<b>90</b>	<b>8</b>	<b>76</b>	<b>10</b>	<b>5</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.

<sup>1</sup> This question was asked of all apprentices, irrespective of whether they had a written contract.

## Contracted hours versus the number of hours worked

The vast majority (85 per cent) of apprentices had a set number of contracted hours. As Figure 4.2 outlines, the majority Level 2 and Level 3 apprentices in England were contracted to work between 35-39 hours a week (37 per cent) or 40-44 hours (22 per cent), with a mean average of 35.3 weekly contracted hours, and a median of 37.5 hours, both similar to the GB level.

Two per cent of apprentices were contracted to work 1-15 hours, fewer hours than they should under Apprenticeship funding rules. This was more common among apprentices in Retail (seven per cent), Children's Care (six per cent) and Hospitality and Catering (four per cent).

**Figure 4.2: Number of hours apprentices are contracted to work: Level 2 and 3 apprentices in England**

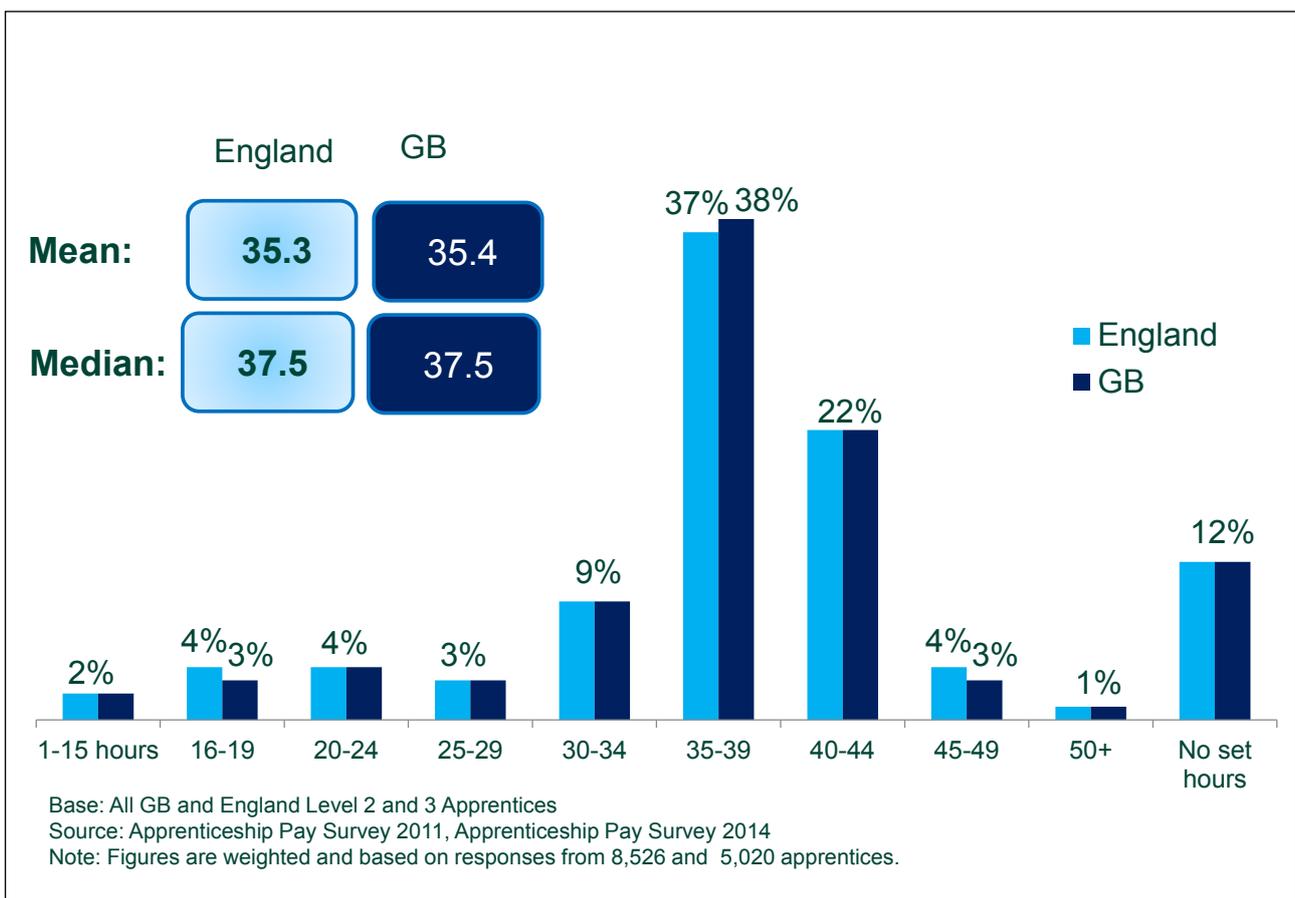


Figure 4.3 compares contracted hours to the actual total weekly hours apprentices reported working, including training and overtime. Overall a quarter (26 per cent) worked more than 45 hours a week whereas only five per cent were contracted to do so.

Thirty per cent of males were working / training 45 hours a week or more compared to 19 per cent of females. Those aged 21 and over were also more likely than their younger

counterparts to be doing over 50 hours a week (13 per cent of 21-24 years and 16 per cent of those aged 25 and older were working this number of hours compared with nine per cent of those aged 20 and younger). The hours worked each week varied by framework with around a fifth of those in Electrotechnical (20 per cent), Management (21 per cent) and Health, Social Care and Sport (18 per cent) working over 50 hours.

When looking at the mean figures, Level 2 and 3 apprentices in England were working and training 4.4 more hours a week than the average they were contracted to work (39.7 actual compared with 35.3 contracted hours). The difference at GB level was 4.3 (35.4 contracted and 39.7 actual hours). The difference across the two median calculations was 2.5 hours more actual than contracted hours. Those who did not have a set number of contracted hours worked a mean number of 39.6 hours a week and a median of 40, little difference from other apprentices.

**Figure 4.3: Number of hours apprentices are contracted to work compared with the number of hours actually worked (Level 2 and 3 apprentices in England)**

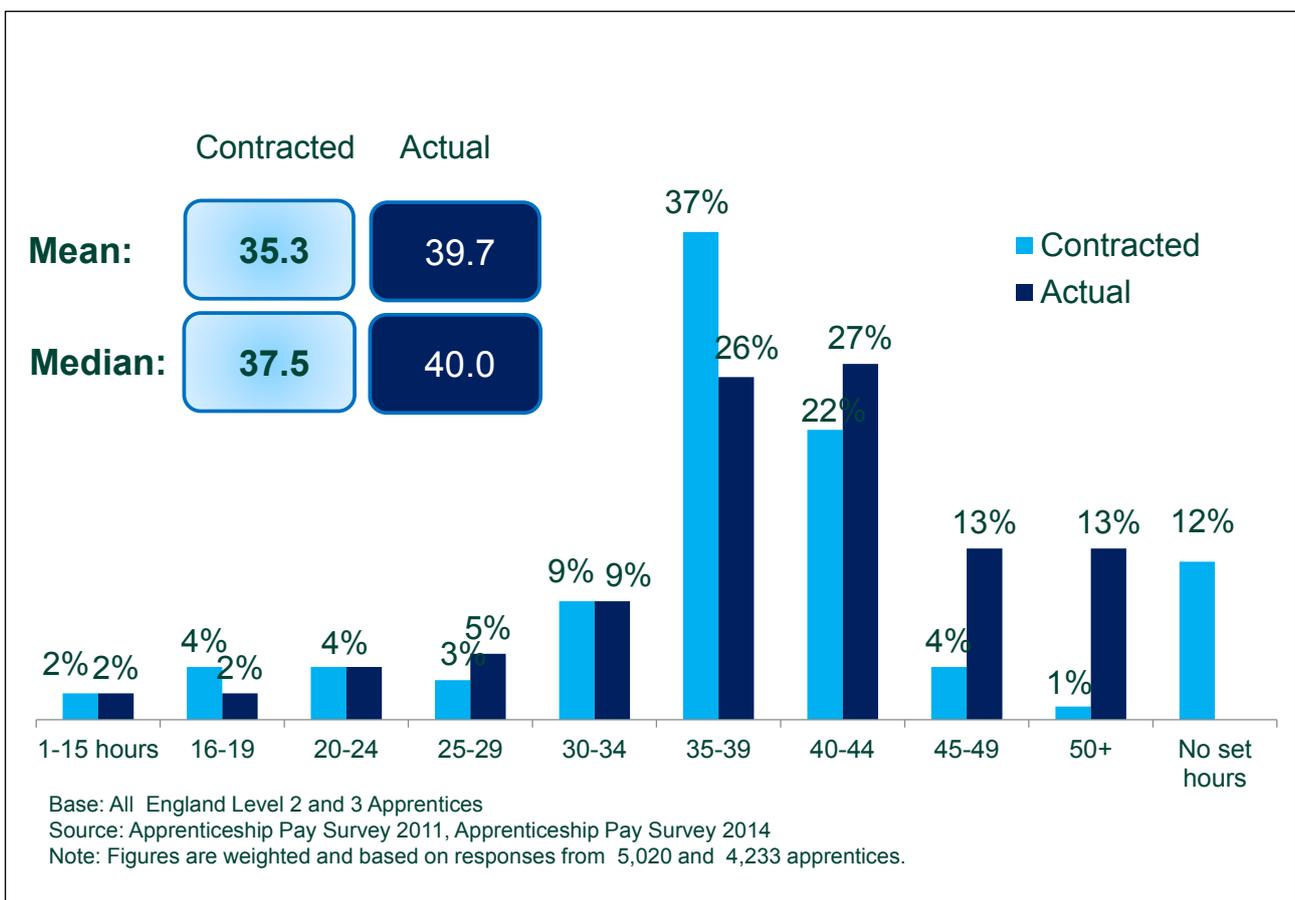


Table 4.2 shows the actual hours worked and trained compared against the hours apprentices were contracted to work. The final column shows the percentage of apprentices that work more hours than their contracted hours. Those with fewer contracted hours were more likely to work additional hours in reality. Excluding those apprentices who

had no set contracted hours to work a week, 63 per cent of apprentices in England worked longer hours than they were contracted to a week.<sup>28</sup>

**Table 4.2: Number of hours contracted to work versus number of actual hours working and training**

	Actual hours worked							% working longer actual hours than contracted <sup>29</sup>
	Base		1-19	20-29	30-39	40-49	50+	
Contracted hours								
<b>1-19</b>	574	%	36	43	11	7	3	82
<b>20-29</b>	175	%	5	51	34	8	2	76
<b>30-39</b>	221	%	2	2	55	33	9	63
<b>40-49</b>	1,937	%	1	1	11	69	19	56
<b>50+</b>	1,284	%	3	-	-	18	79	52
<b>No set hours</b>	42	%	7	13	24	39	18	n/a

*Base: England L2 and L3 apprentices stating contracted and actual hours. (4,233 respondents).*

Analysis by framework shows some variation in terms of weekly working hours. Table 4.3 shows the difference between contracted and actual working hours using the mean and median averages by framework.

Those in Electrotechnical, Engineering and Construction frameworks worked the longest (mean) hours each week (42-44 hours) but the gap between actual and contracted hours was at or lower than average. The Hospitality and Catering, Children's Care, Health and Social Care and Retail frameworks had a lower than average mean number of contracted hours per week (35-36) but a higher than average discrepancy between their contracted and actual hours (c. 5.5 - 6 additional hours each week).

<sup>28</sup> Apprentices were not asked whether their contractual hours also covers hours spent training. It is not possible therefore to determine the degree to which whether extra hours worked beyond their contracted hours, comprise training hours or additional working hours. However, it should be noted that an apprentice's contract should cover the time spent working and training off-the-job.

<sup>29</sup> Figures are calculated using a comparison between the actual figures given for apprentices' contracted hours and their actual hours worked, not simply the bands used in the table.

**Table 4.3: Number of hours contracted to work versus number of actual hours: Level 2 and 3 apprentices in England**

	Contracted hours Base		Mean hours			Median hours		
	Contracted	Actual	Contracted	Actual	Difference between actual and contracted hours	Contracted	Actual	Difference between actual and contracted hours
Retail	311	295	32.0	37.9	5.9	36.0	39.0	3.0
Health and Social Care and Sport	460	485	33.0	38.8	5.8	35.5	38.4	2.9
Children's Care	334	307	32.0	37.5	5.6	35.0	39.3	4.3
Hospitality and Catering	240	282	32.7	38.2	5.5	35.0	39.0	4.0
Management	253	217	36.5	42.0	5.4	37.5	41.0	3.5
Electrotechnical	352	394	39.1	43.8	4.7	40.0	42.0	2.0
Construction	264	315	39.3	43.1	3.8	40.0	40.0	0.0
Engineering, Manufacturing technologies	673	649	38.9	42.6	3.7	39.0	41.0	2.0
Other	226	214	34.4	38.0	3.6	37.0	38.5	1.5
Customer Service	295	258	35.3	37.9	2.6	37.5	38.3	0.8
Hairdressing	297	315	36.8	39.4	2.6	38.0	40.0	2.0
Business and related	555	502	36.1	38.5	2.4	37.5	38.0	0.5
<b>England total</b>	<b>4,260</b>	<b>4,233</b>	<b>35.3</b>	<b>39.7</b>	<b>4.7</b>	<b>37.5</b>	<b>40</b>	<b>2.5</b>

Base for contracted hours: England L2 and L3 Apprentices with stated contracted hours (4,260).

Base for actual hours: England L2 and L3 apprentices for whom a calculation of actual weekly hours could be made (4,233 respondents).

Shading in grey boxes denotes where hours are higher than the overall average.

## Rates of Pay

### Pay arrangements

As at the GB level almost half of apprentices (46 per cent) were paid the same total amount each week, regardless of the number of hours they worked. Approaching a quarter (24 per cent) were paid the same hourly rate and their pay varied according to the number of hours they worked, and a similar proportion (23 per cent) were paid different hourly rates under different circumstances, for example if they work overtime or at weekends.

Pay arrangement varied across age and framework. Younger apprentices were more likely to get paid the same total amount each week, independent of the hours they worked (58 per cent of 16-18 and 52 per cent of 19-20 year olds, compared with 46 per cent of 21-24 year olds and 40 per cent of those over 25). Table 4.4 shows the breakdown by framework and age. More than two-thirds of Business and Hairdressing apprentices were paid the same each week, compared to a quarter of those in Electrotechnical and Health, Social Care and Sport. These two frameworks, along with Engineering, were the most likely to have their pay vary with some hours on a higher rate along with apprentices (49, 34 and 34 per cent respectively).

**Table 4.4: Pay arrangements by framework and age (Level 2 and 3 apprentices in England)**

	Base		Paid the same amount, irrespective of number of hours	Pay varies – all hours at the same rate	Pay varies – some hours at different rate
	N			%	
<b>Apprenticeship framework</b>					
Business and related	574	%	77	11	6
Hairdressing	379	%	69	26	2
Other	256	%	66	13	15
Customer Service	328	%	56	28	10
Construction	357	%	49	17	27
Engineering, Manufacturing technologies	746	%	48	9	34
Children's Care	371	%	45	38	8
Management	278	%	44	32	17
Retail	337	%	39	26	27
Hospitality and Catering	328	%	29	47	17
Electrotechnical	451	%	26	18	49
Health and Social Care and Sport	615	%	26	34	34
<b>Age</b>					
16-18	1,267	%	58	18	17
19-20	1,393	%	52	20	20
21-24	1,038	%	46	25	24
25+	1,322	%	40	28	25
<b>England Total</b>	<b>5,020</b>	<b>%</b>	<b>46</b>	<b>24</b>	<b>23</b>

*Base: All England L2 and L3*

## Pay Levels

The mean basic hourly rate of pay for Level 2 and Level 3 apprentices in England was £6.78 an hour, and the median £6.31. These are very similar to the rates found across GB as a whole (a mean of £6.79 and a median of £6.31). Table 4.5 shows the 2014 mean and median basic hourly pay by framework for apprentices in England, with frameworks ranked by in ascending mean score order. Apprentices in Hairdressing, Children's Care, Construction, Business and related, Engineering and Retail frameworks were all paid a lower mean hourly pay than the average. Apprentices on the Hairdressing framework had the lowest mean pay rate of £3.81 an hour and Management the highest, at £9.53. This was the same pattern as in 2012, when comparative figures in England were for Hairdressing a mean of £3.51 an hour (and a median of £2.70), and for Management a mean of £9.11 an hour (and a median of £7.84)

**Table 4.5: Mean and median basic hourly pay (Level 2 / 3 apprentices in England)**

	Base	Mean hourly pay	Difference from Apprentice Mean (£6.78)	Median hourly pay	Difference from Apprentice Median (£6.31)
Hairdressing	316	£3.81	−£2.97	£2.86	−£3.45
Children's Care	308	£5.25	−£1.53	£5.02	−£1.29
Construction and related	315	£5.73	−£1.05	£5.10	−£1.21
Business and related	502	£5.96	−£0.82	£5.75	−£0.56
Engineering and related	651	£6.53	−£0.25	£5.83	−£0.48
Retail	295	£6.77	−£0.01	£5.94	−£0.37
Electrotechnical	394	£6.94	£0.16	£5.68	−£0.63
Hospitality and Catering	282	£6.94	£0.16	£6.31	£0.00
Customer Service	259	£6.98	£0.20	£6.73	£0.42
Other	213	£7.09	£0.31	£6.64	£0.33
Health, Social Care & Sport	487	£7.52	£0.74	£6.52	£0.21
Management	217	£9.53	£2.75	£8.38	£2.07
<b>Total</b>	<b>4,239</b>	<b>£6.78</b>		<b>£6.31</b>	

*Base: All England L2 and L3 apprentices where basic hourly pay could be calculated based on responses provided.*

Table 4.6 shows the mean and median hourly pay by various demographic factors. Those working towards a higher level and older apprentices have a higher hourly wage. In addition, pay increases in accordance with the length of time apprentices have been training for. The difference between male and female apprentices was minimal.

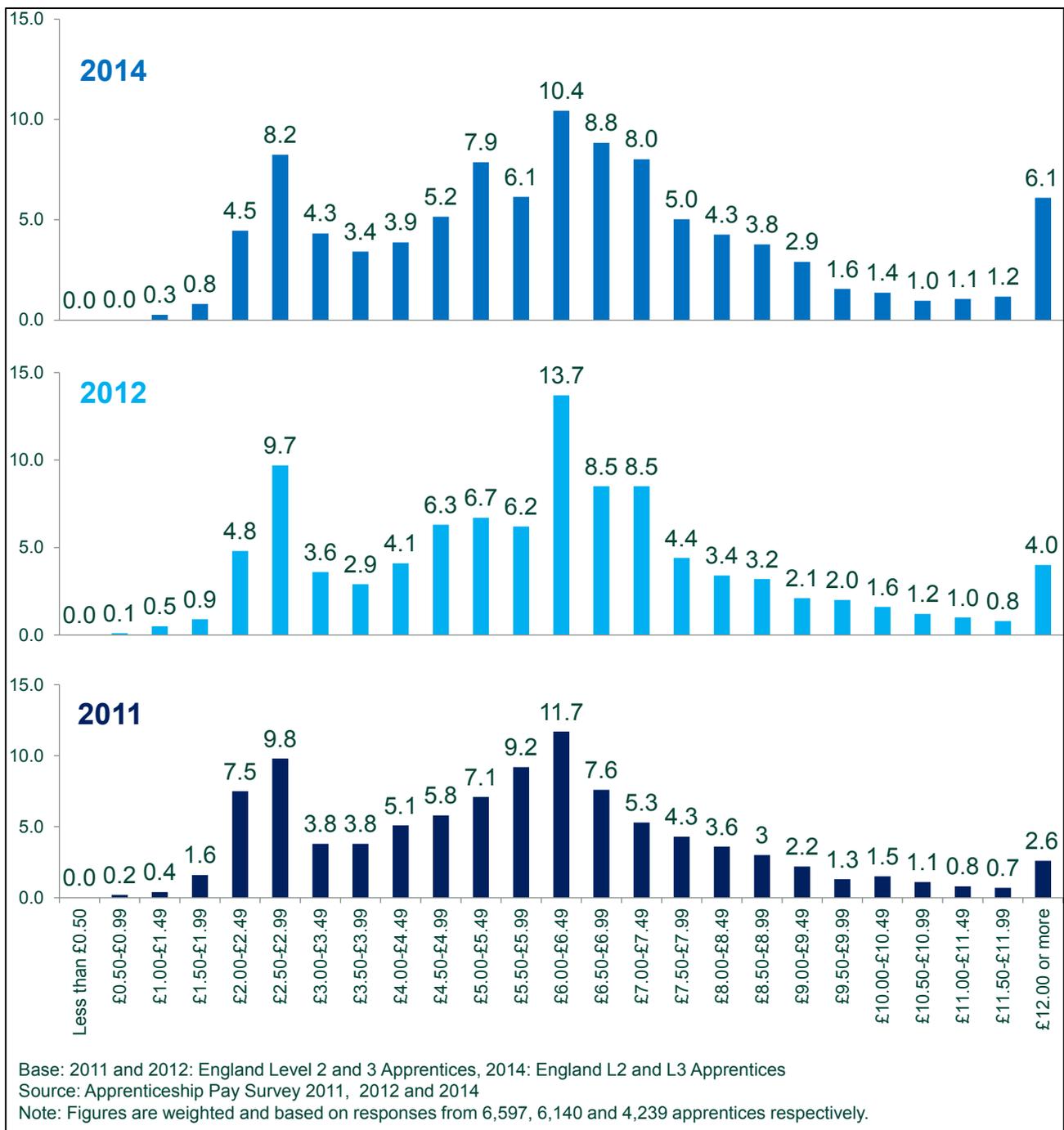
**Table 4.6: Basic hourly pay: Level 2 and Level 3 apprentices in England**

	Base n	Mean £	Median £
<b>Total</b>	<b>4,239</b>	<b>£6.78</b>	<b>£6.31</b>
<b>Level</b>			
Level 2	2,380	£6.30	£6.00
Level 3	1,859	£7.47	£6.63
<b>Gender</b>			
Male	2,306	£6.77	£6.16
Female	1,933	£6.79	£6.38
<b>Age</b>			
16-18	1,175	£4.28	£3.33
19-20	1,166	£5.41	£5.03
21-24	874	£6.66	£6.44
25+	1,023	£8.61	£7.27
<b>Ethnicity</b>			
White	3,832	£6.61	£6.30
Asian / Asian British	183	£7.04	£6.56
Black / Black British	125	£9.62	£6.60
Mixed/Other	99	£7.32	£6.81
<b>Length of time on apprenticeship</b>			
More than a year	1,203	£7.34	£6.44
A year or less	3,036	£6.55	£6.27

*Base: All England L2 and L3 apprentices where pay could be calculated based on responses provided.*

Figure 4.4 shows the proportions of apprentices falling within various pay bands, compared with findings from the 2011 and 2012 Apprenticeship Pay Surveys.

**Figure 4.4: Distribution of basic hourly pay, 2011, 2012 and 2014 (Level 2 and 3 apprentices in England)**



As to be expected, there are clear peaks where there is a correspondence with the NMW for the various age groups i.e. between £2.50-£3.00, £5.00-£5.50 and £6.00-£6.50. In 2014, 54 per cent were being paid between £2 and £6.49 with around two-fifths (45 per cent) being paid more than £6.50.

## Pay increases

Around a third (34 per cent) of apprentices' hourly rate had increased during their Apprenticeship (the same level as found GB-wide), with this higher among 19-20 year olds (49 per cent) and 21-24 year olds (46 per cent). This compares to 38 per cent of 16-18 year olds and 20 per cent of those aged 25+. Men were much more likely to have received a pay rise than women (44 per cent compared with 25 per cent). As might be expected those on their Apprenticeship longer than a year were more likely to have experienced a pay increase (52 per cent, compared with 27 per cent of those in their first year).

As Table 4.7 shows, in terms of framework, those **least** likely to have received an increase were training in:

- Management (19 per cent)
- Health and Social Care (19 per cent)
- Customer Service (25 per cent)
- Hospitality and Catering (28 per cent)
- Children's Care (29 per cent)
- Retail (29 per cent)

Of the 34 per cent that had received a pay increase, 13 per cent stated it was because they had turned 19 (equivalent to four per cent of all Level 2 and Level 3 apprentices in England), eight per cent because they had turned 21 (equivalent three per cent of all apprentices) and 42 per cent because they had completed the first year of their course (15 per cent of all apprentices).

Overall 17 per cent of all Level 2 and 3 apprentices in England (and 51 per cent of those receiving a pay rise) had a pay increase either because they turned 19 or 21 or because they entered the second year of their Apprenticeship (i.e. reasons relating to changes in the NMW band). Of course, apprentices may receive a pay increase without knowing the reason for the rise.

**Table 4.7: Pay increases by age and framework: Level 2 and Level 3 apprentices in England**

	Base		
	n		
<b>Framework</b>			
Electrotechnical	451	%	69
Engineering, Manufacturing technologies	746	%	60
Construction	357	%	56
Business and related	574	%	37
Hairdressing	379	%	37
Other	256	%	30
Children's Care	371	%	29
Retail	337	%	29
Hospitality and Catering	328	%	28
Customer Service	328	%	25
Health and Social Care and Sport	615	%	19
Management	278	%	19
<b>Age</b>			
16-18	1,267	%	38
19-20	1,393	%	49
21-24	1,038	%	46
25+	1,322	%	20
<b>England Total</b>	<b>5,020</b>	<b>%</b>	<b>34</b>

*Base: All England L2 and L3 Apprentices*

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

In 2011 and 2012, analysis of hourly pay against contracted hours was undertaken in England, which showed those working part-time earned more per hour.<sup>30</sup> Similar analysis in 2014 shows that the average hourly wage of those with contracted hours of less than 30 hours a week, although still higher than that of other apprentices, was more closely aligned than in 2011 or 2012 with the overall mean/median (see Table 4.8).

<sup>30</sup> In 2012, the mean salary for apprentices whose contracted hours were less than 16 hours per week was £9.69 per hour (£8.66 in 2011). This fell to £6.16 per hour for those working between 16 and 29 hours a week and £6.09 (£5.60 in 2011) for those contracted for 30 hours or more. The report suggested potential reasons could be due to a lack of recognition by apprentices that training time was included as part of contractual working hours or because of misreporting.

**Table 4.8: Mean and Median basic hourly rate based on contracted hours**

	Base n	Mean £	Median £
Less than 16 hours	67	£8.26	£6.51
16-29 hours	329	£7.73	£6.45
30 hours or more	3,267	£7.08	£6.29
<b>England Total</b>	<b>3,663</b>	<b>£7.18</b>	<b>£6.31</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

Just under a quarter (23 per cent) of apprentices in England were paid at a different rate for some of the hours that they worked.

If apprentices' hours varied, and answered using a payslip<sup>31</sup>, they 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 per cent) of these respondents were paid a higher rate for at least some of these hours: the mean higher hourly pay rate amongst these apprentices (who answered the survey with a payslip) was £11.66<sup>32</sup>.

Those apprentices who did not answer using a payslip were asked how much they get per hour on average for paid overtime they do (this includes those paid the same rate for their overtime and their 'standard' hours). Table 4.9 shows how these apprentices basic rate compares to their overtime rate.

The mean gross hourly rate for overtime for these apprentices was £8.09 (a mean increase of £0.61 on the basic rate) and the median £7.00 (a 50 pence difference). This differed across frameworks as table 4.9 shows.

<sup>31</sup> Respondents were encouraged to answer the 2014 with a recent payslip to hand in order to ensure accuracy of response. If apprentices did not answer with a payslip (or if their answers within this section did not allow an hourly pay figure to be calculated, for example because of 'don't know' responses), then they were asked about their pay and hours for the last full working week. They were asked if the pay and hours of this last full working week were typical, and if not they were asked about a typical week. The latter was then used for calculating hourly pay.

<sup>32</sup> Caution should be taken when interpreting these findings due to a relatively small base size (unweighted 189). Base sizes are too small to conduct analysis across frameworks

**Table 4.9: Basic hourly pay rate versus overtime rate of apprentices not answering with a payslip who provided paid overtime information**

	Mean hourly pay				Median hourly pay		
	Base	Standard rate	Overtime rate	Amount overtime exceeds basic	Standard rate	Overtime rate	Amount overtime exceeds basic
Health and Social Care and Sport	90	£7.65	£7.13	-£0.52	£6.68	£7.00	£0.32
Hospitality and Catering	40	£6.66	£6.80	£0.15	£6.29	£6.60	£0.31
Management	38	£10.75	£10.96	£0.21	£8.38	£8.76	£0.38
Children's Care	30	£6.11	£6.35	£0.24	£5.06	£6.35	£1.29
Retail	61	£6.26	£7.70	£1.45	£6.73	£6.89	£0.16
Engineering, Manufacturing technologies	83	£7.21	£8.92	£1.71	£6.13	£8.33	£2.20
Electrotechnical	68	£6.97	£8.86	£1.89	£6.44	£8.55	£2.11
Construction	35	£7.41	£9.66	£2.25	£7.31	£8.50	£1.19
Business and related	22	**	**	**	**	**	**
Hairdressing	18	**	**	**	**	**	**
Customer Service	23	**	**	**	**	**	**
Other	15	**	**	**	**	**	**
<b>England Total</b>	<b>517</b>	<b>£7.48</b>	<b>£8.09</b>	<b>£0.61</b>	<b>£6.50</b>	<b>£7.00</b>	<b>£0.50</b>

## Total weekly earnings

### Average total weekly earnings

Across all Level 2 and 3 apprentices in England, the mean total weekly earnings was £256 (median: £237): this includes basic pay plus overtime, tips from customers and bonuses.

As detailed in Figure 4.5, there were substantial variations in the average weekly earnings by framework. Higher average earnings were found in the Management framework and noticeably lower in the Hairdressing framework. A complete table of these figures can be found in Table A2 in Appendix A.

Weekly earnings above the average for Level 2 and 3 apprentices across England were also found among male apprentices (mean: £273; median: £248) and those aged 25 or above (mean: £314; median £290).

**Figure 4.5: 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>33</sup>**

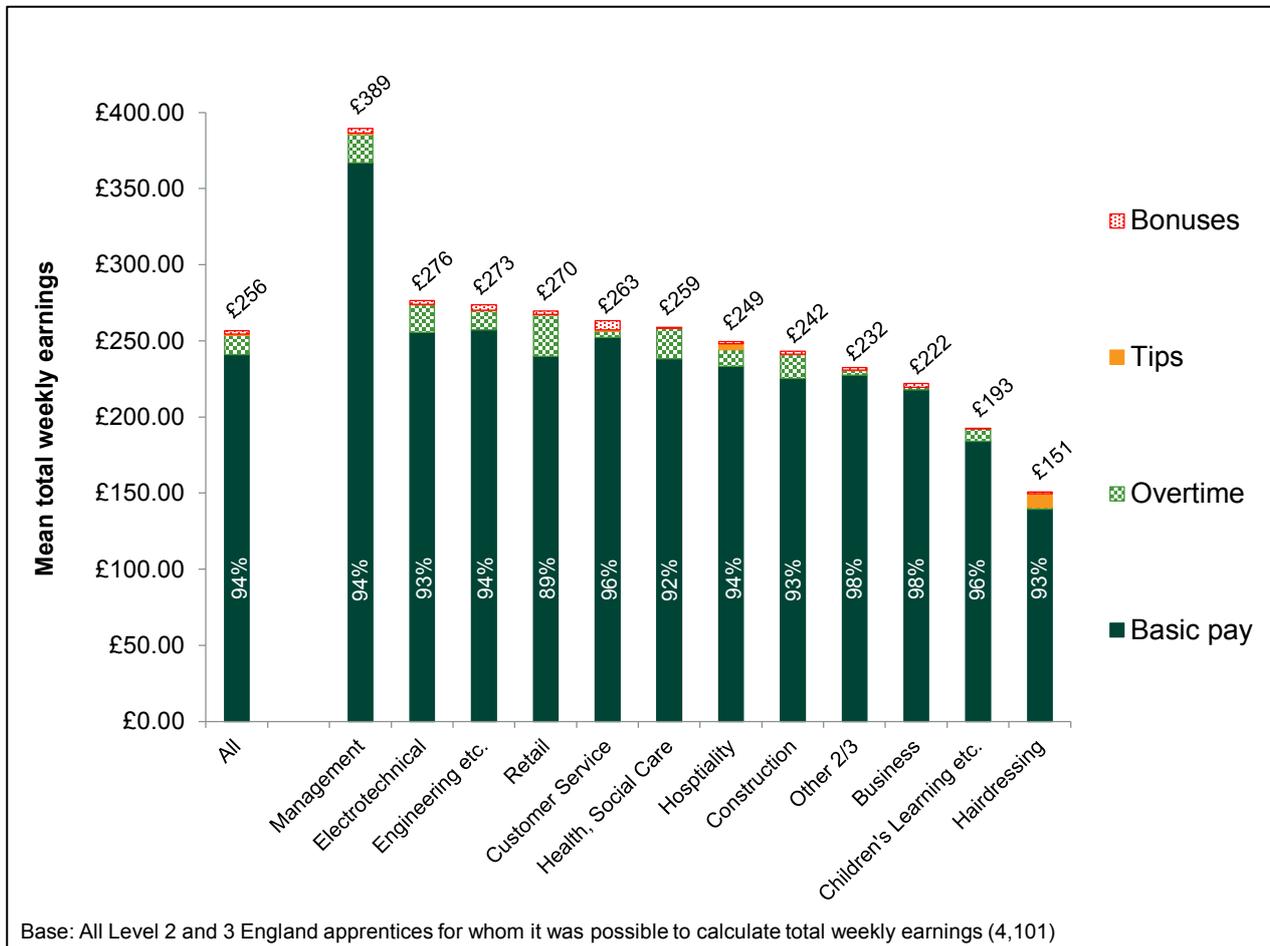


Figure 4.5 also illustrates the composition of total weekly earnings by its individual components: basic pay, overtime, tips from customers and bonuses. Unsurprisingly, basic pay constitutes the greatest proportion of total weekly earnings across all frameworks (average of 94 per cent; the same proportion as found GB-wide). However, there were differences by framework in terms of the other component of weekly earnings:

- Proportional weekly earnings from **overtime** were highest in the Retail (11 per cent), and Health, Social Care and Sport frameworks (eight per cent), compared with the average of five per cent across all apprentices;
- Proportional weekly earnings from **tips from customers** were highest in the Hairdressing (four per cent) and Hospitality and Catering frameworks (two per

<sup>33</sup> Some apprentices are provided with free accommodation, paid 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 (three per cent), this has not been included in Figure 4.5.

- cent), compared with the average of less than one per cent across all apprentices; and
- The proportion of total earnings from **bonuses** was highest in the Customer Service framework (two per cent, compared with the one per cent across all apprentices).

## Earnings at basic pay

The mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Level 2 and 3 England apprentices was £241 (median: £228). As detailed in the previous section, earnings from basic pay account for the vast majority of total weekly earnings across all Level 2 and 3 Apprenticeship frameworks in England (94 per cent).

As detailed in Table 4.10, there was substantial variation in weekly earnings from basic pay by framework with those in Management earning the most (a mean of £367) and those in Hairdressing the least (a mean of £140).

Those aged 25 or above had higher basic weekly pay (mean: £295; median: £277).

**Table 4.10: Mean and median weekly earnings from basic pay for Level 2 and 3 apprentices in England, by framework**

	Base	Mean	Median
	n	£	£
Management	212	367	346
Electrotechnical	385	256	240
Engineering, Manufacturing Technologies and related	639	257	240
Customer Service	246	252	238
Retail	274	240	210
Health, Social Care and Sport	460	238	234
Hospitality and Catering	265	233	222
Construction and related	307	225	216
Other 2/3	206	228	201
Business and related	495	218	203
Children's Care	299	184	153
Hairdressing	313	140	110
<b>England Total</b>	<b>4,101</b>	<b>241</b>	<b>228</b>

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

## Overtime

Around six in ten Level 2 and 3 England apprentices (61 per cent) had worked overtime, paid or unpaid, for their employer during their Apprenticeship. This represents a slight decrease from 2012 when it was reported that 64 per cent of apprentices in England worked overtime.

As detailed in Table 4.11, overtime was most common in the Electrotechnical (74 per cent), Management (73 per cent) and Retail (71 per cent) frameworks. By comparison, fewer than half in the Business and related (43 per cent) and Hairdressing frameworks (40 per cent) ever worked overtime.

**Table 4.11: Proportion of England Level 2 and 3 apprentices working overtime, by framework**

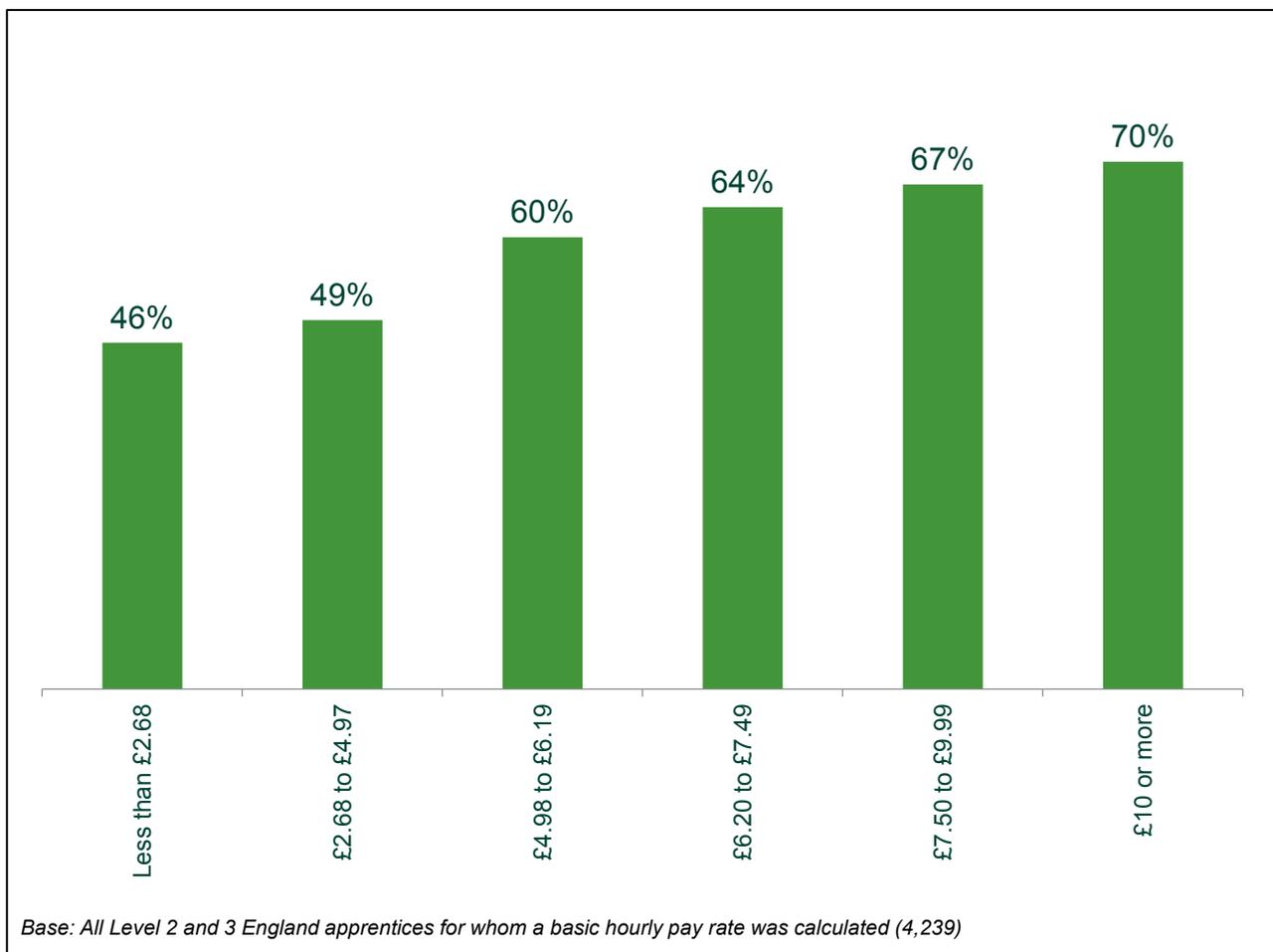
	<b>Base</b>	<b>Work overtime (paid or unpaid)</b>
	n	%
Electrotechnical	451	74
Management	278	73
Retail	337	71
Hospitality and Catering	328	68
Health, Social Care and Sport	615	65
Engineering, Manufacturing Technologies and related	746	63
Children's Care	371	62
Construction and related	357	61
Other (level 2/3)	256	57
Customer Service	328	52
Business and related	574	43
Hairdressing	379	40
<b>England Total</b>	<b>5,020</b>	<b>61</b>

*Base: all Level 2 and 3 England apprentices*

Working overtime was more common among male apprentices (62 per cent compared with 59 per cent of female apprentices) and older apprentices (increasing from 49 per cent among those aged 16-18 years to 65 per cent among those aged 25 or older).

The incidence of ever working overtime during their Apprenticeship was increases with hourly pay rate (see Figure 4.6).

**Figure 4.6: Proportion of England Level 2 and Level 3 apprentices working overtime by basic hourly pay**



The mean number of hours overtime (either paid or unpaid) worked by apprentices doing overtime and able to give a figure was 7.5 hours a week (median: 6.0 hours). This represents an increase from the mean of 6.2 hours reported for apprentices in England in 2012. Among those who worked overtime:

- 72 per cent worked less than 10 hours overtime per week;
- 17 per cent worked between 10 and 14 hours;
- 5 per cent worked between 15 and 19 hours; and
- 7 per cent worked 20 or more hours overtime per week.

The number of overtime hours worked per week was highest in the following frameworks (figures based on those apprentices working overtime):

- Health, Social Care and Sport (mean: 10.3 hours ; median: 8.0 hours);
- Retail (7.8 hours; median: 6.0 hours);
- Management (7.7 hours; median: 8.0 hours);
- Construction and related (7.6 hours; median: 6.0 hours); and
- Hospitality and Catering (7.5 hours; median: 5.0 hours).

### Earnings from overtime

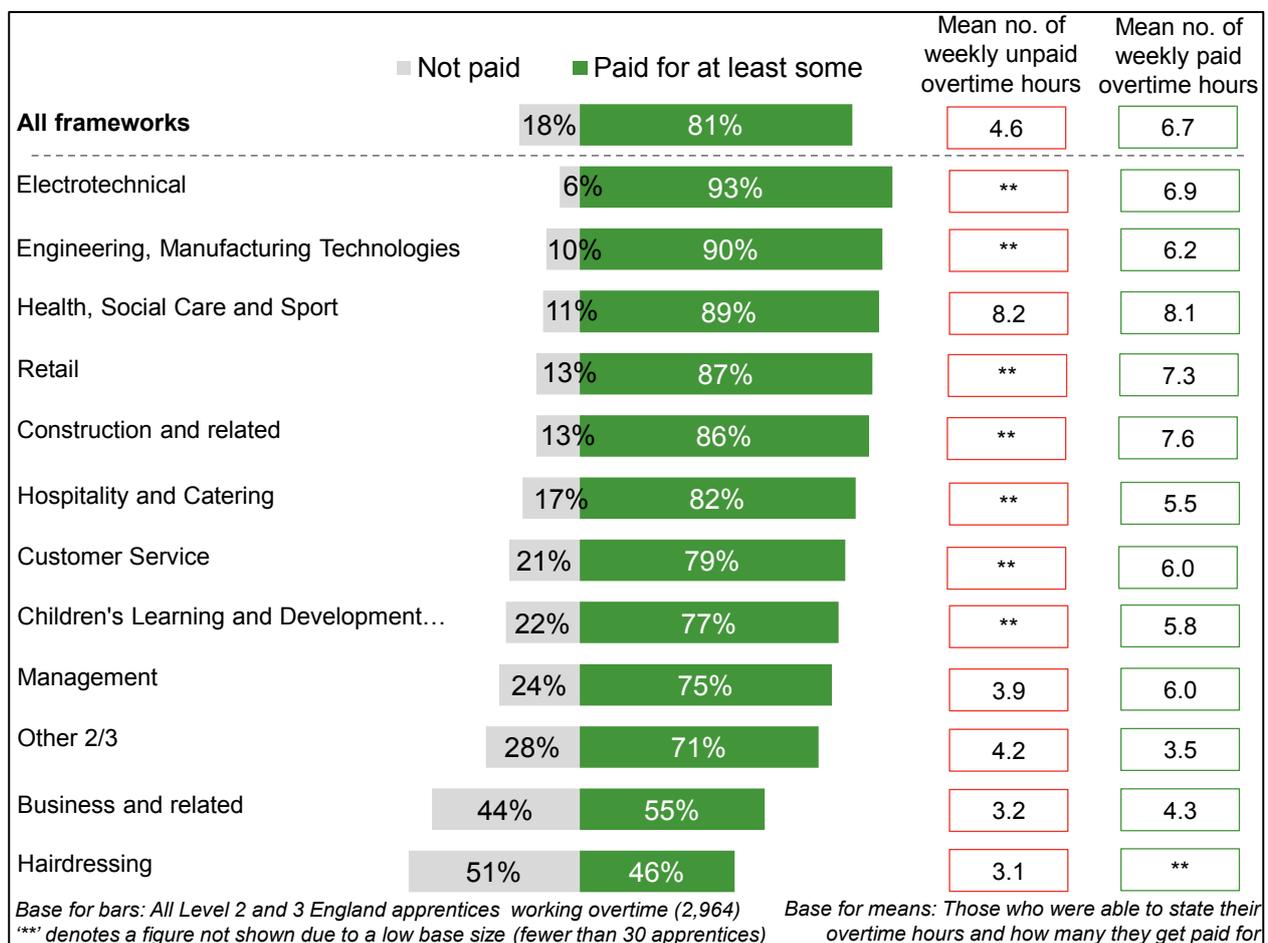
Around four-fifths of Level 2 and 3 England apprentices who ever worked overtime with their employer (81 per cent) were paid for at least some of the additional hours they worked, whereas 18 per cent were not paid for any of these additional hours. For comparison, the proportion not paid for at least some of their overtime hours represents a decrease from the 22 per cent of Level 2 and 3 apprentices in England reporting that they never got paid for their overtime hours in 2012.

As shown in Figure 4.7, apprentices in the Electrotechnical framework working overtime were the most likely to be paid for at least some of their overtime hours (93 per cent), followed by those in the Engineering and Manufacturing Technologies, Health, Social Care and Sport and Retail frameworks (90, 89 and 87 per cent respectively).

In contrast, apprentices in Hairdressing were most likely to report that they were not paid for any of the hours they work overtime (51 per cent), followed by apprentices in the 'Business and related' framework (44 per cent).

Male apprentices were more likely to be paid for at least some of their overtime hours than women (84 and 79 per cent respectively).

**Figure 4.7: Proportion of Level 2 and 3 England apprentices paid for at least some of their overtime vs. those not paid for their overtime, by framework**



Among those apprentices who were paid for at least some of their overtime (and were able to provide a figure for how much paid overtime they worked in a typical week) the mean number of paid overtime hours was 6.7 (median: 5.0 hours). More specifically, 45 per cent did up to four hours paid overtime, 31 per cent did between five and nine hours overtime and 25 per cent did 10 hours or more hours paid overtime.

By framework, apprentices in the Health, Social Care and Sport (8.1 hours; median: 7.0 hours), Construction and related (7.6 hours; median: 6.0 hours) and Retail (7.3 hours; median: 5.0 hours) frameworks spent more hours working paid overtime than average.

Among those able to state how much they were paid for their overtime, the mean amount earned in a week from overtime was £72.96 (median: £50.63). By framework, apprentices in Construction (£91.20; median: £58.85), Retail (£90.60; median: £51.52), Management (£83.64; median: £68.00) and Health, Social Care and Sport frameworks (£81.25; median: £69.63) earned the most from overtime. As reported earlier, earnings from overtime formed a greater proportion of total weekly earnings in the Retail and Health, Social Care and Sport frameworks (11 and 8 per cent respectively) compared to the average across all frameworks (five per cent).

## 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>34</sup>.

Among the 18 per cent of Level 2 and 3 England apprentices who ever worked overtime but were not paid for any of their overtime hours (equivalent to 11 per cent of all Level 2 and 3 apprentices in England) the mean number of unpaid overtime hours was 4.6 (median: 3.0 hours). This is similar to the mean of 4.4 hours reported for apprentices in England in 2012. Due to low base sizes, analysis by framework is not possible.<sup>35</sup>

## Time off in lieu or flexi leave

Among those Level 2 and 3 England apprentices who ever worked overtime, either paid or unpaid, just under two-fifths (39 per cent) reported that they were given time off in lieu or flexi leave in return. This is similar to the levels reported in 2012 for England (41 per cent), and the same as reported GB-wide in 2014.

Apprentices in Business and related (57 per cent) and Hairdressing (52 per cent) were more likely to receive time off in lieu or flexi leave in return for working overtime compared to the average. As shown previously in Figure 4.7, apprentices in these two frameworks were the least likely to be paid for their overtime.<sup>36</sup>

Those who never get paid for their overtime hours were more likely to receive time off in lieu or flexi leave (57 per cent, compared with 35 per cent among those paid for at least some of their overtime).

## Tips from customers

Seven per cent of all Level 2 and England apprentices reported that they received tips from customers.

Since October 2009, tips received from customers cannot be counted towards NMW pay rates, regardless of whether they are paid to the employer through their payroll or given directly to the worker by customers or a troncmaster. Nevertheless, findings from the 2012 Apprenticeship Pay Survey suggested that employers may be using tips as a means to top up the wages of apprentices following low-paying frameworks.

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<sup>34</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.

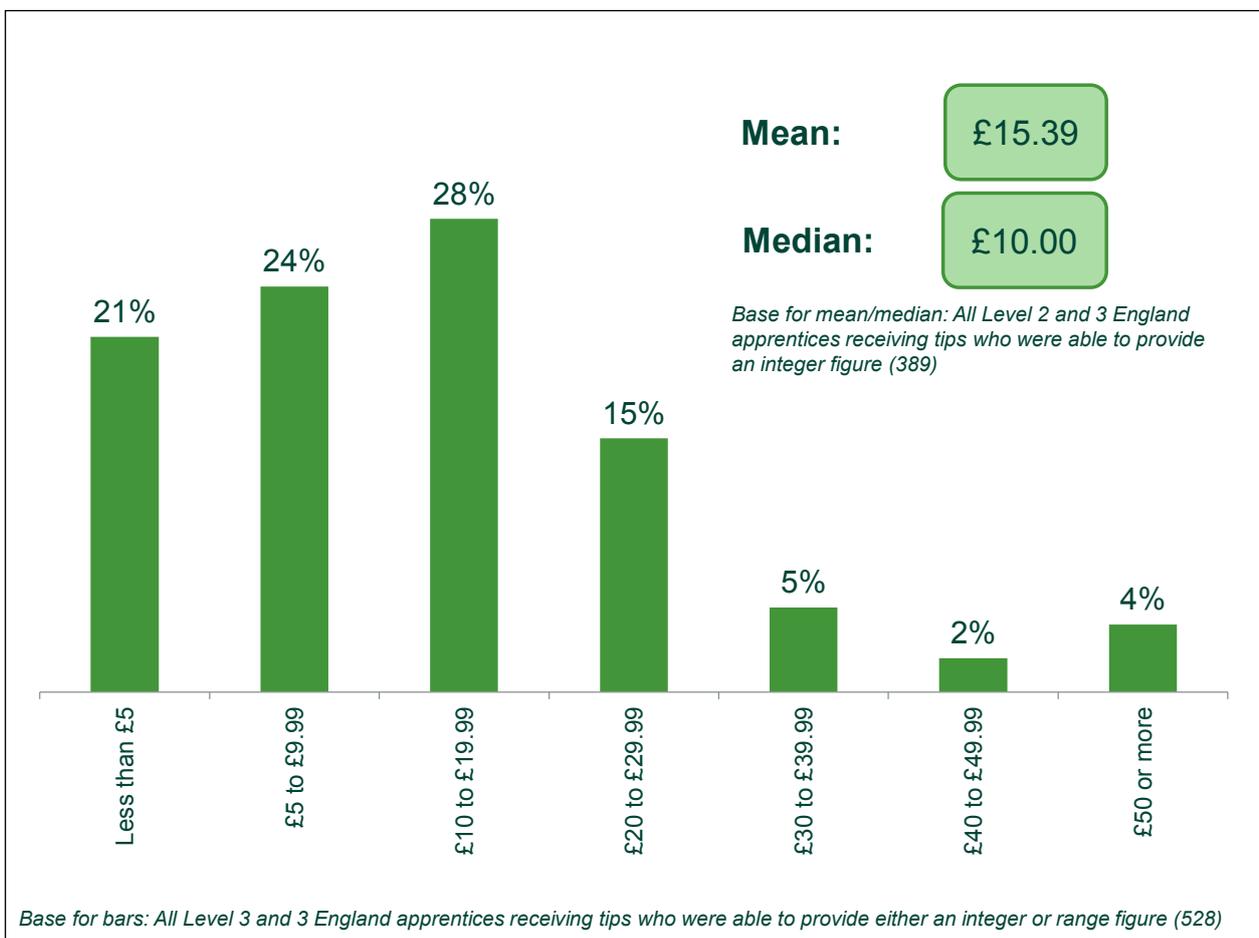
<sup>35</sup> Some or all of this unpaid overtime could have been taken as flexi leave or as time off in lieu, but the extent to which this occurred was not asked in the survey (see the following footnote).

<sup>36</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.

In line with this, there were marked differences by framework with Level 2 and 3 England apprentices in the Hairdressing (75 per cent) and Hospitality and Catering frameworks (27 per cent) the most likely to report that they received tips in their line of work. Across all other frameworks an average of three per cent of apprentices reported that they received tips (range: nine per cent in Construction and related to zero in Children's Care)

As shown by Figure 4.8, the vast majority of apprentices receiving tips reported that in a typical week they received tips totalling less than £30. The mean amount of tips received in a typical week was £15.39 (median: £10.00).

**Figure 4.8: Amount received in tips by Level 2 and 3 apprentices in England during a typical week**



## Bonuses

Just under one fifth of Level 2 and 3 England apprentices (18 per cent) received bonuses from their employer. This represents a decrease from 2012 when it was reported that 23 per cent of apprentices in England received bonuses.

The following groups were more likely to have received bonuses:

- Those in the Engineering and Manufacturing Technologies (32 per cent), Customer Services (25 per cent) and Retail frameworks (24 per cent);
- Male apprentices (24 per cent compared with 12 per cent of female apprentices);
- Those aged 16 to 24 years (21 per cent compared with 13 per cent of those aged 25 or older); and
- Level 3 apprentices (21 per cent compared with 16 per cent of Level 2 apprentices).

Whilst the Engineering and Manufacturing Technologies framework consists of a greater proportion than average of male apprentices, those aged below 25 years of age and those on a Level 3 Apprenticeship, the demographic profiles for the other two frameworks where apprentices were particularly likely to have received bonuses (Retail and Customer Services) were broadly similar to the average across all Level 2 and 3 apprentices.

The mean bonus paid across all apprentices receiving bonuses was equivalent to £16.66 a week (median: £9.62). As detailed in Table 4.12, apprentices in the Customer Service framework received the highest mean bonuses per week (£29.24; median: £22.38). There were wide differences in the mean and median figures overall, and in some specific frameworks, indicating a small proportion of apprentices receiving very high bonuses compared with the average.

**Table 4.12: Mean and median weekly bonus for Level 2 and 3 apprentices in England, by framework**

	<b>Base</b>	<b>Mean weekly bonus</b>	<b>Median weekly bonus</b>
	n	£	£
Customer Service	56	29.24	22.38
Management	37	21.69	9.62
Business and related	78	17.85	11.54
Electrotechnical	56	17.54	4.81
Engineering, Manufacturing Technologies and related	160	16.86	9.62
Construction and related	37	16.42	4.81
Retail	51	12.48	5.88
Other 2/3	26	11.78	9.62
Hairdressing	44	7.37	1.92
Health, Social Care and Sport	25	**	**
Hospitality and Catering	25	**	**
Children's Care	17	**	**
<b>England Total</b>	<b>612</b>	<b>16.66</b>	<b>9.62</b>

*Base: all Level 2 and 3 England apprentices receiving bonuses and able to give a figure for the amount of bonus they receive.*

*\*\*\* denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

## 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 £4.91 is added to the apprentice’s wages for each day that 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.

Overall, three per cent of all Level 2 and 3 apprentices were provided with live-in accommodation. Two per cent were provided with free accommodation and one per cent were provided with charged-for accommodation at a mean weekly amount of £38.27 (median: £27.69).

By framework, the provision of accommodation (either free or charged for) was most common in the Electrotechnical and Construction and related frameworks (both eight per cent)<sup>37</sup>.

## Compliance with the National Minimum Wage

This section looks at the extent to which the gross hourly pay of apprentices is compliant with the National Minimum Wage (NMW) 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)’

Looking only at apprentices for whom compliance is known, 85 per cent had a gross hourly wage at or above the appropriate NMW, while 15 per cent had a gross hourly wage below the appropriate NMW<sup>38</sup>. This is the same proportion as found GB-wide.

This compares with 29 per cent reported as having a gross hourly pay rate below the NMW in 2012, and 20 per cent in 2011. It is worth noting that the 2012 figure for non-compliance was potentially inflated due to a change in NMW levels occurring during the survey fieldwork period, meaning some instances of non-compliance could have been caused by apprentices failing to report recent changes in pay.

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<sup>37</sup> The higher levels of accommodation provision within these frameworks may be explained by those apprentices at the Construction Industry Training Board’s (CITB) National Construction College.

<sup>38</sup> Across all Level 2 and Level 3 apprentices in England, 78 per cent were paid at or above the NMW, 14 per cent below the NMW, and for eight per cent it is not possible to determine from their survey responses if their pay was compliant or not.

There were considerable differences in the proportions being paid below the NMW by framework, as shown in Table 4.13. More than two-fifths (42 per cent) of Hairdressing Level 2 and Level 3 apprentices were paid less than NMW, followed by around a quarter of those on the Children's Care and the Construction and related frameworks (26 per cent and 24 per cent respectively). At the other end of the scale, just four per cent of Level 2 and Level 3 Management apprentices had gross hourly pay below the NMW level.

**Table 4.13: Compliance with NMW by framework (England Level 2 and Level 3)**

	<i>Base</i>		<b>Paid the NMW or higher</b>	<b>Paid below NMW</b>
Hairdressing	346	%	58	42
Children's Care	335	%	74	26
Construction and related	340	%	76	24
Electrotechnical	419	%	83	17
Engineering, Manufacturing Technologies and related	707	%	85	15
Business and related	543	%	87	13
Retail	316	%	88	12
Health, Social Care and Sport	542	%	88	12
Customer Service	295	%	90	10
Hospitality and Catering	305	%	91	9
Management	257	%	96	4
Other (level 2/3)	237	%	79	21
<b>England Total</b>	<b>4,642</b>	<b>%</b>	<b>85</b>	<b>15</b>

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

Younger apprentices were more likely to be earning less than the NMW, with a quarter of 16-18 year olds (25 per cent) having non-compliant pay levels, compared with 20 per cent of 19-20 year olds, 17 per cent of those aged 21-24, and eight per cent of those aged 25 or older.

Another factor with an impact on compliance was the length of time the apprentice has spent on the course: more than a quarter (28 per cent) of those who had been on the course for more than a year were calculated as being paid less than NMW, compared with 10 per cent of those who had been on their course for a year or less. This could imply that a substantial proportion of non-compliance cases were due to apprentices moving up to the next NMW bracket, without their pay being increased.

Apprentices that had not worked for their employer before they started their Apprenticeship were also more likely to be paid below the appropriate NMW (24 per cent, compared with 11 per cent among those who were already working for their employer at the start of the Apprenticeship).

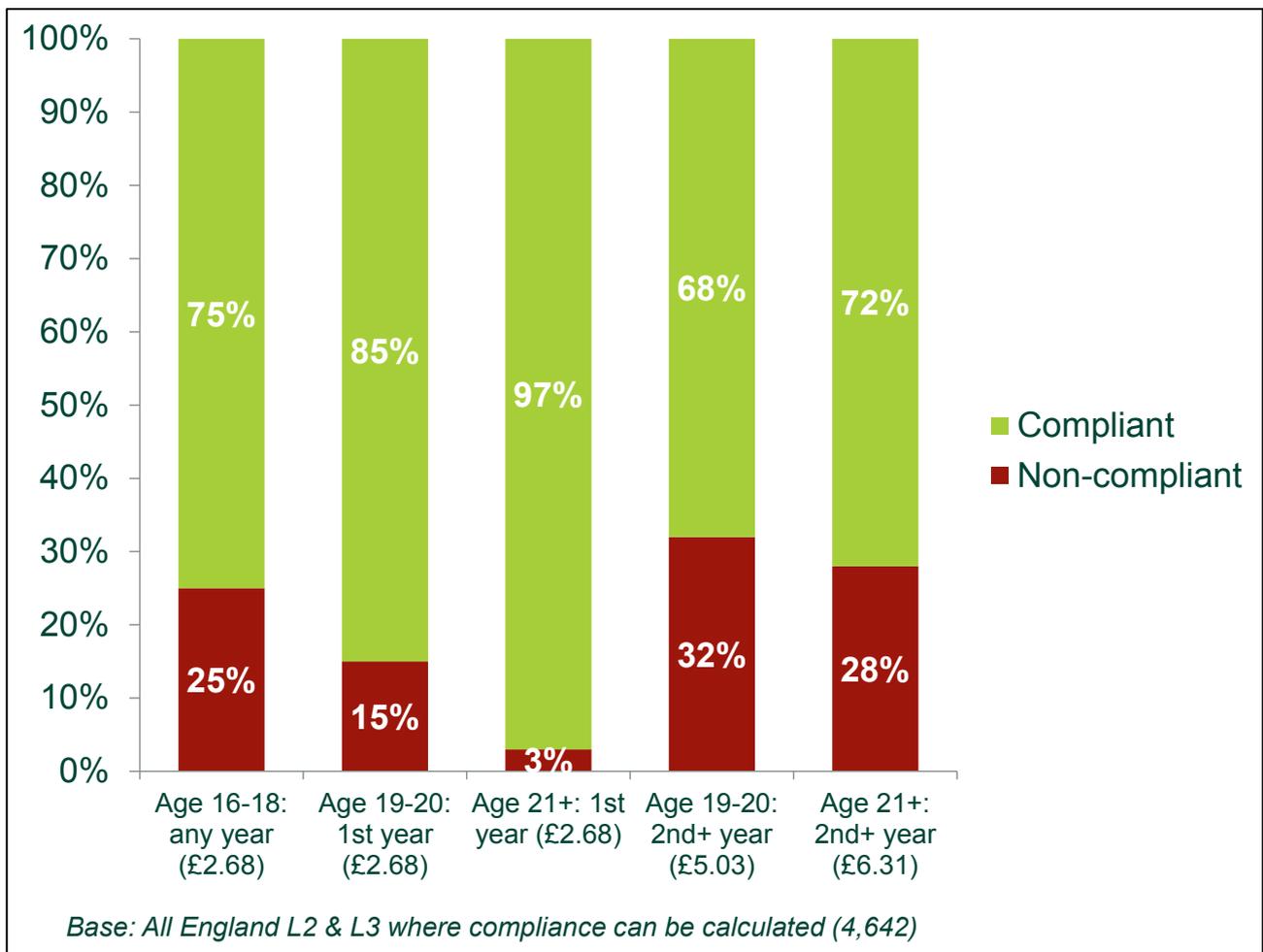
Those employed for the training period only or with a fixed end date after completion were less likely to be paid the NMW (each 29 per cent) than those with permanent employment (11 per cent).

Apprentices who did not have a written contract were also more likely to be paid below the NMW (29 per cent), compared with those who did have a written contract (13 per cent).

Looking at compliance split by the different NMW levels for each age group and year of Apprenticeship, those aged 19-20 and in their second year or later year of their Apprenticeship were the most likely to be in the non-compliant category, with nearly a third (32 per cent) being paid less than the appropriate NMW, £5.03 an hour. Those aged 21 or more and in the second year or later were slightly less likely to be non-compliant, with 28 per cent being paid less than £6.31, the minimum level for that group.

Among the apprentices eligible for the lowest level of NMW, £2.68, those aged 16-18 were most likely to be non-compliant, with a quarter (25 per cent) being paid less than this amount. Of those aged 19-20 and in their first year, 15 per cent were non-compliant, while only a very small proportion of those aged 21+ and in their first year were paid less than £2.68 (three per cent).

These results are shown in Figure 4.9.

**Figure 4.9: Compliance by age and year of Apprenticeship (England Level 2 and 3)**

Among those whose calculated gross hourly pay was non-compliant with the NMW, 50 per cent were aged under 19 or on the first year of the Apprenticeship (hence they should have been being paid a minimum of £2.68 an hour), 15 per cent were on the £5.03 NMW and 36 per cent should have been being paid £6.31 an hour.

Table 4.14 and Figure 4.10 show the pay distribution for Level 2 and 3 apprentices in England, also indicating within each pay band the relevant compliance rate. Results are based on respondents where it was possible to calculate an exact gross hourly pay figure (4,241 of the 5,020 Level 2 and Level 3 apprentices interviewed in England). As well as showing the distribution of hourly pay rates Figure 4.10 also shows which NMW rate applied to respondents and whether the pay was compliant or not. For example it shows (in the far right bar) that 10 per cent of all Level 2 and Level 3 apprentices in England for whom it was possible to calculate a gross hourly pay figure were paid more than £9 an hour and the NMW rate that applied was £2.68.

A very small proportion of Level 2 and Level 3 apprentices in England for whom it was possible to calculate a gross hourly pay figure were paid £1.50 an hour or below (0.4 per cent), while eight per cent were paid between £1.51 and £2.67. The majority of apprentices within that range were eligible for the £2.68 minimum rate (eight per cent), with a minority eligible for the higher rates of £5.03 or £6.31 (less than 0.5 per cent each).

Nearly a quarter of the Level 2 and 3 apprentices in England with exact pay figures received between £2.68 and £5.02 an hour (24 per cent); within this group, two per cent were non-compliant as they were eligible for NMW of £5.03, and a further two per cent were eligible for NMW of £6.31.

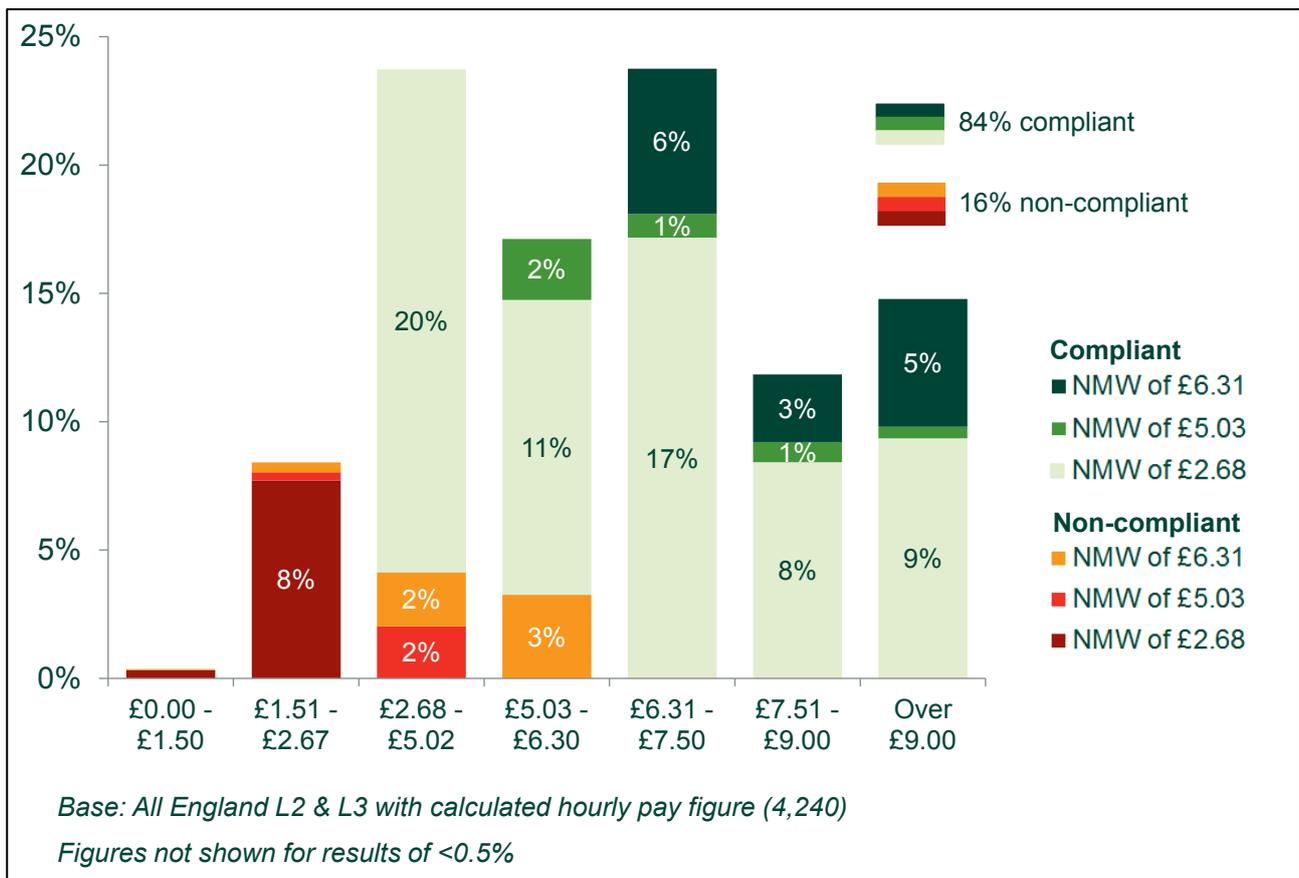
Just under a fifth of apprentices were paid between £5.03 and £6.30 an hour (17 per cent); within this group, three per cent were receiving non-compliant pay, as they were eligible for the minimum rate of £6.31 an hour.

Half of all Level 2 and 3 apprentices with a known hourly pay figure received £6.31 an hour or more (50 per cent); within this group, a quarter were paid between £6.31 and £7.50 an hour (24 per cent), 12 per cent were paid between £7.51 and £9.00 an hour, and 15 per cent were paid more than £9.00 an hour.

**Table 4.14: Apprentice pay rates and compliance / non-compliance (England Level 2 and 3)**

		Proportion of apprentices in each pay band						Total	
		< £1.51	£1.51- £2.67	£2.68- £5.02	£5.03- £6.30	£6.31- £7.50	£7.51- £9.00		Over £9.00
<b>Compliant</b>		-	-	19.6	13.8	23.8	11.9	14.8	<b>84</b>
<b>Non-compliant</b>	%	0.4	8.4	4.1	3.3	-	-	-	<b>16</b>

*Base: All England L2 and L3 apprentices where an hourly pay figure could be calculated (4,240). Each figure is based on the overall base, hence for example 4.1 per cent of all Level 2 and Level 3 apprentices where an hourly pay figure could be calculated received non-compliant pay of £2.68 to £5.02 an hour.*

**Figure 4.10: Apprentice Pay Rates (England Level 2 and 3)<sup>39</sup>**

## Apprentices paid less than their national minimum wage

### Distance from the National Minimum Wage

Overall, seven per cent of Level 2 and Level 3 apprentices with non-compliant pay in England were paid very close to the NMW (within three pence of the appropriate rate), and nearly two-fifths (38 per cent) were paid within 10 per cent of the NMW.

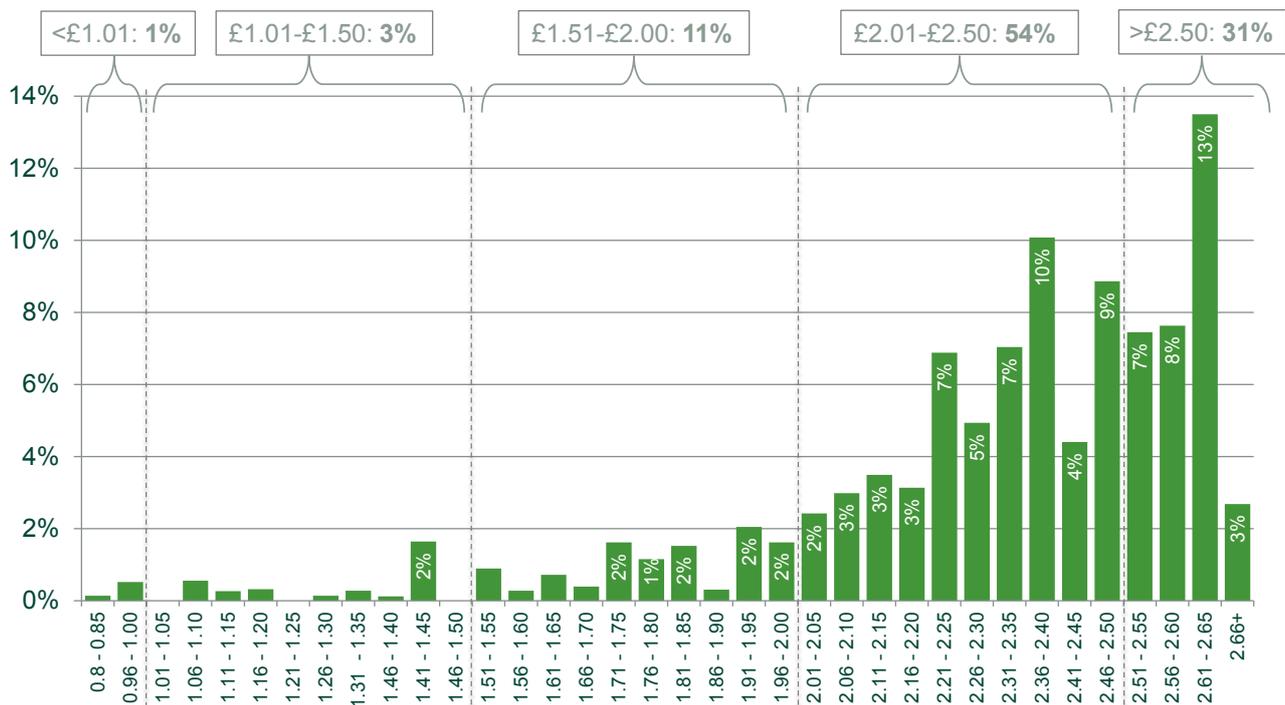
Figure 4.11 shows the distribution of pay below £2.68 for those aged 16-18 or in the first year of their Apprenticeship. The mean pay figure for this group of non-compliant apprentices was £2.30 an hour. A fairly high proportion were close to the NMW level, indicating that non-compliance could in some cases have been due to measurement or calculation error: one in eleven (nine per cent) were paid very close to the NMW, between £2.65 and £2.67, and overall 45 per cent were paid within 10 per cent of the correct rate (between £2.41 and £2.67).

<sup>39</sup> Note that the different base (those for whom an exact hourly pay rate can be calculated) results in slightly different compliance figures compared to Level 2 and 3 in England overall: 16 per cent of those with calculable pay had a non-compliant pay level, compared with 15 per cent of all Level 2 and 3 apprentices in England.

There was a considerable spike at exactly £2.65 (this was the calculated pay rate for six per cent of non-compliant apprentices who should have been paid a minimum of £2.68 an hour). This was the previous minimum wage level for apprentices, and may indicate that a small number of employers had not updated their pay to account for the change in regulations.

A very small proportion (one per cent of those non-compliant) reported pay levels below £1.00 an hour.

**Figure 4.11: Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of Apprenticeship (England Level 2 and 3)**

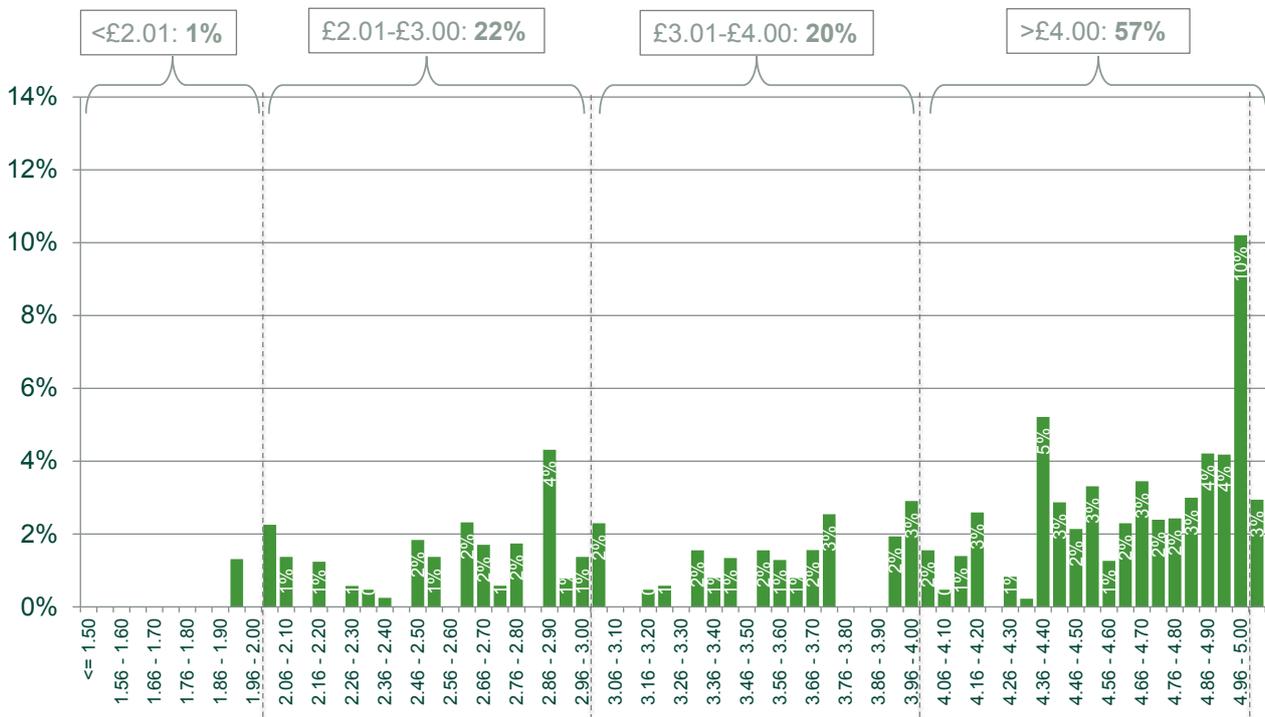


Base: All England L2 & 3 aged 16-18 or in first year with non-compliant pay (495)

The pattern of pay for those aged 19-20 and in their second year or later with pay below their minimum wage of £5.03 is quite different, as shown in Figure 4.12. Eight per cent had a gross hourly pay figure very close to the NMW rate (between £5.00 and £5.02), and overall nearly two-fifths (37 per cent) were paid within 10 per cent of the correct rate (between £4.53 and £5.02). There was a particularly clear spike at exactly £5.00 (six per cent). However, below this, the distribution down to the lowest pay level for this group was more evenly spread.

The lowest hourly pay figure for this group of non-compliant apprentices was £1.92 an hour, and the mean pay figure was £3.96.

**Figure 4.12: 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 3)**

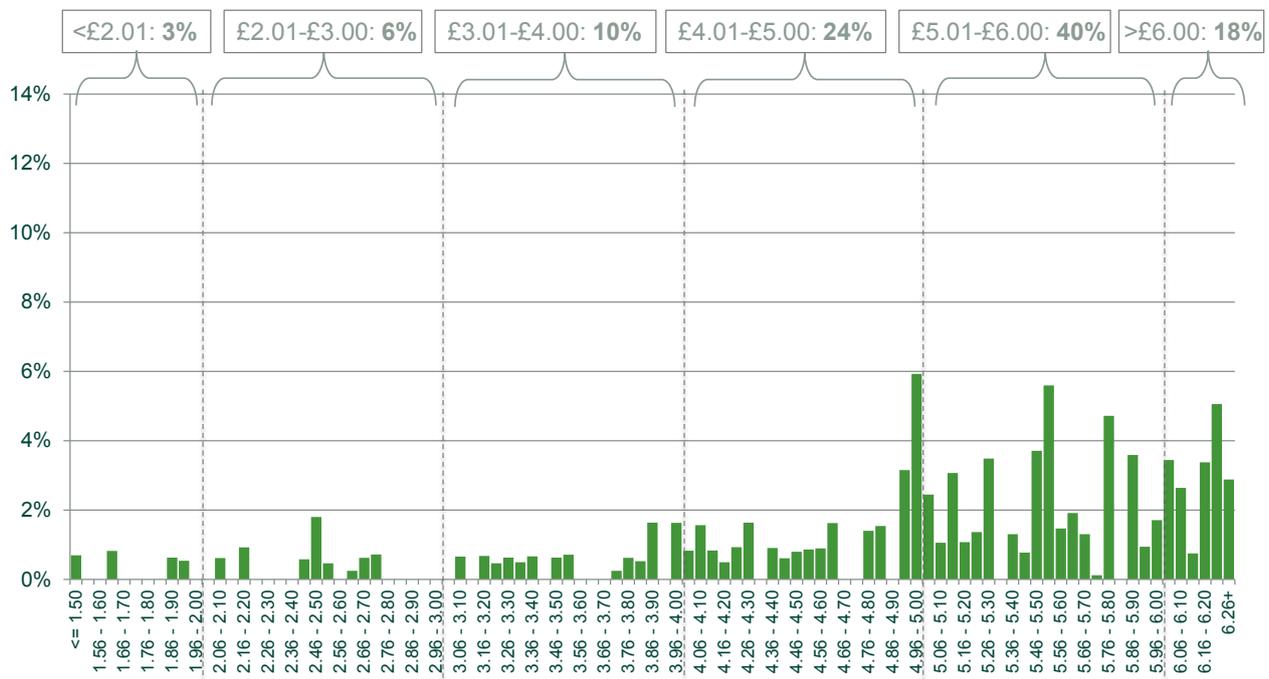


Base: All England L2 & 3 aged 19-20 and in 2<sup>nd</sup>+ year with non-compliant pay (136)

Looking at Apprentices aged 21 or over and in the second year or later of their Apprenticeship, there was a wide variation in the pay levels of those with non-compliant pay. Compared with the previous groups, a smaller proportion were paid very close to the NMW (just two per cent were paid between £6.28 and £6.30), while overall less than a third (30 per cent) were paid within 10 per cent of the correct NMW amount (between £5.68 and £6.30).

The lowest pay figure within this group of non-compliant apprentices was £1.02 an hour, and the mean pay figure was £4.95.

**Figure 4.13: Distribution of pay for those with non-compliant pay aged 21 or more and in the second year or later of Apprenticeship (England Level 2 and 3)**



Base: All England L2 & 3 aged 21 or more and in 2<sup>nd</sup>+ year with non-compliant pay (183)

### Impact of underlying pay elements on compliance

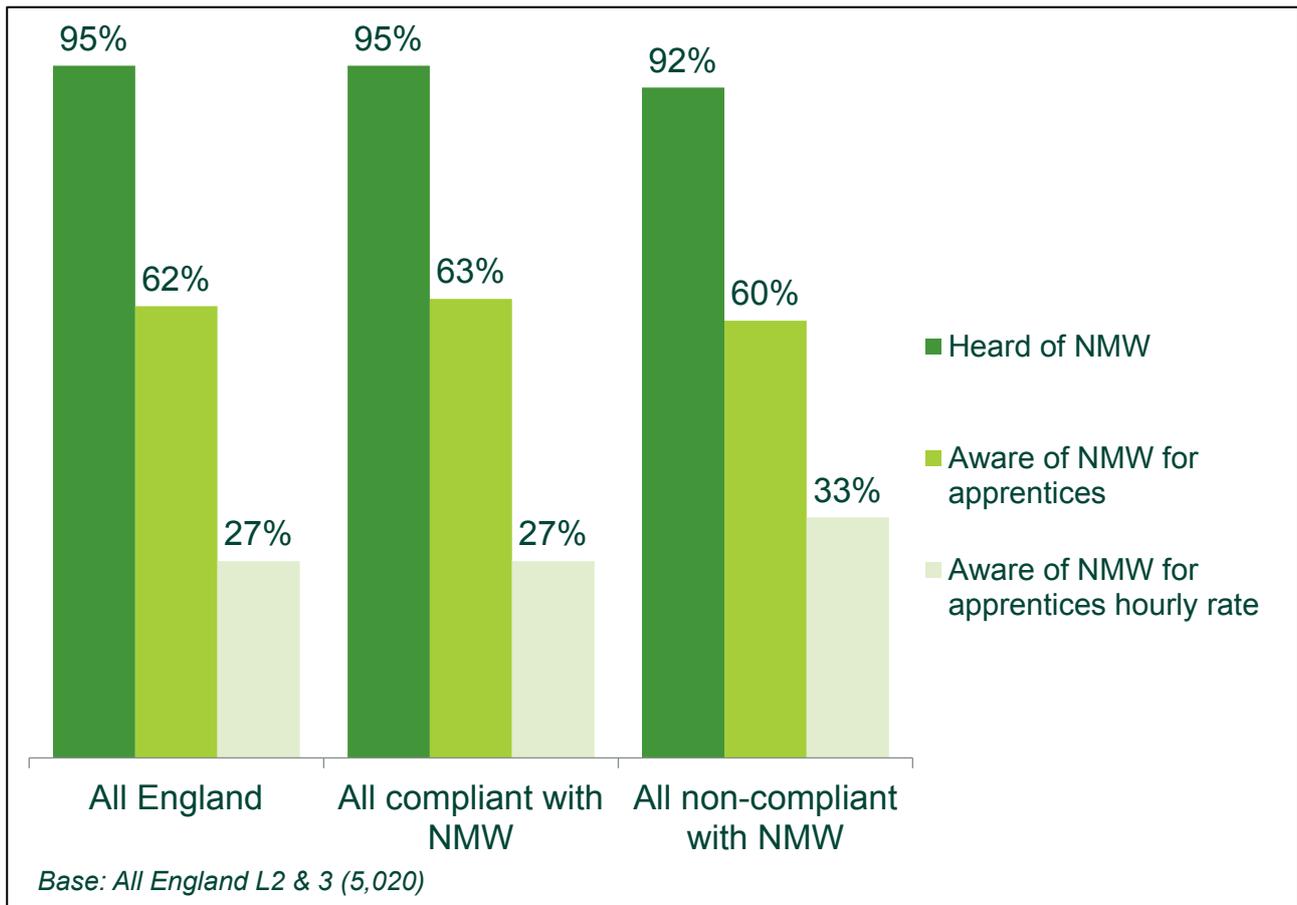
Those whose pay was non-compliant were twice as likely to say they received tips in their work as those whose pay was compliant (13 per cent versus six per cent), suggesting that some cases of non-compliance could have been due to employers allowing tips to contribute to wages.

Looking at overtime, apprentices with non-compliant pay were less likely to say that they worked paid or unpaid overtime (55 per cent compared with 61 per cent of compliant apprentices); however, among all apprentices who did work overtime, those with non-compliant pay were nearly twice as likely to say that this overtime was not paid (34 per cent compared with 17 per cent of those with compliant pay).

## Awareness of the Apprentice Rate of the National Minimum Wage

The vast majority of Level 2 and Level 3 apprentices in England had heard of the National Minimum Wage (95 per cent). Awareness of the NMW was lower among those with non-compliant pay (91 per cent, compared with 95 per cent of those with a compliant pay level).

**Figure 4.14: Knowledge of National Minimum Wage (England Level 2 and 3)**



Awareness of the NMW was lower among the following groups:

- Younger apprentices (91 per cent of those aged 16-18 were aware, compared with 95 per cent of those aged 19 and over);
- Non-white ethnic groups (89 per cent of Asian/Asian British apprentices and 90 per cent of Black/Black British apprentices, compared with 95 per cent of White British apprentices);
- Hairdressing apprentices (87 per cent). We have commented already that apprentices in this framework were the most likely to receive non-compliant pay.

Apprentices were also asked if they were aware that there is a National Minimum Wage rate specifically covering certain apprentices. Three-fifths of all Level 2 and Level 3 apprentices in England (62 per cent) were aware, an increase on the proportion aware in 2012 (52 per cent). There were no differences in this level of awareness by compliance;

however, in contrast to awareness of the general NMW, older apprentices were less likely to be aware of the NMW for apprentices: 51 per cent of those aged 25 or older were aware, compared with 68 per cent of those aged 16-18, 68 per cent of those aged 21-24, and 75 per cent of those aged 19-20.

In terms of framework, as shown in Table 4.15, those on Business and related, Electrotechnical and Engineering frameworks were the most likely to know that there was a NMW rate for apprentices (78, 77 and 75 per cent aware respectively), while those on the Health, Social Care and Sport framework were least likely to be aware (50 per cent).

More than a quarter of England Level 2 and Level 3 apprentices (27 per cent) were aware of the hourly minimum rate for apprentices. In contrast to general awareness, apprentices with a non-compliant hourly pay rate were more likely to be aware of the hourly minimum rate for apprentices (33 per cent) than those with a compliant rate of pay (27 per cent). It should be noted that these awareness figures are entirely self-reported; actual knowledge of the Apprenticeship NMW rates were not tested.

Those with permanent contracts of employment were also less likely to know the minimum hourly rate for apprentices (24 per cent, compared with 41 per cent of those employed for the training period only, and 36 per cent of those employed with a fixed ending after completion). This could imply that those who are permanent employees are less likely to identify themselves as 'apprentices', and are thus less familiar with Apprenticeship wage rates.

Other groups less likely to say they know the minimum hourly rate for apprentices included:

- Those aged 25 plus (14 per cent, compared with 36 per cent of those aged 16-24);
- Women (22 per cent, compared with 32 per cent of men);
- Black/Black British apprentices (16 per cent, compared with 27 per cent of White British and 29 per cent of Asian/Asian British).

By framework, knowledge of the hourly rate largely mirrors awareness of the existence of the Apprenticeship NMW, with those on Business, Electrotechnical and Engineering frameworks most likely to say they knew the hourly rate (45, 36 and 36 per cent respectively), and those on the Health, Social Care and Sport framework least likely (15 per cent). Results are shown in the following table, ranked by awareness of the Apprenticeship NMW.

**Table 4.15: Awareness of Apprenticeship NMW / hourly rate by framework (England Level 2 and 3)**

	<b>Base</b>	<b>Aware of Apprenticeship NMW</b>	<b>Aware of hourly rate</b>
		<b>%</b>	<b>%</b>
Business and related	574	78	45
Electrotechnical	451	77	36
Engineering, Manufacturing Technologies and related	746	75	36
Construction and related	357	68	28
Other (level 2/3)	256	67	31
Hairdressing	379	65	32
Customer Service	328	62	30
Hospitality and Catering	328	55	24
Management	278	54	16
Children's Care	371	54	26
Retail	337	52	16
Health, Social Care and Sport	615	50	15
<b>England Total</b>	<b>5,020</b>	<b>62</b>	<b>27</b>

*Base: All GB L2 & L3 apprentices*

## 5. Pay levels of Level 2 and Level 3 Apprentices in Scotland

### Key facts and summary

Almost three-fifths (59 per cent) of Level 2 and 3 apprentices in Scotland were already working for their employer when they started their Apprenticeship, lower than found across GB as a whole (67 per cent), hence apprentices in Scotland were more likely than average to be recruited specifically to their Apprenticeship. Most Level 2 and 3 apprentices were employed on a permanent basis (71 per cent, though this is lower than the 76 per cent found GB-wide). In comparison 14 per cent were employed just for the duration of their Apprenticeship.

Apprentices worked and trained a mean average of 41 hours a week in total (median 40 hours), similar to the GB-wide results (a mean of 39.7 and a median of 40 hours a week). Apprentices in Engineering and in Management worked and trained more hours a week than average (means of around 44), while those in Customer Services and in Health, Social Care and Sport worked less hours than average (means of around 37).

The mean basic hourly pay (i.e. excluding overtime, tips or bonuses) was £6.61, and the median £6.12, very similar to GB levels (£6.79 and £6.31 respectively). Basic hourly pay was highest for those in Management and in Electrotechnical frameworks (means of just over £10 an hour), and lowest for those in Children's Care (a mean of £4.23 and a median of £3.18 an hour) and in Hairdressing (a mean of £4.29 and a median of £3.22).

Across GB around a third (35 per cent) of apprentices said their hourly rate had increased during their Apprenticeship. This was higher in Scotland with 50 per cent having experienced an increase in their hourly pay, rising to 63 per cent of those aged 19-20.

Taking overtime, tips and bonuses into account mean average total weekly earnings was £269 (median £240), similar to the GB levels (a mean of £257 and a median of £238). Again this varied widely by framework, with earnings highest among Electrotechnical and Management apprentices (means of £431 and £399 respectively) and lowest in Hairdressing and Children's Care (each with means of £150). Basic pay accounts for 92 per cent of total earnings, and overtime six per cent (bonuses and tips each account for one per cent). This is similar to the GB levels (where basic pay accounted for 94 per cent and overtime five per cent of total earnings).

Results indicate that (among apprentices where the necessary pay details had been provided) 13 per cent of all Level 2 and Level 3 apprentices were paid below the NMW, slightly lower than the GB level (15 per cent). Non-compliance was higher among apprentices in Hairdressing (44 per cent), Children's Care (36 per cent) and Health, Social Care and Sport (21 per cent). In comparison, just three per cent of Level 2 and Level 3 apprentices in Retail and Customer Service apprentices for whom compliance could be calculated were paid below the NMW.

High levels of non-compliance with the NMW were also found among those that had been on the course for more than a year (20 per cent), those that had not worked for their employer before they started their Apprenticeship (17 per cent) and female apprentices (16 per cent). These patterns match those found GB-wide.

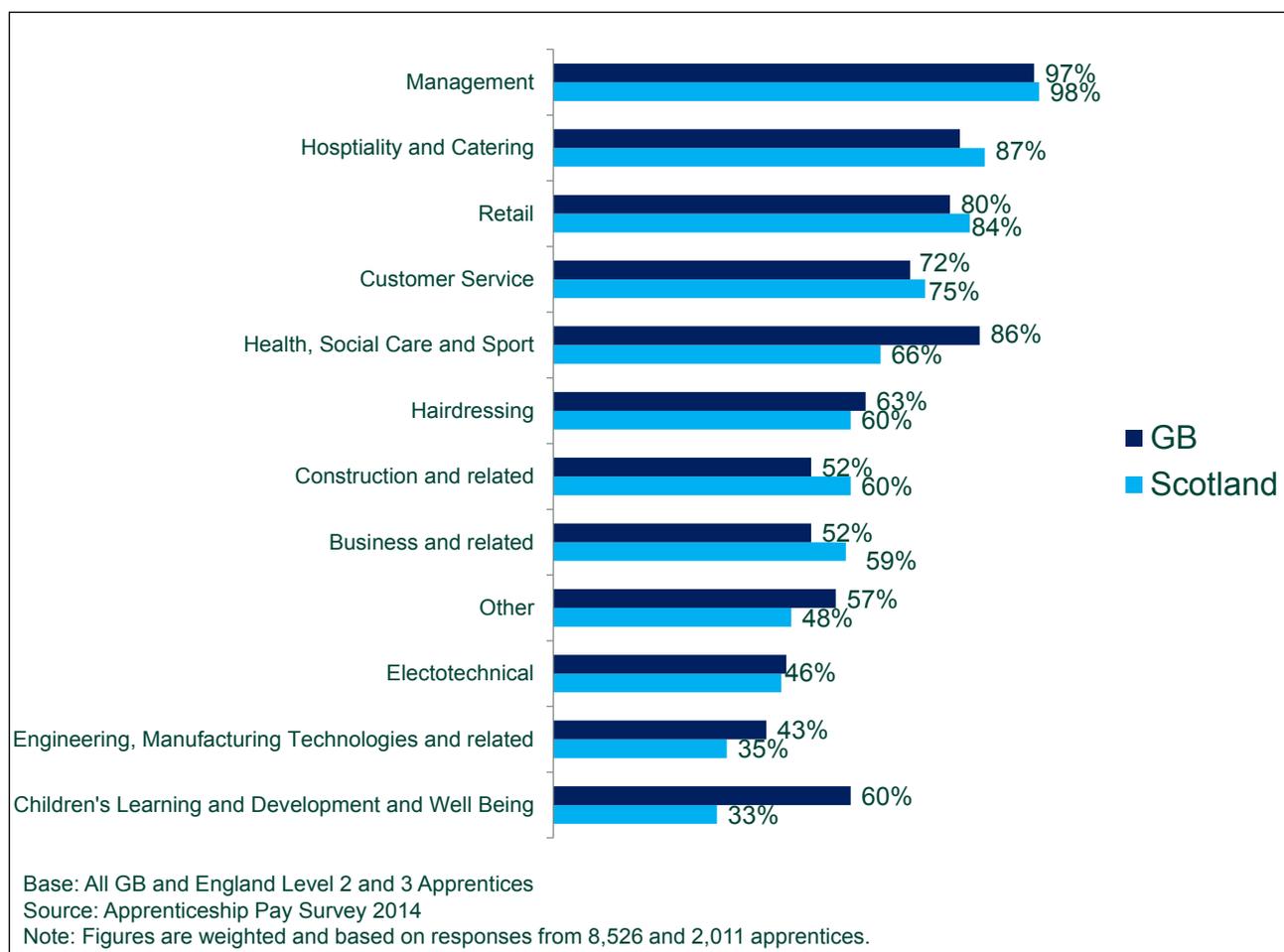
Although the vast majority (90 per cent) of apprentices had heard of the National Minimum Wage, and three-fifths were aware that there is a National Minimum Wage rate for certain apprentices (61 per cent), less than a fifth (17 per cent) knew or claimed to know the actual minimum rate for apprentices.

## **Routes into Apprenticeships, contracts, contracted hours and hours worked**

### **Routes into Apprenticeships**

Almost three-fifths (59 per cent) of Level 2 and 3 apprentices in Scotland had already been working for their employer when they started their Apprenticeship, lower than the GB average (67 per cent), hence apprentices in Scotland were more likely than average to be recruited specifically to their Apprenticeship. Figure 5.1 shows how this breaks down by framework. Although patterns are broadly similar to those found across GB, there are some notable differences. In particular, apprentices in Health, Social Care and Sport and Children's Care frameworks in Scotland were far less likely to be working for their employer prior to their course commencing in comparison to the GB average.

**Figure 5.1: Proportion of Level 2 and Level 3 apprentices in Scotland compared with GB working for their current employer prior to starting their Apprenticeship**



## Working arrangements and number of hours contracted to work

### Contractual and employment arrangements

Regarding contractual arrangements, figures in Scotland for Level 2 and 3 apprentices were similar to those at the GB level. The vast majority (88 per cent) had a written contract with their employer, nine per cent had no contract and three per cent were unsure.

The majority were employed on a permanent basis: 71 per cent worked for their employers on a permanent basis with no fixed end date, 14 per cent for the duration of their training only and eight per cent had a fixed end date for their employment after completion of their training. (Five per cent had another arrangement and three per cent were unsure what their employment / contract circumstances were.) Table 5.1 shows how this varies across framework.

Those working in the Hospitality and Catering and Hairdressing were the least likely to have a written contract. Apprentices in Hairdressing (21 per cent), Electrotechnical (24 per cent) and Children's Care (35 per cent) were the most likely to be employed on a temporary basis.

Likelihood of having a written contract and being employed on a permanent basis increased with age, as Table 5.1 shows. A fifth of apprentices aged 16-18 (21 per cent) were employed for the duration of their training only. This applied to just four per cent of those aged 25 plus.

**Table 5.1: Incidence of written contracts and employment arrangement by framework and age (Level 2 and 3 apprentices in Scotland)**

	Base	%	Written contract		Employment arrangement		
			Yes	No	Permanent	For training period only	Fixed end after completion
<b>Apprenticeship Framework</b>							
Hairdressing	132	%	64	28	68	21	-
Hospitality and Catering	124	%	78	20	86	3	5
Children's Care	116	%	85	12	44	35	9
Electrotechnical	108	%	86	11	54	24	9
Other	87	%	86	8	66	24	6
Construction	386	%	89	7	69	15	8
Health, Social Care & Sport	140	%	90	6	66	18	8
Retail	125	%	90	10	84	6	3
Engineering & Manufacturing	446	%	93	4	69	14	10
Business and related	185	%	95	3	63	13	20
Management	78	%	95	5	97	-	-
Customer Service	84	%	96	3	82	3	8
<b>Age</b>							
16-18	611	%	84	12	56	21	13
19-20	714	%	91	6	68	16	9
21-24	421	%	88	9	76	11	7
25 +	265	%	92	7	90	4	2
<b>Scotland Total</b>	<b>2,011</b>	<b>%</b>	<b>88</b>	<b>8</b>	<b>71</b>	<b>14</b>	<b>8</b>

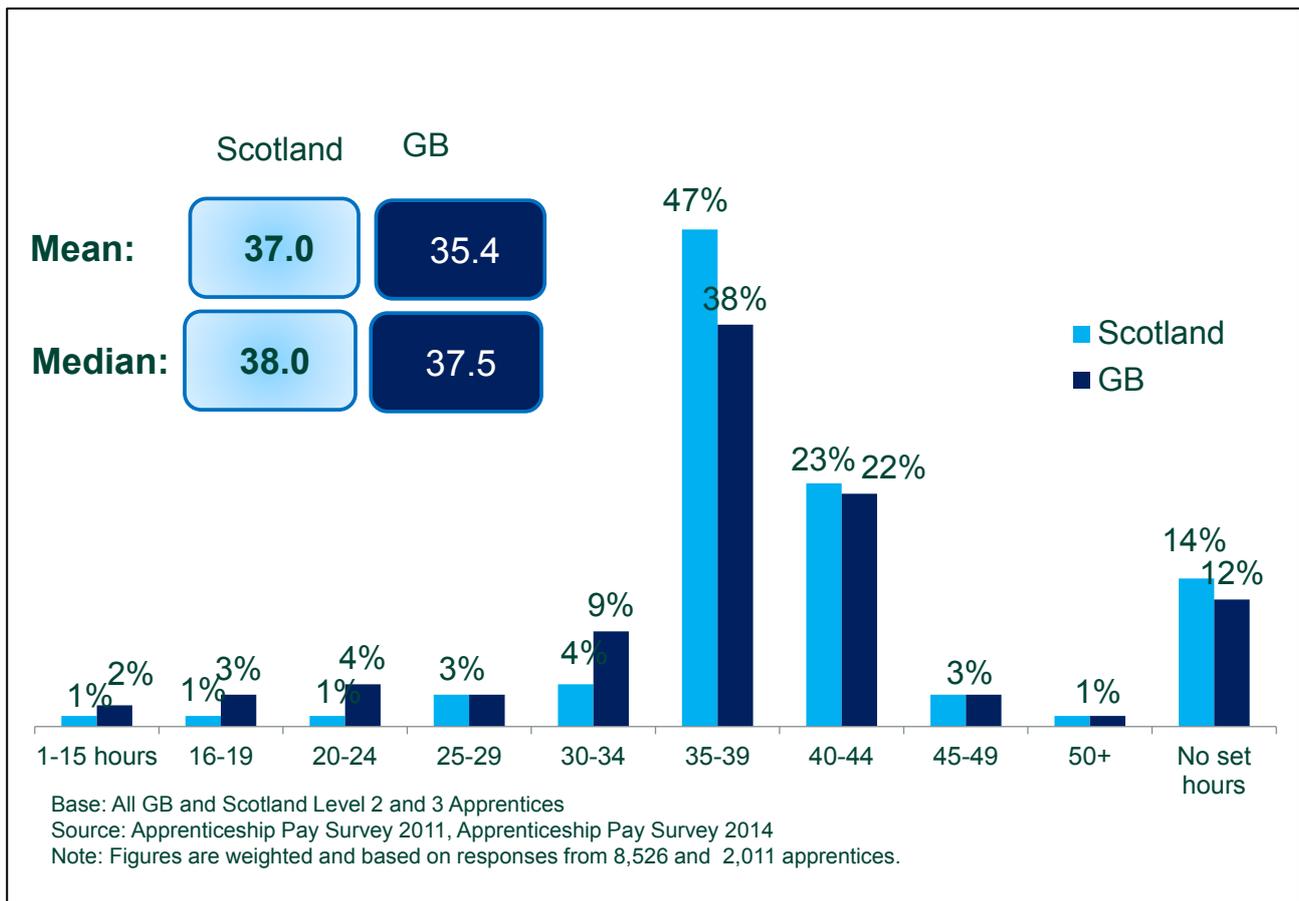
*Base: All Scotland L2 and L3 Apprentices. Row percentages do not sum to 100% due to exclusion of "Other" and "Don't know" responses*

## Contracted hours versus the number of hours worked

The vast majority (85 per cent) of apprentices had a set number of contracted hours. Almost half of those with set weekly hours were contracted to work between 35-39 hours a week (47 per cent, higher than the 38 per cent GB-wide contracted to work these hours). In Scotland, mean and median contracted weekly hours were slightly higher at 37 and 38 hours than across GB (35.4 and 37.7 respectively).

One per cent of Level 2 and 3 apprentices were contracted to work a lower number of hours than is acceptable under Apprenticeship funding rules (1-15 hours). This was higher among those in retail (nine per cent).

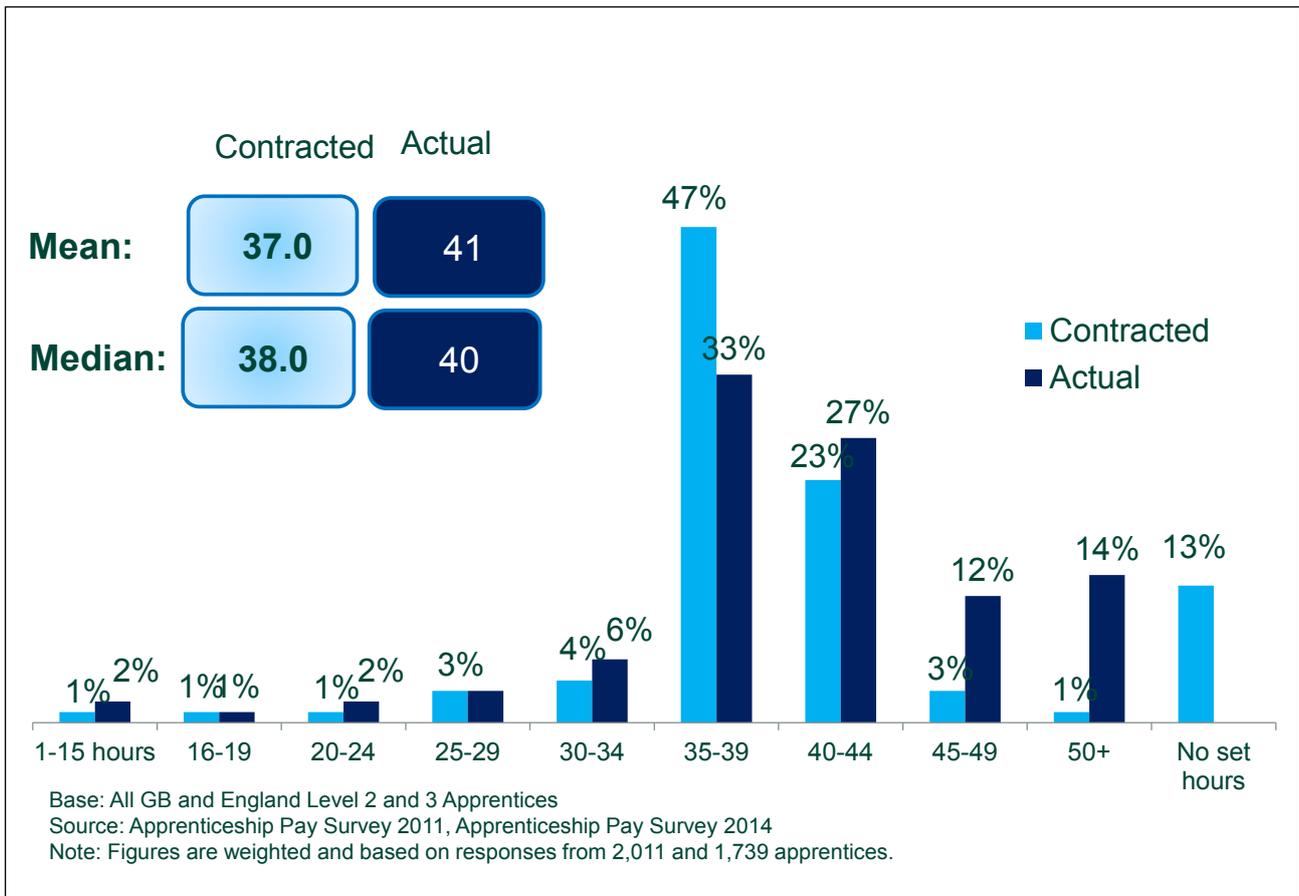
**Figure 5.2: Number of hours apprentices contracted to work (Level 2 and Level 3 apprentices in Scotland compared against GB)**



The number of actual hours worked, including training and overtime, exceeds contracted hours in Scotland by a mean average of four hours a week (41 compared with 37 contracted hours a week). This was also the case when including Level 4 and 5 apprentices – mean and median hours worked were 41 and 40 for apprentices in Scotland Level 2 to 5 (compared with 39.3 and 40 hours a week GB-wide).

Over half of Level 2 and 3 apprentices (53 per cent) worked over 40 hours a week though only 27 per cent were contracted to do so. Twenty-eight per cent of males were working and training more than 45 hours a week (compared with 21 per cent of females). Among those aged 25+ 35 per cent were working over 45 hours a week compared with 24 per cent of 16-18 year olds and 25 per cent of those aged 19-24.

**Figure 5.3: Number of hours apprentices contracted to work versus number of actual hours (Level 2 and Level 3 apprentices in Scotland)**



Hours worked a week also varies by framework. Table 5.2 shows the difference between contracted and actual working hours by framework.

Those training in Retail, Hospitality and Catering, Children’s Care, and Health and Social Care all had a lower than average contracted and actual working hours. However, the difference between the contracted and actual hours was higher than average. Construction and Engineering apprentices had a higher number of contracted hours and worked more hours the average but the gap between the two was smaller than average. Those working in Management and Electrotechnical both had higher than average contracted and actual hours, and the difference between the two was also greater than average.

**Table 5.2: Number of hours apprentices contracted to work versus number of actual hours by framework (Level 2 and 3 in Scotland)**

	<i>Contracted hours Base</i>	<i>Actual hours Base</i>	Mean			Median		
			<i>Contracted</i>	<i>Actual</i>	<i>Extent to which actual hours exceed contracted hours</i>	<i>Contracted</i>	<i>Actual</i>	<i>Extent to which actual hours exceed contracted hours</i>
	<i>n</i>	<i>n</i>	Hours					
Engineering, Manufacturing technologies	400	388	39.4	44.0	4.6	39.0	41.5	2.5
Construction	339	342	38.7	42.6	3.9	39.0	40.0	1.0
Electrotechnical	98	93	38.0	43.1	5.1	37.5	39.5	2.0
Management	69	63	37.7	43.5	5.8	38.0	43.0	5.0
Other	80	75	37.6	38.9	4.5	37.5	38.0	0.5
Hairdressing	98	114	37.5	38.3	0.8	40.0	40.0	0.0
Customer Service	78	74	36.3	36.8	0.5	37.5	37.5	0.0
Business and related	180	160	35.8	37.8	2.0	35.0	37.5	2.5
Children's Care	101	105	35.4	39.8	4.4	37.0	40.8	3.8
Hospitality and Catering	63	103	34.0	39.8	5.8	37.5	40.1	2.6
Health and Social Care and Sport	110	119	32.2	37.0	4.8	35.0	37.5	2.5
Retail	112	103	30.4	38.4	8.0	35.0	37.5	2.5
<b>Scotland Total</b>	<b>1,728</b>	<b>1,739</b>	<b>37</b>	<b>41</b>	<b>4</b>	<b>38</b>	<b>40</b>	<b>2</b>

*Base: Contracted hours: Scotland L2 and L3 Apprentices. Actual hours: Scotland L2 and L3 apprentices for whom a calculation of stated hours could be made*

*Shading in grey denotes where weekly hours are higher than the overall average*

Table 5.3 shows actual hours worked compared against the hours apprentices were contracted to work. The final column shows the percentage of apprentices who work more hours than their contracted hours. Around three-quarters of those contracted to work 1-29 hours worked additional hours, as was the case for around a half of those contracted to work 30-39 and 59 per cent of those whose set number of hours were 40-49 a week. Among all those with set, contracted hours, 56 per cent worked longer hours than they were contracted to<sup>40</sup>.

**Table 5.3: Number of hours contracted to work compared with number of actual hours worked**

Contracted hours	Actual hours worked						% working / training longer hours than contracted <sup>41</sup>
	Base	1-19	20-29	30-39	40-49	50+	
<b>1-19</b>	45 %	37	37	7	10	9	76
<b>20-29</b>	71 %	7	45	40	4	5	76
<b>30-39</b>	916 %	1	2	60	29	9	52
<b>40-49</b>	469 %	1	1	9	71	20	59
<b>50+</b>	16 %	**	**	**	**	**	**
<b>No set hours</b>	222 %	7	9	26	36	22	n/a

*Base: Scotland L2 and L3 apprentices for whom a calculation of stated hours could be made*

*Note: Figures are weighted and based on responses from 1,739 apprentices*

*\*\*denotes base sizes too small for reporting*

<sup>40</sup> Apprentices were not asked whether their contractual hours also cover hours spent training. It is not possible therefore to determine the degree to which whether extra hours worked beyond their contracted hours, comprise training hours or additional working hours. However, it should be noted that an apprentice's contract should cover the time spent working and training off-the-job.

<sup>41</sup> Figures are calculated using a comparison between the actual figures given for apprentices' contracted hours and their actual hours worked.

## Rates of Pay

### Pay arrangements

Forty-four per cent of apprentices in Scotland were paid the same amount each week, regardless of the number of hours they worked (the same level as found GB-wide). Just over a quarter (27 per cent) had pay that varied week to week with some of their hours paid at a higher rate than was standard. Twenty-one per cent had weekly wages that varied but all their hours were paid at the same rate.

As Table 5.4 shows, pay arrangement varied by framework. Hairdressing and Business apprentices were almost twice as likely as average to get paid the same amount each week, regardless of the number of hours worked (82 and 81 per cent respectively). Those in Construction (37 per cent), Engineering (42 per cent) and Electrotechnical (66 per cent) had higher proportions than average of apprentices whose pay varied depending on their hours, with some hours paid at a higher rate. Children's Care and Health, Social Care and Sport (both 33 per cent), Retail (39 per cent) and Hospitality and Catering (67 per cent) frameworks had much higher than average proportions reporting their pay varied depending on their hours, but that all their hours were paid at the same rate.

**Table 5.4: Pay arrangements for apprentices by framework and age (Level 2 and Level 3 in Scotland)**

	<b>Base</b>		<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>
	<i>n</i>				
<b>Framework</b>					
Hairdressing	132	%	82	13	1
Business and related	185	%	81	8	7
Other	87	%	69	4	19
Customer Service	84	%	66	15	11
Management	78	%	56	22	16
Children's Care	116	%	52	33	7
Health & Social Care & Sport	140	%	45	33	18
Construction	386	%	39	14	37
Engineering, Manufacturing technologies	446	%	37	9	42
Retail	125	%	22	39	32
Hospitality and Catering	124	%	21	67	6
Electrotechnical	108	%	19	8	66
<b>Age</b>					
16-18	611	%	51	18	22
19-20	714	%	41	20	30
21-24	421	%	41	26	26
25+	265	%	43	20	30
<b>Scotland Total</b>	<b>2,011</b>	<b>%</b>	<b>44</b>	<b>21</b>	<b>27</b>

*Base: All Scotland L2 and L3 apprentices. Row percentages: rows do not sum to 100% due to exclusion of "Other and "Don't know" responses.*

## Pay levels

The average basic rates of pay for Level 2 and Level 3 apprentices across GB in 2014 were a mean £6.79 per hour and a median of £6.31. In Scotland, the mean and median wage for apprentices was fractionally lower at £6.61 and £6.12 respectively.<sup>42</sup> (Including Level 4 and 5 apprentices, the mean hourly basic rate in Scotland was £6.79 and the median £6.16, compared with a mean of £6.91 and a median of £6.31 across GB).

Table 5.5 shows the 2014 mean and median basic hourly pay by framework for Level 2 and 3 apprentices in Scotland ranked in ascending order of mean pay. Those working in Children's Care had the lowest mean basic wage at £4.23 an hour; pay was also below the overall mean average in Hairdressing, in Health, Social Care and Sport, and in Hospitality and Catering. Management apprentices had the highest basic pay (a mean of £10.35 an hour).

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<sup>42</sup> As a reference point the mean hourly wage in 2011 in Scotland was £5.62 and the median £5.91.

**Table 5.5: Mean and Median basic hourly pay by framework (Level 2 and Level 3 in Scotland)**

	Base n	Mean hourly pay	Difference from apprentice Mean (£6.61)	Median hourly pay	Difference from apprentice Median (£6.12)
				£	
Children's Care	105	£4.23	−£2.38	£3.18	−£2.94
Hairdressing	114	£4.29	−£2.32	£3.22	−£2.90
Health, Social Care and Sport	119	£5.37	−£1.24	£5.36	−£0.76
Hospitality and Catering	103	£6.22	−£0.39	£6.30	£0.18
Business and related	161	£6.21	£0.00	£5.86	−£0.26
Engineering, Manufacturing Technologies and related	388	£6.77	£0.16	£6.10	−£0.02
Construction and related	342	£6.85	£0.24	£6.29	£0.17
Retail	103	£7.00	£0.39	£6.31	£0.19
Other	75	£7.62	£1.01	£6.26	£0.14
Customer Service	74	£7.70	£1.09	£7.30	£1.18
Electrotechnical	94	£10.10	£3.49	£9.25	£3.13
Management	63	£10.35	£3.74	£8.32	£2.20
<b>Total</b>	<b>1,741</b>	<b>£6.61</b>		<b>£6.12</b>	

*Base: All Scotland L2 and L3 Apprentices where pay could be calculated based on responses provided*

Table 5.6 shows how mean and median basic hourly pay differs by demographic and other factors. Unsurprisingly, older apprentices and those on Level 3 Apprenticeships received a higher hourly wage. Male apprentices, on average, were paid a higher wage than females. This is not the case across GB as a whole where there was no difference across the genders (both had a mean basic hourly pay of £6.79). However, in Scotland males apprentices were receiving on average £1.16 pence an hour more than females.

**Table 5.6: Basic hourly pay for apprentices (Level 2 and Level 3 apprentices in Scotland)**

	Base	Mean	Median
<b>Level</b>			
Level 2	427	£5.84	£5.60
Level 3	1,314	£6.89	£6.25
<b>Gender</b>			
Male	1,128	£6.98	£6.29
Female	613	£5.82	£5.55
<b>Age</b>			
16-18	587	£4.83	£4.15
19-20	590	£6.17	£5.65
21-24	356	£7.44	£6.75
25+	208	£9.49	£8.40
<b>Length of time on Apprenticeship</b>			
One year or less	1,076	£6.13	£5.59
More than a year	665	£7.32	£6.66
<b>Scotland Total</b>	<b>1,741</b>	<b>£6.61</b>	<b>£6.11</b>

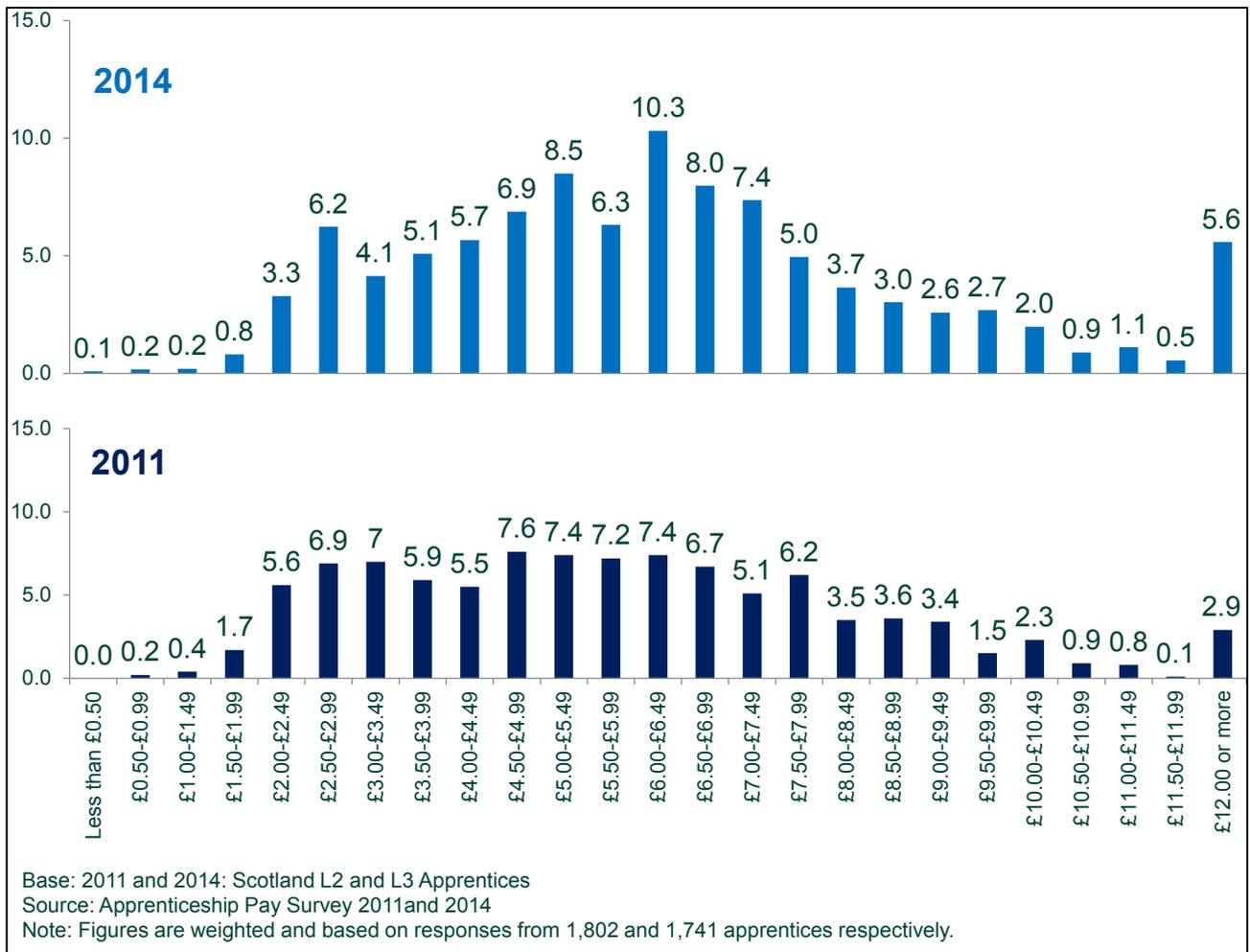
*Base: these results are based on those for whom it was possible from their survey responses to calculate a gross hourly pay figure.*

Figure 5.4 shows the proportions of apprentices falling within the various pay bands, compared with findings from the 2011 survey. 2012 data is not available as the research was not undertaken in Scotland. Findings are not directly comparable and interpretation should be undertaken with a degree of caution: results show a slightly different pattern in 2014 comparison to 2011.

In 2014 there are peaks in the data where the NMW is evident i.e. between £2.50-£3.49, £5.00-£5.49 and £6.00-£6.49. However, the 2011 was more evenly spread between the £2.00 and £6.49 pay ranges. Nevertheless, a similar portion (although slightly lower in 2014) of apprentices fell into the £2 to £6.49 wage bracket across the two years (56 per cent in 2014 and 61 per cent in 2011).

In 2014, the highest proportion of apprentices fell into the £6.00-£6.49 bracket. Wages then tail off before peaking again at the £12.00 and over mark. Electrotechnical (18 per cent) and Management (25 per cent) apprentices were more likely than average to be paid £12+ an hour.

**Figure 5.4: Distribution of basic hourly pay, 2011 and 2014: Level 2 and 3 apprentices in Scotland**



## Pay increases

Across GB around a third (35 per cent) of apprentices' hourly rate had increased during their course. This was higher in Scotland with 50 per cent having experienced a rise. Those in the 19-20 age bracket were the most likely to have received a rise (63 per cent) followed by those aged 21-24 (55 per cent). Half as many females had received a wage increase as males (29 per cent versus 60 per cent).

As might be expected those on their Apprenticeship longer than a year were more likely to have experienced a wage increase (80 per cent, higher than the 52 per cent found GB-wide).

As Table 5.6 shows, in terms of framework, those **least** likely to have received an increase were training in:

- Management (14 per cent)
- Hospitality (22 per cent)
- Catering and Customer Service (22 per cent)

Of the 50 per cent that had received a pay increase, most (66 per cent) stated it was because they had completed the first year of their course (33 per cent of all apprentices in Scotland), 12 per cent said the increase was because they had turned 19 (six per cent of all apprentices) and seven per cent said it was because they had turned 21 (four per cent of apprentices).

Overall 36 per cent of all Scotland Level 2 and Level 3 apprentices, and 71 per cent of those who had received a pay rise, had a wage increase on account of turning 19 or 21 or because they entered the second year of their Apprenticeship (i.e. reasons relating to changes in the NMW band). Of course, apprentices may receive a pay increase without knowing the reason for the rise.

**Table 5.7: Experienced a pay increase, by framework and age (Level 2 and 3 in Scotland)**

	Base		
<b>Framework</b>			
Management	78	%	14
Customer Service	84	%	22
Hospitality and Catering	124	%	22
Health and Social Care and Sport	140	%	27
Retail	125	%	31
Business and related	185	%	34
Other	87	%	38
Children's Care	116	%	39
Hairdressing	132	%	43
Construction	386	%	63
Engineering, Manufacturing technologies	446	%	76
Electrotechnical	108	%	94
<b>Age</b>			
16-18	611	%	44
19-20	714	%	63
21-24	421	%	55
25+	265	%	31
<b>Scotland Total</b>	<b>2,011</b>	<b>%</b>	<b>50</b>

*Base: All Scotland L2 and L3 apprentices*

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

Table 5.8 shows the mean and median gross hourly rate of those who were contracted to work a set number of hours a week by the number of hours worked. As the table shows, the mean basic hourly pay for those with a set number of contracted hours is £7.04 (compared to the overall Scottish mean average of £6.61). Those contracted to work on a full time basis had a higher mean gross hourly rate than those working part time (£7.13 compared with £6.00 for those contracted to work 16-29 hours a week); though differences using the median measure were negligible.

**Table 5.8: Mean and Median basic hourly pay, by contracted hours**

	Base N	Mean £	Median £
Contracted hours			
Less than 16 hours	23	**	**
16-29 hours	93	£6.00	£6.15
30 hours or more	1,401	£7.13	£6.16
<b>Scotland Total</b>	<b>1,517</b>	<b>£7.04</b>	<b>£6.11</b>

*Base: All Scotland 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.*

*\*\* denotes base sizes too small for reporting.*

## Premium and Overtime rates

A fifth (21 per cent) of apprentices in Scotland were paid at a different rate for some of the hours that they worked<sup>43</sup>.

If hours varied, and apprentices were answering using a payslip, they 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 (22 per cent) of these respondents were paid a higher rate for at least some of these hours. The mean higher hourly pay rate amongst these apprentices (who answered the survey with a payslip) was £13.81<sup>44</sup>.

Those apprentices who did not answer using a payslip were asked how much they get per hour on average for paid overtime they do. These apprentices had a mean average basic rate of £7.37 and an overtime rate of £8.86.<sup>45</sup>

<sup>43</sup> In 2014 new questions were introduced to capture apprentices paid overtime rates in order to feed into the pay calculations. For further discussion on the contribution overtime has towards weekly earning, see the Total Earnings section of this chapter.

<sup>44</sup> Caution should be taken when interpreting these findings due to a relatively small base size (unweighted 102) Base sizes are too small to conduct analysis across frameworks.

<sup>45</sup> Base size is too small to conduct analysis across frameworks (unweighted 208)

## Total weekly earnings

### Average total weekly earnings

Across all Level 2 and 3 apprentices in Scotland, the mean total weekly earnings was £269 (median: £240): this includes basic pay plus paid overtime, tips from customers and bonuses.

As detailed in Figure 5.5, there was substantial variation in weekly earnings by framework. Higher average earnings were found in the Electrotechnical and Management frameworks but were noticeably lower in the Hairdressing and Children's Care frameworks. A complete table of these figures can be found in Table A3 in Appendix A.

Higher than average weekly earnings were also reported by male apprentices (mean: £295; median: £263) and those aged 25 or above (mean: £407; median: £365).

**Figure 5.5: Mean total weekly earnings of Level 2 and 3 Scotland 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>46</sup>**

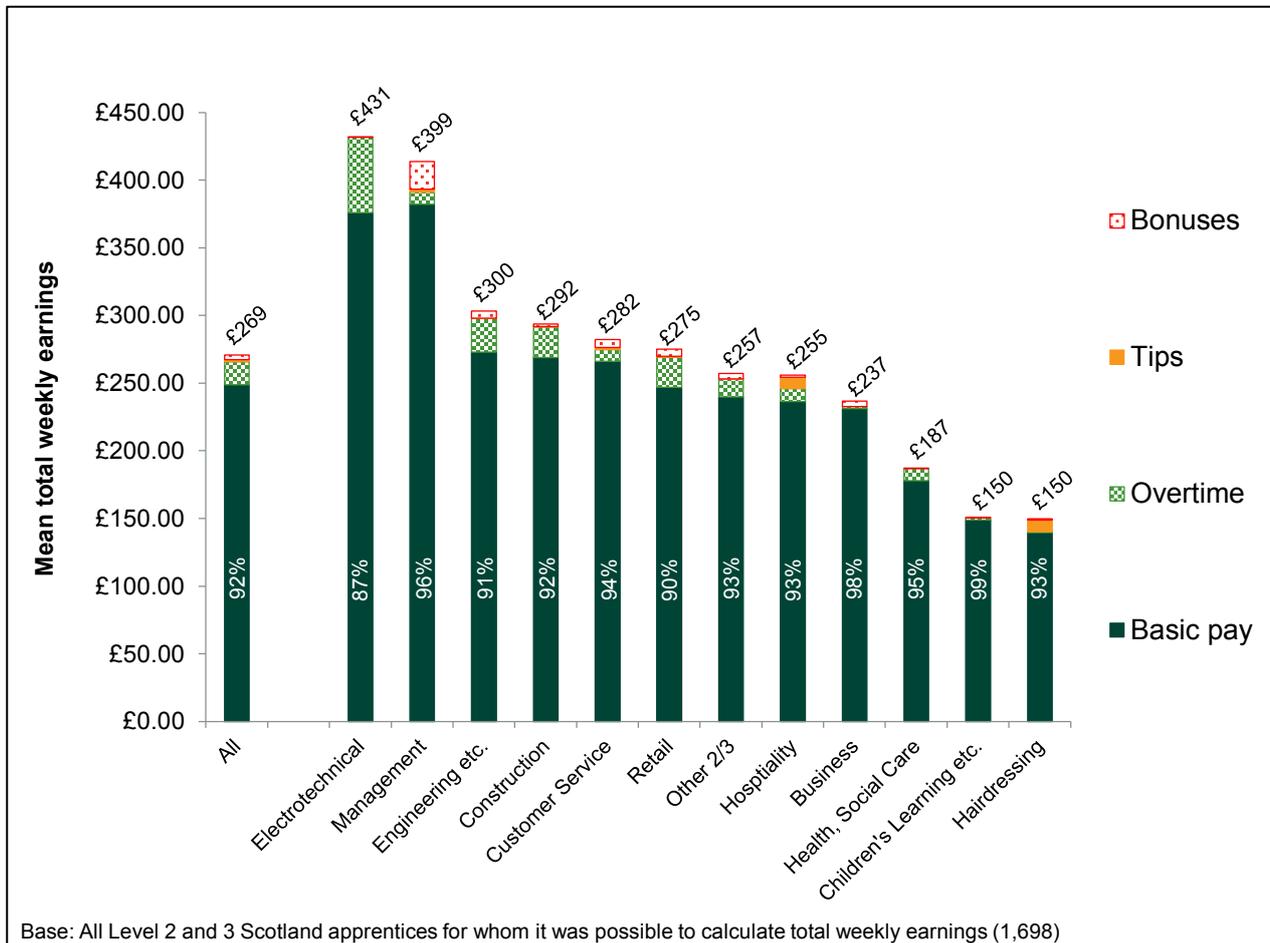


Figure 5.6 also illustrates the composition of total weekly earnings by its individual components: basic pay, overtime, tips from customers and bonuses. Unsurprisingly, basic pay constituted the greatest proportion of total weekly earnings across all frameworks (an average of 92 per cent). However, there were differences by framework in terms of the other component of weekly earnings:

- Proportional weekly earnings from **overtime** were greatest in the Electrotechnical (21 per cent) and Engineering and Manufacturing Technologies frameworks (nine per cent) compared with the average of six per cent across all apprentices;

<sup>46</sup> Some apprentices are provided with free accommodation, this is 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 (five per cent), this has not been included in Figure 5.5.

- Proportional weekly earnings from **tips from customers** were greatest in the Hairdressing and Hospitality and Catering frameworks (both three per cent), compared with the average of one per cent across all frameworks; and
- Proportional weekly earnings from **bonuses** were greatest among apprentices in the Management framework (eight per cent), compared with the average of one per cent across all apprentices.

## Earnings at basic pay

The mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Level 2 and 3 Scotland apprentices was £249 (median: £229). As detailed in the previous section, earnings from basic pay account for the vast majority of total weekly earnings across all Level 2 and 3 Scotland Apprenticeship frameworks (92 per cent).

As detailed in Table 5.9, there was substantial variation in weekly earnings from basic pay by framework with those in the Management and Electrotechnical frameworks earning above average basic pay. Those in Hairdressing and Children's Care reported the lowest weekly earnings from basic pay.

Other groups that earned a higher than average basic weekly pay were:

- Male apprentices (£270; median: £248); and
- Those aged 25 or above (£371; median: £346).

**Table 5.9: Mean and median weekly earnings from basic pay for Level 2 and 3 apprentices in Scotland, by framework**

	Base	Mean	Median
	n	£	£
Management	60	382	344
Electrotechnical	91	376	364
Engineering, Manufacturing Technologies and related	384	273	250
Construction and related	335	269	243
Customer Service	73	266	274
Retail	97	247	213
Other 2/3	74	240	231
Hospitality and Catering	98	236	221
Business and related	157	231	228
Health, Social Care and Sport	115	178	174
Children's Care	102	149	113
Hairdressing	112	140	119
<b>Scotland Total</b>	<b>1,698</b>	<b>249</b>	<b>229</b>

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

## Overtime

Around six in ten Level 2 and 3 Scotland apprentices (62 per cent) had worked overtime, paid or unpaid, for their employer during their Apprenticeship. This represents a slight increase from 2011 (59 per cent).

As detailed in Table 5.10, overtime was most common in the Electrotechnical (89 per cent), Management (81 per cent) and Retail (81 per cent) frameworks. By comparison, fewer than half in the Business and related (41 per cent) and Hairdressing frameworks (36 per cent) ever worked overtime.

**Table 5.10: Proportion of Scotland Level 2 and 3 apprentices working overtime, by framework**

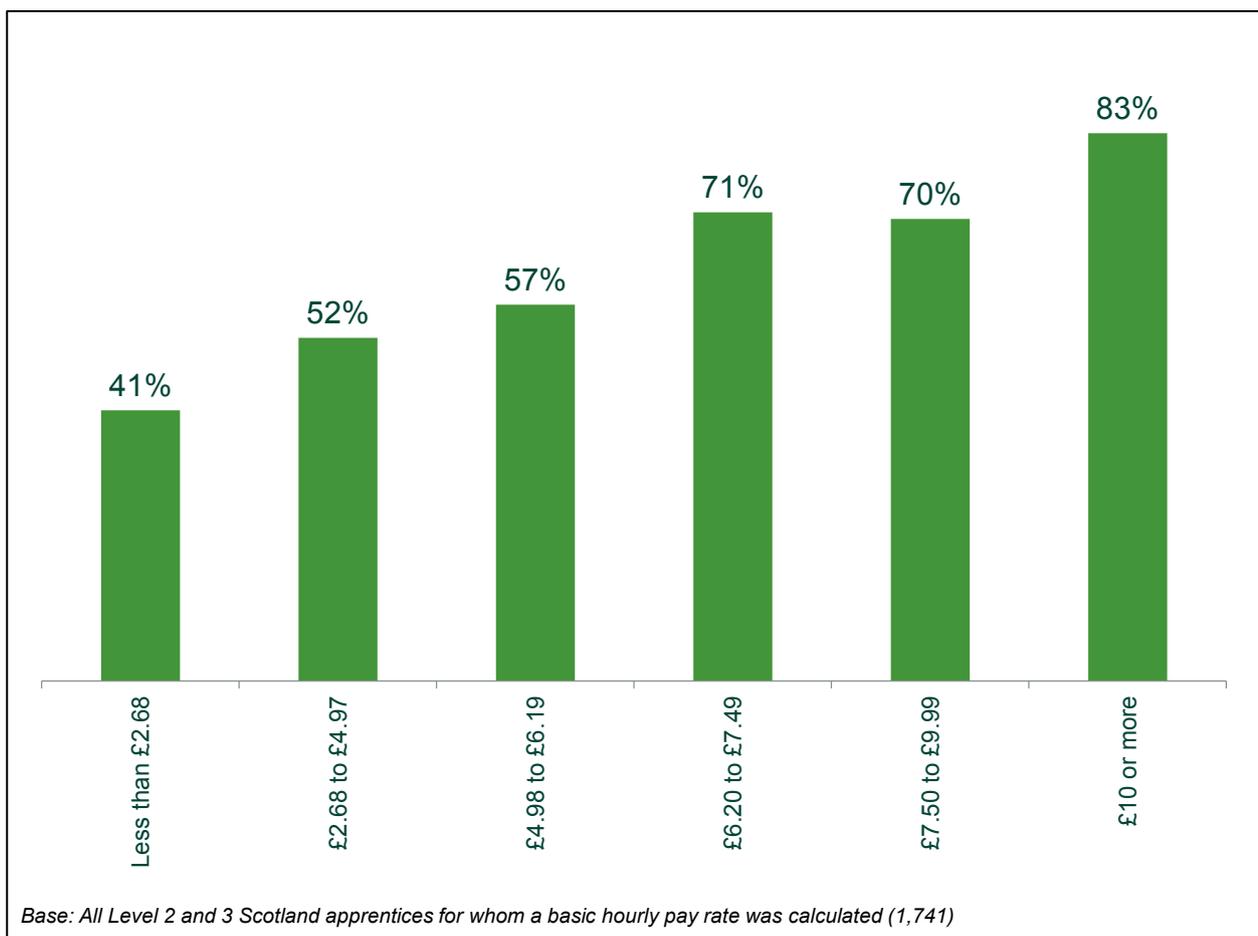
	Base	Work overtime (paid or unpaid)
	n	%
Electrotechnical	108	89
Management	78	81
Retail	125	81
Hospitality and Catering	124	55
Health, Social Care and Sport	140	52
Engineering, Manufacturing Technologies and related	446	68
Children's Care	116	59
Construction and related	386	65
Other (level 2/3)	87	51
Customer Service	84	55
Business and related	185	41
Hairdressing	132	36
<b>Scotland Total</b>	<b>2,011</b>	<b>62</b>

*Base: all Level 2 and 3 Scotland apprentices*

Working overtime was more common among male apprentices (66 per cent compared with 53 per cent of female apprentices) and older apprentices (increasing from 50 per cent among those aged 16-18 years to 72 per cent among those aged 25 or older).

The incidence of ever working overtime during their Apprenticeship was also higher among those with a higher basic hourly pay rate (see Figure 5.6).

**Figure 5.6: Proportion of Scotland Level 2 and Level 3 apprentices working overtime, by basic hourly pay**



The mean number of hours overtime (either paid or unpaid) worked by Level 2 and 3 Scotland apprentices who were able to give a figure was 7.6 hours a week (median: 6.0 hours). This represents an increase from the mean of 6.5 hours reported for apprentices in Scotland in 2011. Among those who worked overtime:

- 74 per cent worked less than 10 hours overtime per week;
- 16 per cent worked between 10 and 14 hours;
- 10 per cent worked between 15 or more hours overtime a week.

## Earnings from overtime

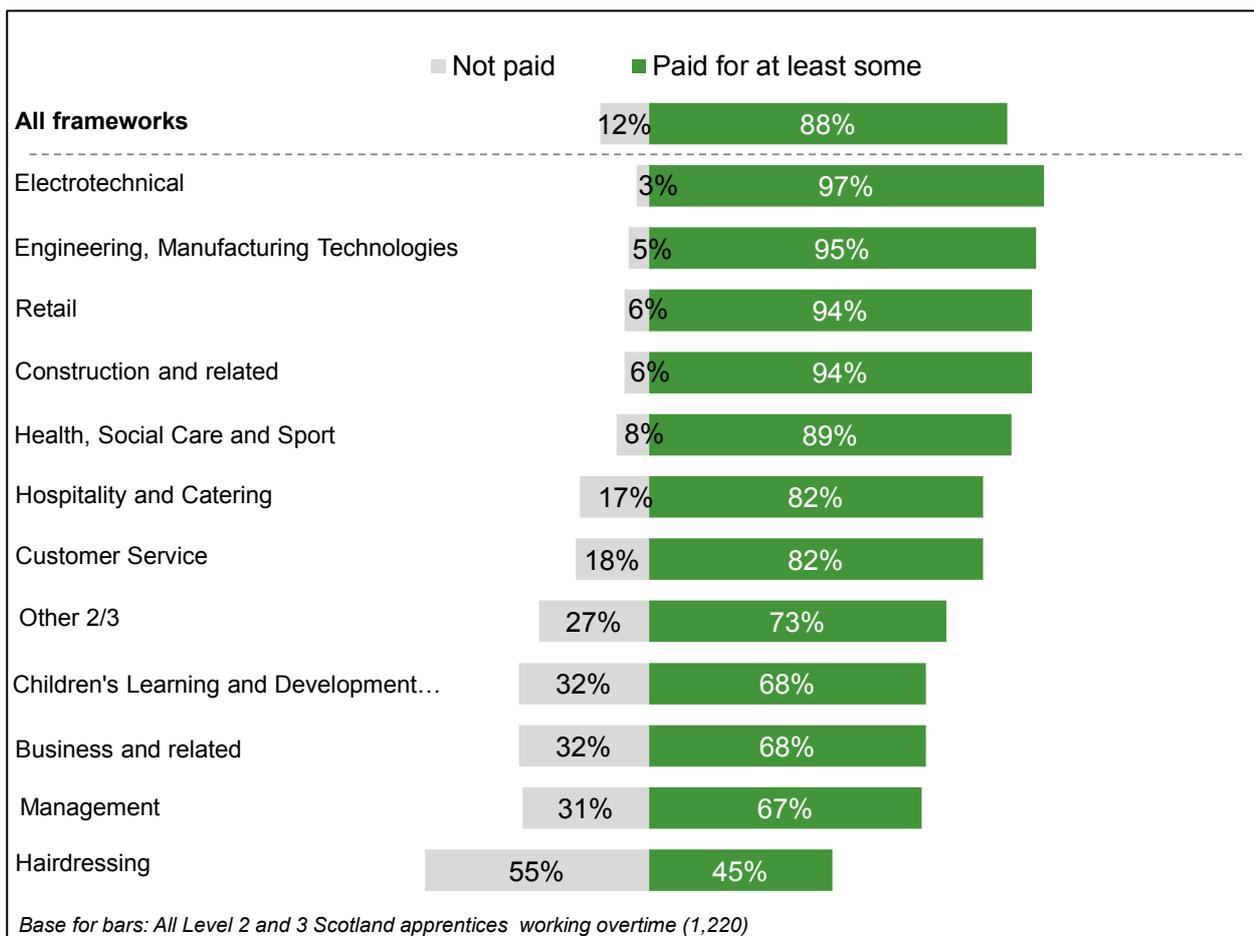
Around nine in ten Level 2 and 3 apprentices in Scotland who ever worked overtime (88 per cent) were paid for at least some of the additional hours they worked, whereas 12 per cent (down from 16 per cent in 2011) were not paid for any of the additional hours.

As shown in Figure 5.7, apprentices in the Electrotechnical framework were the most likely to be paid for at least some of their overtime hours (97 per cent), followed by those in the Engineering and Manufacturing Technologies, Construction and Retail frameworks (95, 94 and 94 per cent respectively).

In contrast, apprentices in the Hairdressing framework were least likely to report that they were not paid for any of their overtime hours (45 per cent)<sup>47</sup>.

Male apprentices were more likely than females to be paid for at least some of their overtime hours (91 per cent and 78 per cent respectively).

**Figure 5.7: Proportion of Level 2 and 3 Scotland apprentices paid for at least some of their overtime vs. those not paid for their overtime, by framework**



<sup>47</sup> Note that the Hairdressing framework had the lowest proportion of apprentices reporting that they worked overtime.

Among those apprentices who were paid for at least some of their overtime (and were able to provide a figure for how much paid overtime they worked in a typical week) the mean number of paid overtime hours was 7.6 (median: 5.0 hours). More specifically, 40 per cent did up to four hours paid overtime, 33 per cent did between five and nine hours overtime and 27 per cent did 10 hours or more hours paid overtime.

Among those who were paid for their overtime (and were able to state how much they were paid for their overtime) the mean amount earned in a week from overtime was £92.64 (median: £55.30).

## 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>48</sup>.

Overall seven per cent of all Level 2 and 3 apprentices in Scotland ever worked unpaid overtime: the mean number of unpaid overtime hours was 5.1 (median: 3.5 hours). This is similar to the mean of 4.7 hours reported for apprentices in Scotland in 2011.<sup>49</sup>

## Time off in lieu or flexi leave

Among those apprentices who ever worked overtime, either paid or unpaid, around a third (34 per cent) were given time off in lieu or flexi leave in return; unchanged from 2011.<sup>50</sup>

Apprentices in the following frameworks were more likely than average to receive time off in lieu or flexi leave in return for working overtime: Management (56 per cent), Hairdressing (50 per cent) and Business and related (49 per cent). As shown previously in Figure 5.7, apprentices in these frameworks were among those least likely to receive payment for at least some of their overtime.

Those who never get paid for their overtime hours were more likely to receive time off in lieu or flexi leave (58 per cent) compared to those who were paid for at least some of their overtime (30 per cent).

## Tips from customers

Ten per cent of all Level 2 and Level 3 apprentices in Scotland reported that they received tips from customers.

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<sup>48</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. 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>49</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 (see the following footnote).

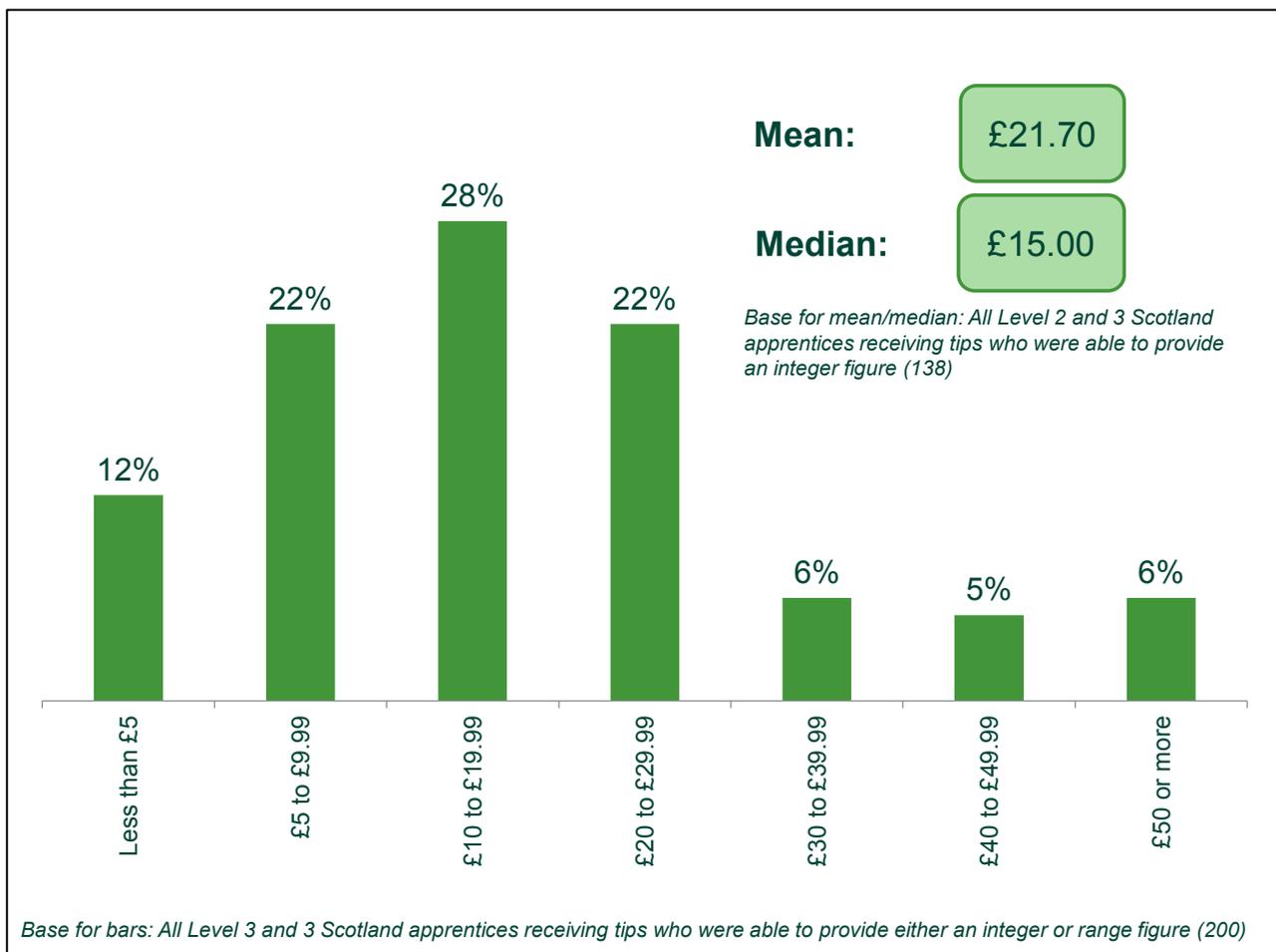
<sup>50</sup> Apprentices were asked "Do you ever get given time off or flexi leave in return for working overtime?" but the questionnaire did not explore how much of apprentice's unpaid overtime was taken as time off in lieu or as flexi leave.

Since October 2009, tips received from customers cannot be counted towards NMW pay rates, regardless of whether they are paid to the employer through their payroll or given directly to the worker by customers or a troncmaster. Nevertheless, findings from the 2012 Apprenticeship Pay Survey suggested that employers may be using tips as a means to top up the wages of apprentices in low-paying frameworks.

In line with this, there were marked differences by framework, with Level 2 and 3 apprentices in Scotland in Hairdressing (76 per cent) and Hospitality and Catering frameworks (43 per cent) the most likely to report that they received tips in their line of work. Across all other frameworks an average of two per cent of apprentices reported that they receive tips (ranging from 13 per cent in Management to zero in the Children's Care, , Health, Social Care and Sport and Business and related frameworks).

As shown in Figure 5.8, the vast majority of apprentices receiving tips reported that in a typical week they received tips totalling less than £30. The mean amount of tips in a typical week (among those able to provide a figure) was £21.70 (median: £15.00).

**Figure 5.8: Amount received in tips by Level 2 and 3 Scotland apprentices during a typical week**



## Bonuses

Just under one fifth of Level 2 and 3 Scotland apprentices (18 per cent) received bonuses from their employer. This represents a substantial decrease from the 2011 figure of 25 per cent. The following groups were more likely to have received any bonuses:

- Those in the Management (34 per cent), Customer Service (27 per cent), Retail and Business (both 26 per cent) and Engineering and Manufacturing Technologies frameworks (25 per cent);
- Male apprentices (19 per cent compared with 15 per cent of female apprentices); and
- Those aged 25 years or older (24 per cent compared with 17 per cent of those aged 16 to 24 years).

The mean bonus paid across all apprentices receiving bonuses was equivalent to £25.57 a week (median: £11.54). Low base sizes do not allow for 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 £4.91 is added to the apprentice’s wages for each day that 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.

Overall, five per cent of all apprentices were provided with live-in accommodation by their employer. Five per cent were provided with free accommodation and less than 0.5 per cent were provided with charged-for accommodation.

By framework, the provision of accommodation (either free or charged for) was most common in the Electrotechnical and Construction frameworks (both 10 per cent).

## Compliance with the National Minimum Wage

This section looks at the extent to which the gross hourly pay of apprentices is compliant with the National Minimum Wage (NMW) 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)'

Looking only at apprentices for whom compliance can be calculated, 87 per cent had a gross hourly wage at or above the appropriate NMW, while 13 per cent had a gross hourly wage below the appropriate NMW<sup>51</sup>.

This compares with 22 per cent of apprentices in Scotland reported as having a gross hourly pay rate below the NMW in 2011.

There were considerable differences in the proportions being paid below the NMW by framework, as shown in Table 5.11. More than two-fifths of Hairdressing Level 2 and Level 3 apprentices were paid less than the NMW (44 per cent), and the figure was higher than average in the Children's Care framework (36 per cent), and the Health, Social Care and Sport framework (21 per cent). At the other end of the scale, just three per cent of both Retail and Customer Service apprentices had pay below the NMW level.

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<sup>51</sup> Across all Level 2 and Level 3 apprentices in Scotland, 80 per cent were paid at or above the NMW, 12 per cent below the NMW, and for eight per cent it was not possible to determine from their survey responses if their pay was compliant or not. Results in this section have been re-based excluding the latter group.

**Table 5.11: Compliance with NMW by framework for Level 2 and Level 3 apprentices in Scotland**

	<i>Base</i>		<b>Paid the NMW or higher</b>	<b>Paid below NMW</b>
Hairdressing	117	%	56	44
Children's Care	109	%	64	36
Health, Social Care and Sport	131	%	79	21
Engineering, Manufacturing Technologies and related	415	%	87	13
Hospitality and Catering	111	%	88	12
Construction and related	362	%	90	10
Business and related	179	%	93	7
Management	74	%	93	7
Electrotechnical	99	%	94	6
Retail	108	%	97	3
Customer Service	79	%	97	3
Other (level 2/3)	82	%	89	11
<b>Scotland Total</b>	<b>1,866</b>	<b>%</b>	<b>87</b>	<b>13</b>

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

Younger apprentices were more likely to be earning less than the NMW; 13 per cent of 16-24 year olds had non-compliant pay levels, compared with four per cent of those aged 25 or older. Female apprentices were also more likely to have non-compliant pay (17 per cent, compared with 11 per cent of male apprentices).

Another factor that impacts on compliance is the length of time the apprentice had spent on the course: a fifth (20 per cent) of those that had been on the course for more than a year were being paid less than NMW, compared with nine per cent of those who had been on their course for a year or less. This could imply that a significant proportion of non-compliance cases were due to apprentices moving up to the next NMW bracket without their pay being increased.

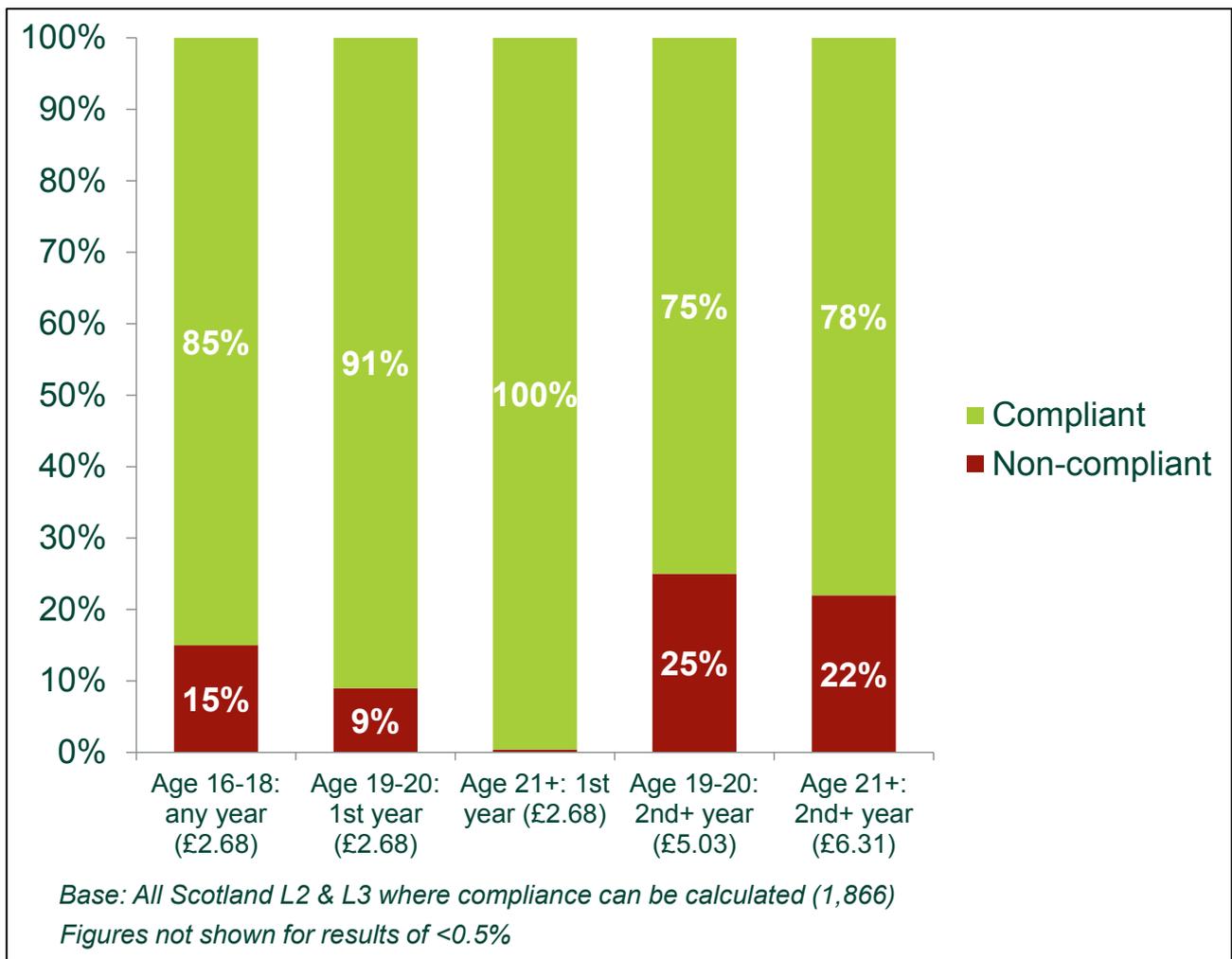
Apprentices that had not worked for their employer before they started their Apprenticeship were also more likely to be paid below the appropriate NMW (17 per cent) compared with those who were already working for their employer at the start of the Apprenticeship (11 per cent).

Other groups more likely to be paid less than the NMW include:

- Those employed for the training period only (25 per cent) compared with 12 per cent of those with a fixed end date after completion and 11 per cent of those with permanent employment;
- Level 2 apprentices (18 per cent compared with 12 per cent of Level 3 apprentices).

Looking at compliance split by the different NMW levels for each age group and year of the Apprenticeship, those aged 19-20 in their second or later year of their Apprenticeship were the most likely to be in the non-compliant category, with 25 per cent paid less than the appropriate NMW (£5.03 an hour). Those aged 21 or over in the second year or later were slightly less likely to be non-compliant, with 22 per cent paid less than £6.31, the minimum level for that group. Among the apprentices eligible for the lowest level of NMW, £2.68, those aged 16-18 were the most likely to be non-compliant (15 per cent paid). Of those aged 19-20 and in their first year, nine per cent were non-compliant, while only a small proportion of those aged 21+ and in their first year were paid less than £2.68 (less than 0.5 per cent).

These results are shown in Figure 5.9.

**Figure 5.9: Compliance by age and year of Apprenticeship (Scotland Level 2 and 3)**

Among those whose calculated gross hourly pay was non-compliant with the NMW, 43 per cent were aged under 19 or on the first year of the Apprenticeship (hence they should have been being paid a minimum of £2.68 an hour), 29 per cent were entitled to the £5.03 NMW rate and 28 per cent should have been being paid a minimum of £6.31 an hour.

Table 5.12 and Figure 5.10 show the pay distribution for Level 2 and 3 apprentices in Scotland and levels of compliance / non-compliance. These figures are based on respondents where it was possible to calculate an exact gross hourly pay figure (1,741 of the 2,011 Level 2 and Level 3 apprentices interviewed)<sup>52</sup>. As well as showing the distribution of hourly pay rates, Figure 5.10 also shows which NMW rate applied to respondents and whether the pay was compliant or not. For example, it shows in the final column that six per cent of all apprentices for whom a gross hourly pay could be calculated

<sup>52</sup> Note that overall compliance figures shown in the chart are based on all where exact hourly pay could be calculated, and therefore differ slightly from overall compliance figures for all Level 2 and 3 apprentices in Scotland.

received over £9 an hour and needed a minimum of £6.31 an hour to be compliant, while seven per cent received over £9 an hour and needed £2.68 an hour to be compliant (i.e. they were aged under 19 or on the first year of their Apprenticeship).

A very small proportion of apprentices for whom a gross hourly pay rate could be calculated were paid £1.50 an hour or less (0.3 per cent). Six per cent were paid between £1.51 and £2.67: the majority of apprentices within that range were eligible for the £2.68 minimum rate (six per cent of all Level 2 and Level 3 apprentices), with a minority eligible for the higher rates of £5.03 or £6.31 (less than 0.5 per cent each).

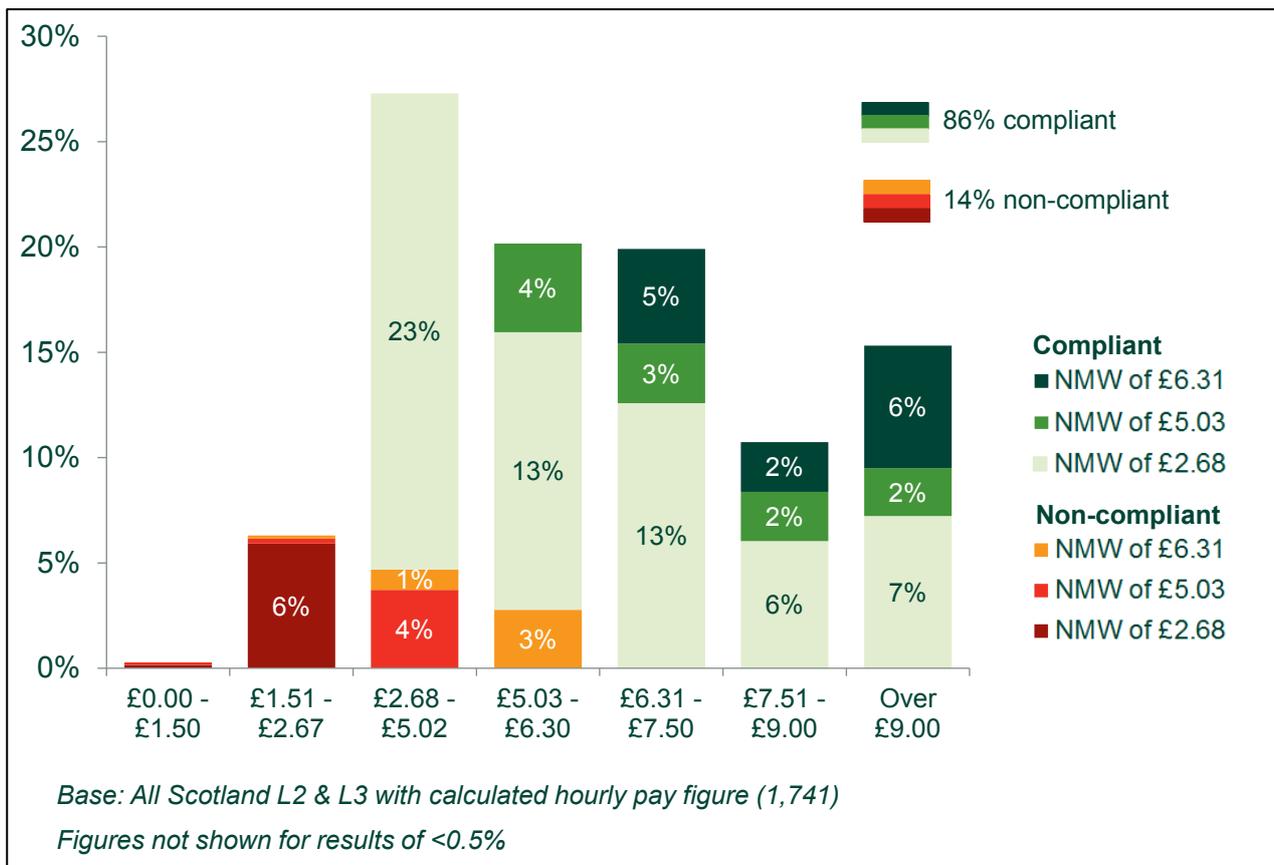
More than a quarter of the Level 2 and 3 apprentices for whom exact pay figures could be calculated received between £2.68 and £5.02 an hour (27 per cent); within this group, four per cent were non-compliant as they were eligible for NMW of £5.03, and a further one per cent were eligible for NMW of £6.31. A fifth of apprentices were paid between £5.03 and £6.30 an hour (20 per cent); within this group, three per cent were receiving non-compliant pay, as they were eligible for the minimum rate of £6.31 an hour.

Just under half of all Level 2 and 3 apprentices with a calculable hourly pay figure received £6.31 an hour or more (46 per cent); within this group, a fifth were paid between £6.31 and £7.50 an hour (20 per cent), 11 per cent were paid between £7.51 and £9.00 an hour, and 15 per cent were paid more than £9.00 an hour.

**Table 5.12: Apprentice pay rates and compliance / non-compliance (Scotland Level 2 and 3)**

		Proportion of apprentices in each pay band							
		< £1.51	£1.51- £2.67	£2.68- £5.02	£5.03- £6.30	£6.31- £7.50	£7.51- £9.00	Over £9.00	Total
<b>Compliant</b>		-	-	22.6	17.3	19.9	10.7	15.3	<b>86</b>
<b>Non-compliant</b>	%	0.3	6.3	4.7	2.8	-	-	-	<b>14</b>

*Base: All Scotland L2 and L3 apprentices with calculated hour pay figure (1,741). Each figure is based on the overall base, hence for example 4.7 per cent of all Level 2 and Level 3 apprentices where an hourly pay figure could be calculated received non-compliant pay of £2.68 to £5.02 an hour.*

**Figure 5.10: Apprentice Pay Rates (Scotland Level 2 and 3)<sup>53</sup>**

## Apprentices paid less than their national minimum wage

### Distance from the National Minimum Wage

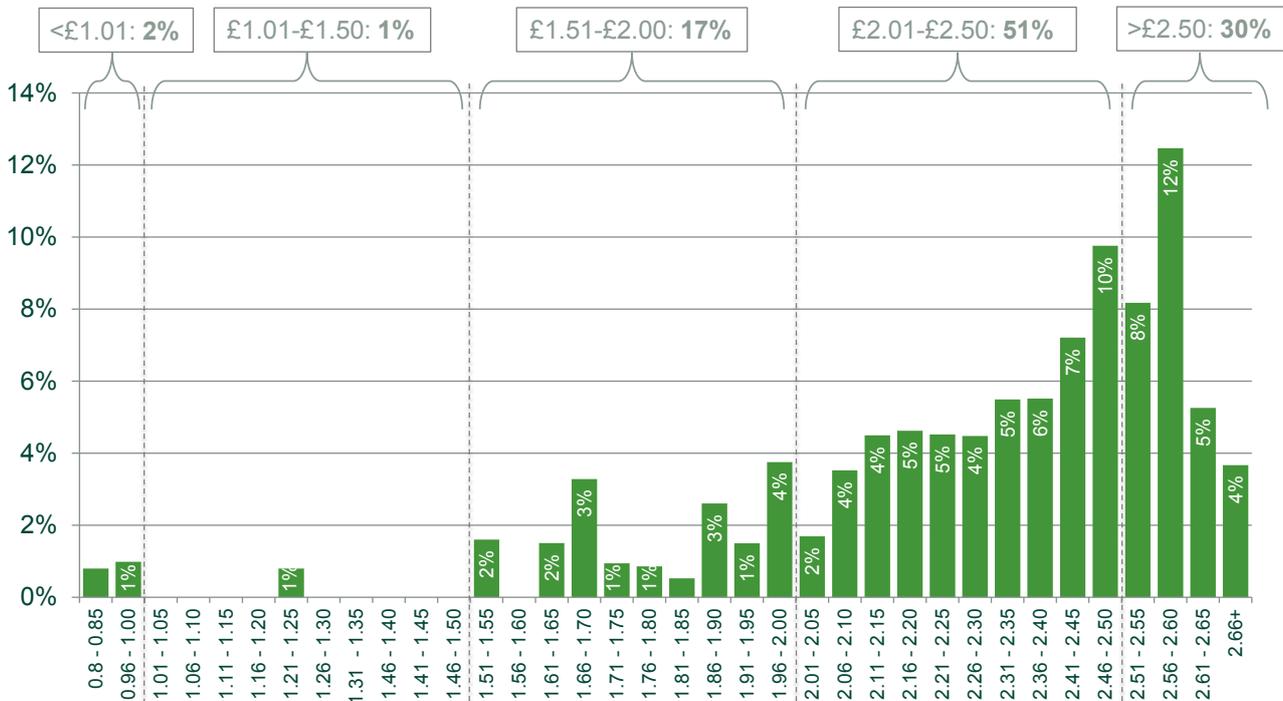
Overall, three per cent of Level 2 and Level 3 apprentices with non-compliant pay in Scotland were paid very close to the NMW (within three pence of the appropriate rate), and more than two-fifths (44 per cent) were paid within 10 per cent of the NMW.

Figure 5.11 shows the distribution of pay below £2.68 for those in Scotland aged 16-18 or in the first year of their Apprenticeship with calculable pay figures. The mean pay figure for this group of non-compliant apprentices was £2.27 an hour. A fairly high proportion were close to the NMW level, indicating that the non-compliance could in some cases be due to measurement or calculation error: four per cent were paid very close to the NMW, between £2.65 and £2.67 and overall nearly half (47 per cent) were paid within 10 per cent of the correct rate (between £2.41 and £2.67).

<sup>53</sup> Note that the base in this chart (those for whom, an exact hourly pay can be calculated) is different to that used earlier in the chapter e.g. in Table 5.11 (all for whom compliance can be calculated). This results in slightly different compliance figures compared to those cited earlier: 14 per cent of those with calculable pay had a non-compliant pay level, compared with 13 per cent of all Level 2 and 3 apprentices in Scotland.

A very small proportion (two per cent of those apprentices entitled to £2.68 an hour but on non-compliant pay) reported pay levels below £1.01 an hour, with the lowest figure being £0.80.

**Figure 5.11: Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of Apprenticeship (Scotland Level 2 and 3)**

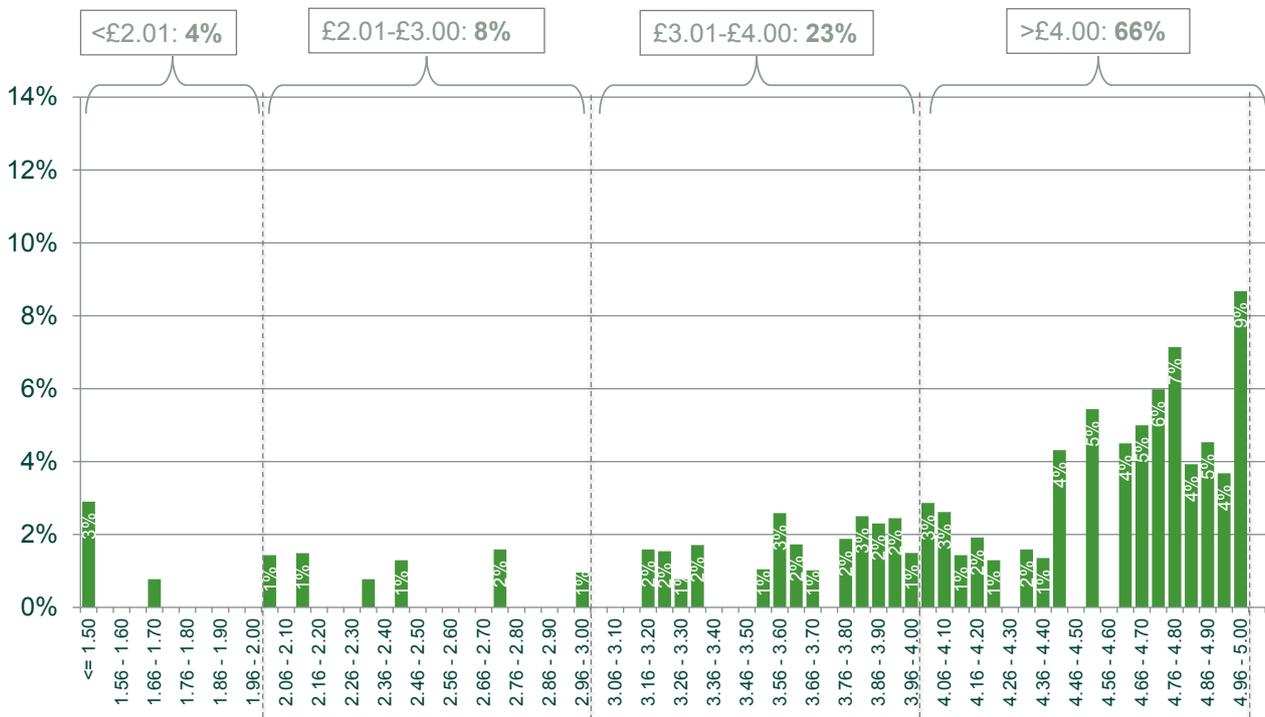


Base: All Scotland L2 & 3 aged 16-18 or in first year with non-compliant pay (135)

The pattern of pay for those aged 19-20 and in the second year or later with pay below their minimum wage of £5.03 is shown in Figure 5.12. Four per cent were paid very close to the NMW rate (between £5.00 and £5.02; in fact, all of these apprentices were paid exactly £5.00 an hour), and overall nearly half (48 per cent) were paid within 10 per cent of the correct rate (between £4.53 and £5.02). However, below this, the distribution down to the lowest pay level for this group was relatively even.

The lowest hourly pay figure for this group of non-compliant apprentices was £0.76 an hour, and the mean pay figure was £4.11.

**Figure 5.12: Distribution of pay for those with non-compliant pay aged 19-20 and in the second year or later of Apprenticeship (Scotland Level 2 and 3)**

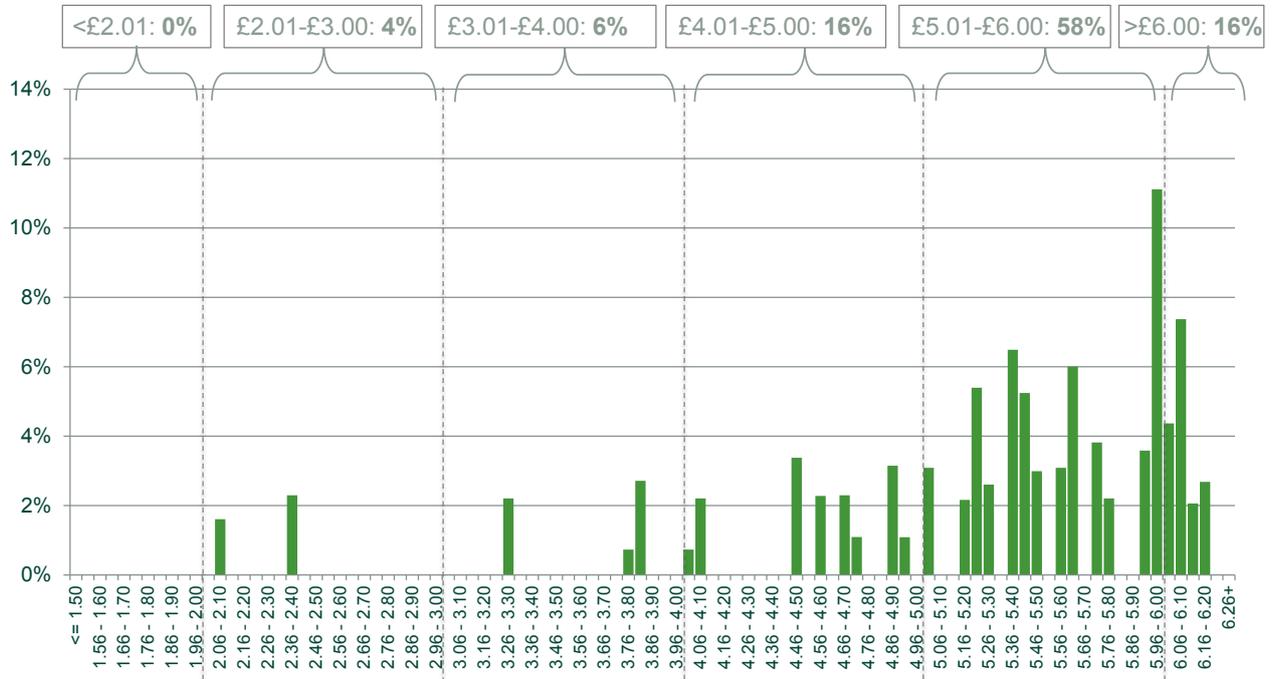


Base: All Scotland L2 & 3 aged 19-20 and in 2<sup>nd</sup>+ year with non-compliant pay (73)

Looking at apprentices aged 21 or over and in the second year or later of their Apprenticeship, there was a wide variation in the pay levels of those whose pay was calculated as non-compliant. Compared with the previous groups, apprentices were less likely to be paid close to the NMW: no apprentices were paid very close to the NMW (the highest figure was £6.19), while overall less than two fifths (37 per cent) were paid within 10 per cent of the correct NMW amount (between £5.68 and £6.30).

The lowest pay figure within this group of non-compliant apprentices was £2.08 an hour, and the mean pay figure was £5.25.

**Figure 5.13: Distribution of pay for those with non-compliant pay aged 21 or more and in the second year or later of Apprenticeship (Scotland Level 2 and 3)**

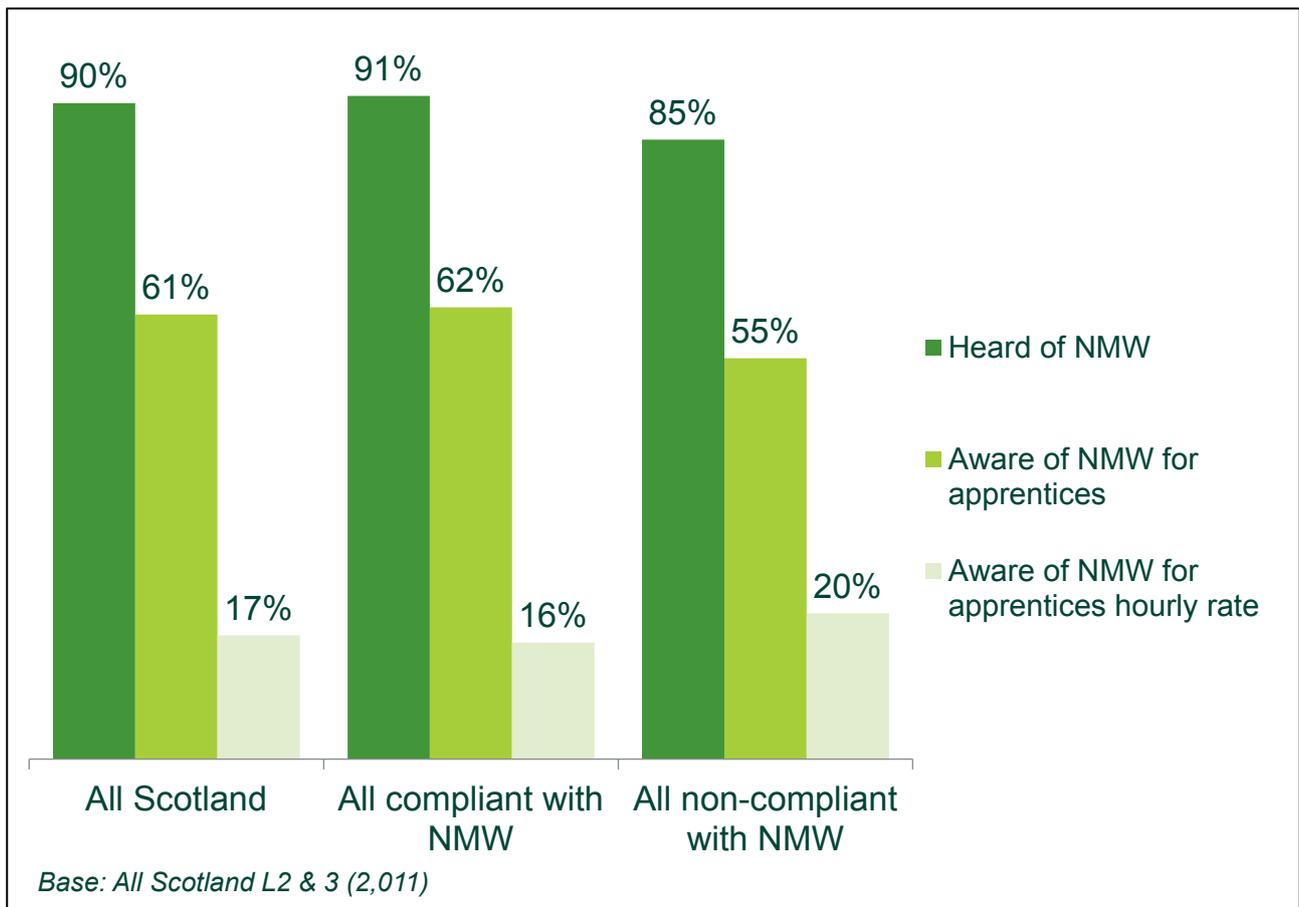


Base: All Scotland L2 & 3 aged 21 or more and in 2<sup>nd</sup>+ year with non-compliant pay (48)

## Awareness of the Apprentice Rate of the National Minimum Wage

The vast majority of Level 2 and Level 3 apprentices in Scotland (90 per cent) had heard of the National Minimum Wage. Awareness of the NMW was lower among those with non-compliant pay (85 per cent, compared with 91 per cent of those with compliant pay).

**Figure 5.14: Knowledge of the National Minimum Wage (Scotland Level 2 and 3)**



Awareness of the NMW was lower among the following groups:

- Younger apprentices (84 per cent aged 16-18 were aware, compared with 92 per cent of those aged 19 and over);
- Hairdressing apprentices (75%).

Three-fifths of all Level 2 and Level 3 apprentices (61%) were aware that there is a National Minimum Wage rate for certain apprentices. Once again, awareness was lower among those with non-compliant pay (55 per cent, compared with 62 per cent of those with compliant pay).

In terms of framework, as shown in Table 5.13, those on Electrotechnical and Management frameworks were the most likely to know that there was a NMW rate for apprentices (with 72 per cent and 68 per cent aware respectively), while those on the Hairdressing framework were the least likely to be aware (44%).

Less than a fifth of Level 2 and Level 3 apprentices in Scotland (17 per cent) were aware of the hourly minimum rate for apprentices. It should be noted that these awareness figures were entirely self-reported; actual knowledge of the Apprenticeship NMW rates were not tested.

Groups less likely to say they know the minimum hourly rate for apprentices included:

- Women (14 per cent, compared with 19 per cent of men);
- Level 2 apprentices (14 per cent, compared with 18 per cent of Level 3 apprentices).

By framework, those on Electrotechnical, Children's Care and Construction frameworks were the most likely to know the hourly rate (23, 23 and 22 per cent respectively), and those on the Health, Social Care and Sport and Hospitality and Catering frameworks the least likely (10 per cent and eight per cent respectively). Results are shown in the following table, ranked by awareness of the Apprenticeship NMW.

**Table 5.13: Awareness of Apprenticeship NMW / hourly rate by framework (Scotland Level 2 and Level 3)**

	Base	Aware of Apprenticeship NMW	Aware of hourly rate
	n	%	%
Electrotechnical	108	72	23
Management	78	68	16
Construction and related	386	67	22
Customer Service	84	65	13
Engineering, Manufacturing Technologies and related	446	64	18
Business and related	185	63	21
Children's Care	116	58	23
Other (level 2/3)	87	55	16
Retail	125	54	11
Hospitality and Catering	124	54	8
Health, Social Care and Sport	140	47	10
Hairdressing	132	44	16
<b>Scotland Total</b>	<b>2,011</b>	<b>61</b>	<b>17</b>

*Base: All Scotland L2 & L3 apprentices*

## 6. Pay levels of Level 2 and Level 3 Apprentices in Wales

### Key facts and summary

Over three-quarters (78 per cent) of Level 2 and 3 apprentices in Wales were already working for their employer when they started their Apprenticeship (82 per cent in 2012). This is higher than found across GB as a whole (67 per cent), hence apprentices in Wales were less likely than average to be recruited specifically to their Apprenticeship. Most Level 2 and 3 apprentices were employed on a permanent basis (80 per cent, higher than the 76 per cent found GB-wide). In comparison eight per cent were employed just for the duration of their Apprenticeship.

Apprentices worked and trained a mean average of 39.1 hours a week in total (median 39.5 hours), similar to the GB-wide results (a mean of 39.7 and a median of 40 hours a week). Apprentices in Engineering, Construction, and Electrotechnical worked and trained the longest hours (means of just over 43 hours a week), while those in Children's Care worked the fewest (a mean of around 33 hours a week).

The mean basic hourly pay (i.e. excluding overtime, tips or bonuses) was £7.43, and the median £6.63, higher than the GB levels (£6.79 and £6.31 respectively). Basic hourly pay was highest for those in Management (a means of just over £13 an hour, a median of close to £11 an hour), and lowest in Construction (a mean of £5.72 and a median of £5.05 an hour). It is worth noting that the framework with the lowest pay across GB, Hairdressing, could not be reported on in Wales due to a low base size

Across GB around a third (35 per cent) of apprentices said their hourly rate had increased during their Apprenticeship. This was lower in Wales with 27 per cent having experienced an increase in their hourly pay – given pay levels are higher in Wales than the rest of GB, this suggests higher starting pay levels (reflective of the fact that more are existing employees).

Taking overtime, tips and bonuses into account mean average total weekly earnings was £276 (median £259), higher than the GB levels (a mean of £257 and a median of £238). Again total weekly pay varied widely by framework, with earnings highest among Management apprentices (a means of £456) and lowest in Children's Care (a mean of £221 per week). Basic pay accounts for 95 per cent of total earnings, and overtime five per cent (bonuses and tips each account for a negligible proportion). Findings are similar to the GB levels (where basic pay accounted for 94 per cent and overtime five per cent of total earnings).

Results indicate that (among apprentices where the necessary pay details had been provided) 12 per cent of all Level 2 and Level 3 apprentices were paid below the NMW, lower than the GB level (15 per cent). Non-compliance was higher among apprentices in Construction (31 per cent), Electrotechnical (29 per cent) and Engineering (22 per cent). In comparison just four per cent of those in Health, Social Care and Sport, Customer Services and Management received pay below the NMW.

High levels of non-compliance with the NMW were also found among those that had been on the course for more than a year (25 per cent) and those that had not worked for their employer before they started their Apprenticeship (21 per cent).

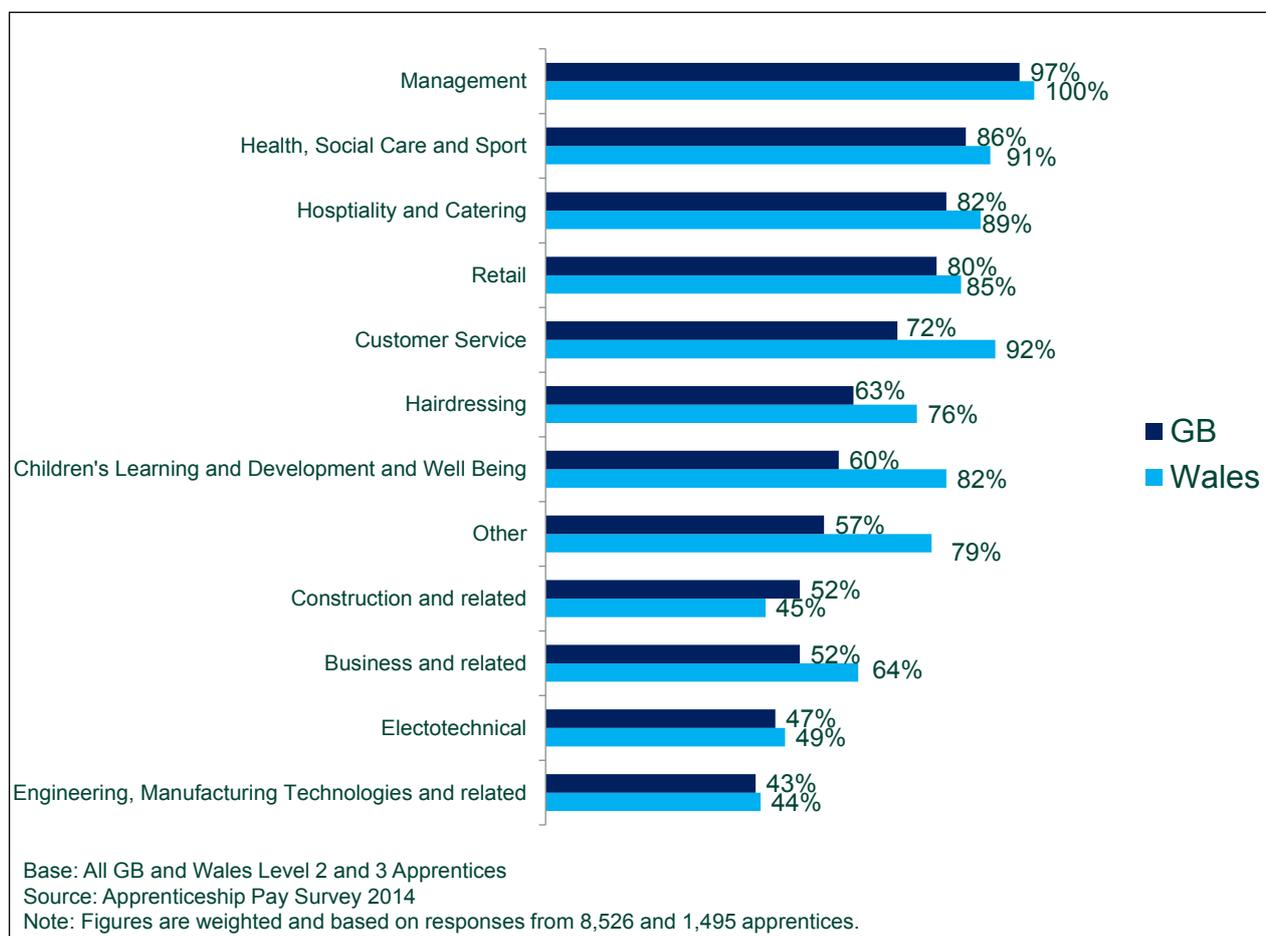
Although the vast majority (95 per cent) of apprentices had heard of the National Minimum Wage, and just over half were aware that there is a National Minimum Wage rate for certain apprentices (55 per cent), less than a fifth (16 per cent) knew or claimed to know the actual minimum rate for apprentices.

## **Routes into Apprenticeships, contracts, contracted hours and hours worked**

### **Routes into Apprenticeships**

Over three-quarters (78 per cent) of Level 2 and Level 3 apprentices in Wales had already been working for their employer prior to starting their Apprenticeship. This is slightly lower than in 2012 (82 per cent), but higher than the GB-wide figure in 2014 (67 per cent). Figure 6.1 shows results by framework, with comparisons to GB results. In particular, the Customer Service, Children's Care, Other and Business and related frameworks in Wales had a higher proportion of apprentices already working for their employer than found across Great Britain as a whole.

**Figure 6.1: Proportion of Level 2 / 3 apprentices in Wales and GB working for their current employer prior to starting their Apprenticeship**



## Working arrangements and number of hours contracted to work

### Contractual and employment arrangements

The vast majority of Level 2 and Level 3 apprentices in Wales (90 per cent) had a written contract with their employer (similar to the 90 per cent found across GB as a whole). Eight per cent had no contract and the remainder were unsure.

Most were also employed on a permanent basis (80 per cent), higher than found across GB as a whole (76 per cent). An additional eight per cent were employed for the duration of their training only and four per cent had a fixed end date for their employment after completion of their training<sup>54</sup>. Table 6.1 shows how this varies across framework.

<sup>54</sup> Five per cent worked under another arrangement and two per cent were unsure what their employment / contract circumstances were.

**Table 6.1: Incidence of written contracts and employment arrangement by framework and age (Level 2 and 3 apprentices in Wales)**

	Base	%	Written contract		Employment arrangement <sup>1</sup>		
			Yes	No	Permanent	For training period only	Fixed end after completion
<b>Apprenticeship Framework</b>							
Management	94	%	100	*	98	1	*
Retail	66	%	97	2	94	3	1
Business and related	168	%	95	3	70	10	9
Children's Care	62	%	95	4	79	9	2
Health & Social Care and Sport	193	%	92	7	92	2	1
Customer Service	50	%	91	9	82	7	1
Hospitality and Catering	147	%	87	11	88	5	2
Other	137	%	86	10	73	9	10
Electrotechnical	52	%	83	17	73	22	2
Engineering, Manufacturing technologies	224	%	80	14	60	18	14
Construction	279	%	78	19	64	19	4
Hairdressing	**	%	**	**	**	**	**
<b>Age</b>							
16-18	255	%	82	13	53	24	8
19-20	372	%	86	11	61	15	12
21-24	391	%	90	8	74	14	4
25 +	477	%	92	7	92	2	2
<b>Wales Total</b>	<b>1,495</b>	<b>%</b>	<b>90</b>	<b>8</b>	<b>80</b>	<b>8</b>	<b>4</b>

Base: All L2 and L3 apprentices in Wales. Row percentages do not sum to 100% due to exclusion of "Other" and "Don't know" responses. \*\* Small base size.

<sup>1</sup> This question was asked of all apprentices, irrespective of whether they had a written contract.

Management apprentices were the most likely to be employed on a permanent basis (98 per cent). A higher proportion than average of those working within the Engineering (18 per cent), Construction (19 per cent) and Electrotechnical (22 per cent) frameworks were employed for the period of their training only: apprentices in these frameworks were also less likely average to have a written contract.

As with GB overall, having a written contract and being employed on a permanent basis both increased with age: in Wales 82 per cent of 16-18 year olds had a written contract rising to 92 per cent of those aged 25 plus. Similarly, just over half of apprentices aged 16-18 (53 per cent) were employed on a permanent basis, rising to 92 per cent for those aged 25 plus.

### **Contracted hours compared against the number of hours worked**

Matching GB findings, the vast majority (84 per cent) of apprentices had a set number of contracted hours, although the mean number of contracted hours a week was slightly lower in Wales (34.6) compared with GB (35.4). Most apprentices were contracted to work between 35 and 44 hours a week (57 per cent).

Two per cent of apprentices were working between 1-15 hours and therefore a lower number of hours than they technically should under Apprenticeship funding rules: this proportion rose to eight per cent among those working in the Children's Care framework.

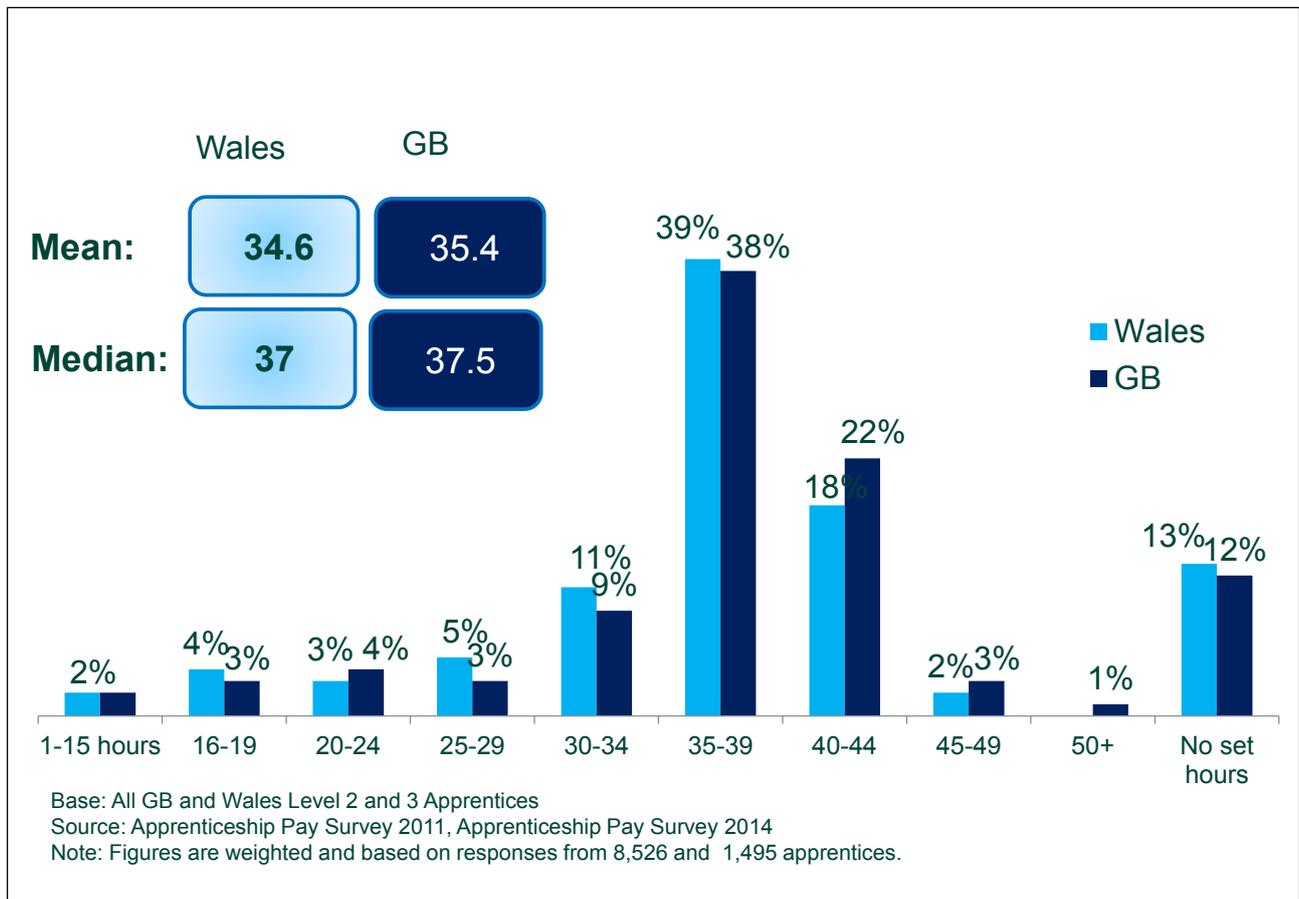
**Figure 6.2: Number of hours contracted to work (Level 2 / 3 apprentices in Wales)**

Figure 6.3 compares contracted hours across all apprentices<sup>55</sup> with the actual number of hours worked including training and overtime amongst those who had calculable hours. Looking at the mean number of hours, apprentices in Wales were working on average 4.5 hours a week more than they were contracted to work (39.1 versus 34.6).

Almost half (49 per cent) worked more than 40 hours a week whereas only 20 per cent were contracted to do so. In GB apprentices worked 4.3 hours a week more than they were contracted to and 53 per cent worked 40 hours a week or more whereas only 26 per cent were contracted to do so.

<sup>55</sup> Including those with no set contracted hours.

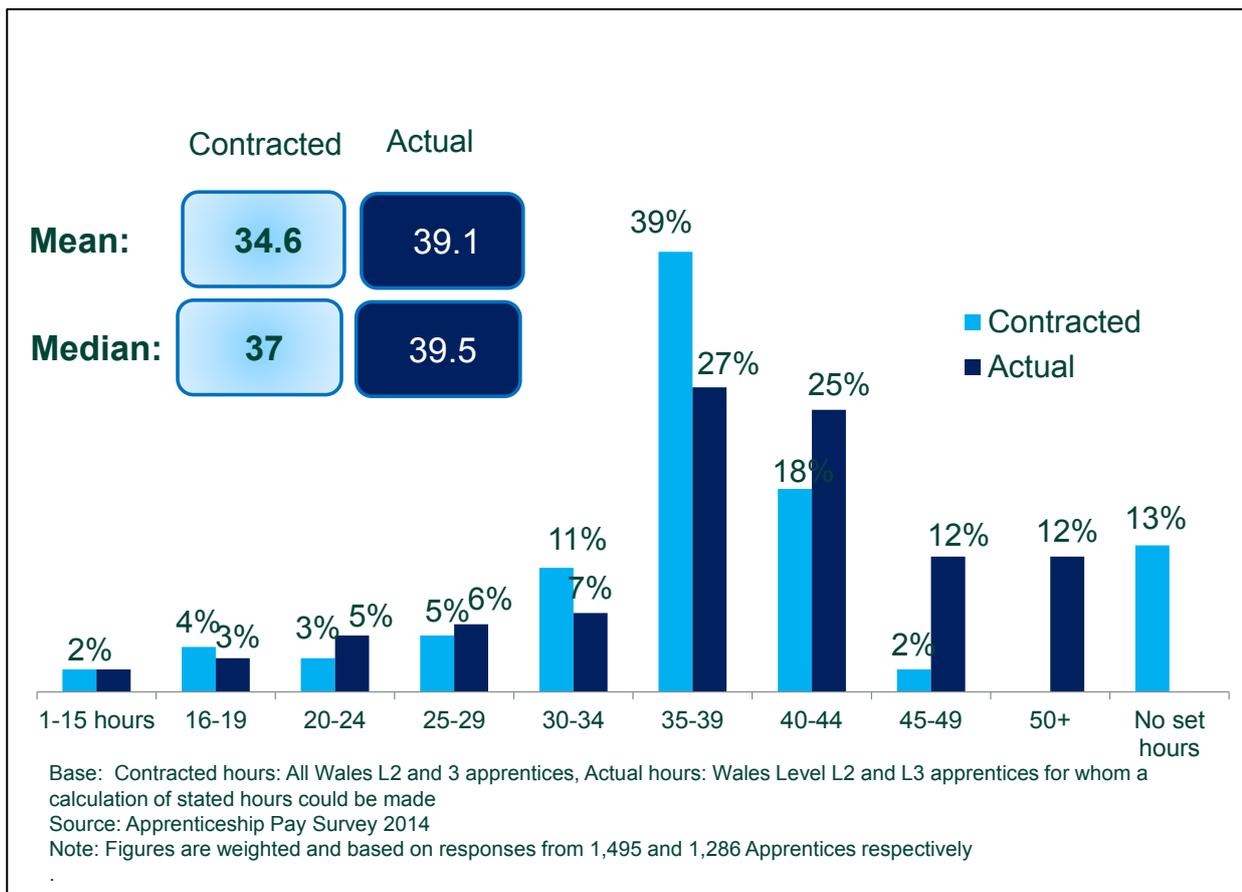
**Figure 6.3: Number of hours contracted to work versus number of actual hours<sup>56</sup>**

Table 6.2 shows the actual hours worked (including training) compared against the hours apprentices were contracted to work. A higher proportion of apprentices working part-time worked longer hours than they were contracted to. Over three-quarters of those contracted to work less than 20 hours a week (78 per cent) or 20-29 hours (80 per cent) worked longer hours than they were contracted. This compares with around two-thirds (67 per cent) of apprentices contracted to work 30-39 hours a week and half of those contracted to work 40-49 hours.

<sup>56</sup> Apprentices were not asked whether their contracted hours also covered hours spent training. It is not possible therefore to determine the degree to which extra hours worked beyond their contracted hours comprise training hours or additional working hours. It should be noted however, that an apprentice's contract should cover any time spent working and training off-the-job.

**Table 6.2: Number of hours contracted to work versus number of actual hours working and training (Level 2 and 3 apprentices in Wales)**

Contracted hours	Actual hours worked							% working longer actual hours than contracted <sup>57</sup>
	Base	1-19	20-29	30-39	40-49	50+		
<b>1-19</b>	52	%	36	45	7	2	10	78
<b>20-29</b>	88	%	4	55	28	8	6	80
<b>30-39</b>	590	%	1	3	51	38	7	67
<b>40-49</b>	337	%	1	2	14	68	15	50
<b>50+</b>	11	%	**	**	**	**	**	**
<b>No set hours</b>	208	%	12	18	19	27	25	n/a

*Base: Wales L2 and L3 apprentices for whom a calculation of stated hours could be made*

*Note: Figures are weighted and based on responses from 1,286 apprentices.*

\*\* denotes base sizes too small to report on

Among those with a set number of contracted hours a week, 65 per cent worked longer hours than they were contracted to (similar to the 63 per cent found GB-wide). Around four-fifths who were contracted to work less than 30 hours a week worked (and trained) a greater number of hours.

As Table 6.3 shows, the number of hours worked, and how this differs to the contracted hours, varies by framework. Frameworks are presented in descending order of the additional (mean) hours worked (including training) over and above their contracted hours.

Those working in Children's Care had the lowest contracted hours (a mean of 28.9 against the average in Wales of 34.4 hours a week). Those in Health and Social Care and Sport had the next lowest contracted weekly hours (a mean of 31.8) - apprentices in this framework worked the highest number of hours over and above their contracted hours (7.2 based on the mean figures); additional hours beyond those contracted was also high in Hospitality and Catering (6.4 hours). Construction and Engineering apprentices had a higher number of contracted hours than average (a mean of around 39 in each case) but the number of additional hours was close to the average (4.2 and 4.6 hours beyond their contracted hours, using mean averages).

<sup>57</sup> Figures in this column have been calculated from the actual figures given for apprentices' contracted and actual hours worked, not simply their actual hours being in a higher *banding* than their contracted hours.

**Table 6.3: Number of hours contracted to work versus number of actual hours**

	Base	Mean hours			Median hours		
		Contracted	Actual	Extent to which actual hours exceed contracted	Contracted	Actual	Extent to which actual hours exceed contracted
Health and Social Care and Sport	118	31.8	39.0	7.2	33.0	39.0	6.0
Hospitality and Catering	88	32.3	38.7	6.4	36.0	40.0	4.0
Electrotechnical	38	37.9	43.6	5.7	39.0	40.4	1.4
Engineering, Manufacturing technologies	173	39.1	43.7	4.6	40.0	40.0	0.0
Children's Care	41	28.9	33.2	4.3	32.0	37.0	5.0
Construction	190	39.0	43.2	4.2	40.0	41.3	1.3
Other	100	34.4	38.3	3.9	37.0	40.0	3.0
Management	70	35.9	39.5	3.6	37.5	40.0	2.5
Customer Service	45	33.6	36.8	3.2	35.0	36.0	1.0
Retail	56	33.1	36.0	2.9	36.5	37.5	1.0
Business and related	145	36.3	38.0	1.7	37.0	37.6	0.6
Hairdressing	14	**	**	**	**	**	**
Wales Total	1,078	34.4	38.9	4.5	37.00	39.2	2.5

Base: Wales L2 and L3 apprentices with a set number of hours contracted to work per week and who were able to give an exact figure for actual hours worked

Note: Figures are weighted and based on responses from 1,078. Shading shows cells higher than the average across Wales.

## Rates of Pay

### Pay arrangements

Forty-six per cent of Level 2 and Level 3 apprentices in Wales were paid the same amount each week, matching the overall GB figure. Just under a quarter of apprentices (24 per cent) had weekly wages that varied but all their hours were paid at the same rate and a similar proportion (23 per cent) had pay that varied but with some hours paid at a different rate to their standard rate.

As Table 6.4 shows, pay arrangements varied by framework and age. Those in the Customer Service (73 per cent), Business and related (73 per cent) and Construction frameworks (61 per cent) were the most likely to receive the same pay each week. Higher proportions of apprentices in Health, Social and Sport (37 per cent), Children's Care (41 per cent) and particularly Hospitality and Catering (62 per cent) had varied pay but with all hours paid at the same rate. Electrotechnical apprentices were particularly likely to have certain hours paid at a different rate (55 per cent). These patterns are similar to the overall GB picture (where for example apprentices in the Business and related framework were the most likely to receive the same pay each week, and those in the Electrotechnical framework were the most likely to work some hours at a different rate).

Apprentices aged 16-20 were more likely to be paid the same amount each week (53 per cent compared with 44 per cent of 21-24 year olds and 45 per cent of those aged 25+), as was the case GB-wide. Those aged 19-20 were the least likely to have variable hours but with all hours being paid at the same rate (18 per cent vs. the average of 24 per cent among all Level 2 and 3 apprentices in Wales).

**Table 6.4: Pay arrangements by framework and age (Level 2 and 3 apprentices in Wales)**

	Base		Paid the same amount, irrespective of number of hours	Pay varies – all hours at the same rate	Pay varies – some hours at different rate
<b>Framework</b>					
Customer Service	50	%	73	15	8
Business and related	168	%	73	8	7
Construction	279	%	61	14	18
Other	137	%	58	16	17
Management	94	%	58	12	25
Engineering, Manufacturing technologies	224	%	52	9	29
Children's Care	62	%	43	41	9
Retail	66	%	28	32	33
Electrotechnical	52	%	28	16	55
Hospitality and Catering	147	%	26	62	11
Health and Social Care and Sport	193	%	22	37	36
Hairdressing	23	%	**	**	**
<b>Age</b>					
16-18	255	%	53	28	16
19-20	372	%	53	18	21
21-24	391	%	44	26	25
25+	477	%	45	24	24
<b>Wales Total</b>	<b>1,495</b>	<b>%</b>	<b>46</b>	<b>24</b>	<b>23</b>

Base: All Wales L2 and L3 apprentices.

Across GB the mean basic hourly rate of pay for Level 2 and Level 3 apprentices was £6.79, and the median £6.31. In Wales, the mean and median pay for Level 2 and Level 3 apprentices was higher, at £7.43 and £6.63 respectively. As a point of comparison the mean hourly wage rate reported in the 2012 Apprenticeship Pay Survey in Wales was £6.80 and the median £6.29.

In 2014 the mean figure in England was £6.78 and in Scotland £6.61. In both 2012 and 2011 the hourly pay figures in Wales were higher than apprentices in England, a pattern which has continued in 2014.

Table 6.5 shows the 2014 mean and median gross hourly pay by framework for Level 2 and 3 apprentices in Wales. The table is ranked in ascending order of (mean) pay. Those working in Construction and in Children's Care had the lowest mean average basic hourly pay (of £5.72 and £6.52 respectively), though note due to low bases sizes in Wales, analysis cannot be undertaken on the Hairdressing framework - this framework had the lowest mean and median pay in 2012 in Wales, and was lowest GB-wide in 2014). Management apprentices had the highest mean pay (£13.24 an hour). Apprentices in Management and in Health, Social Care and Sport were the only ones with hourly pay above the average. The rank order is similar to results in Wales in 2012 (when Hairdressing, Construction and Children's Care had the lowest mean pay and Management the highest).

The actual mean hourly pay was lower in Wales than in GB for four sectors (excluding Hairdressing and Other): Construction, Hospitality and Catering, Retail and Electrotechnical (by between 23p and 34p an hour) but higher in all other (six) frameworks by between 3p (Health, Social Care and Sport) and £3.53 (Management).

**Table 6.5: Mean and Median basic hourly pay (Level 2 and 3 apprentices in Wales)**

	Base	Mean hourly pay	Difference from Apprentice Mean (£7.43)	Median hourly pay	Difference from Apprentice Mean (£6.63)
Construction and related	245	£5.72	−£1.72	£5.05	−£1.58
Children's Care	47	£6.52	−£0.92	6.3	−£0.33
Hospitality and Catering	129	£6.64	−£0.79	£6.33	−£0.30
Retail	58	£6.71	−£0.72	£6.87	£0.24
Engineering, Manufacturing Technologies and related	199	£6.90	−£0.54	£5.92	−£0.71
Other	112	£6.90	−£0.53	£7.00	£0.37
Electrotechnical	47	£7.15	−£0.28	£6.40	−£0.23
Customer Service	47	£7.26	−£0.18	£6.34	−£0.29
Business and related	149	£7.43	£0.00	£7.53	£0.90
Health, Social Care & Sport	158	£7.51	£0.08	£6.70	£0.07
Management	74	£13.24	£5.81	£10.95	£4.32
Hairdressing	20	**	**	**	**
<b>Wales Total</b>	<b>1,285</b>	<b>£7.43</b>		<b>£6.63</b>	

*Base: All Wales L2 and L3 apprentices where basic hourly pay could be calculated based on responses provided.*

Table 6.6 shows how the mean and median hourly pay differs by demographics. As would be expected, average hourly pay steadily increases with age, increasing from £4.52 for 16-18 year olds to £8.55 for those aged 25+. In addition, those working towards a higher level qualification were also paid more. Differences between male and female apprentices were relatively small. Mean pay was above that for GB for all groups except 25+ (where the GB mean was £8.62) and those who had been on the apprenticeship for more than a year (where the GB mean was £7.34).

**Table 6.6: Basic hourly pay (Level 2 and Level 3 apprentices in Wales)**

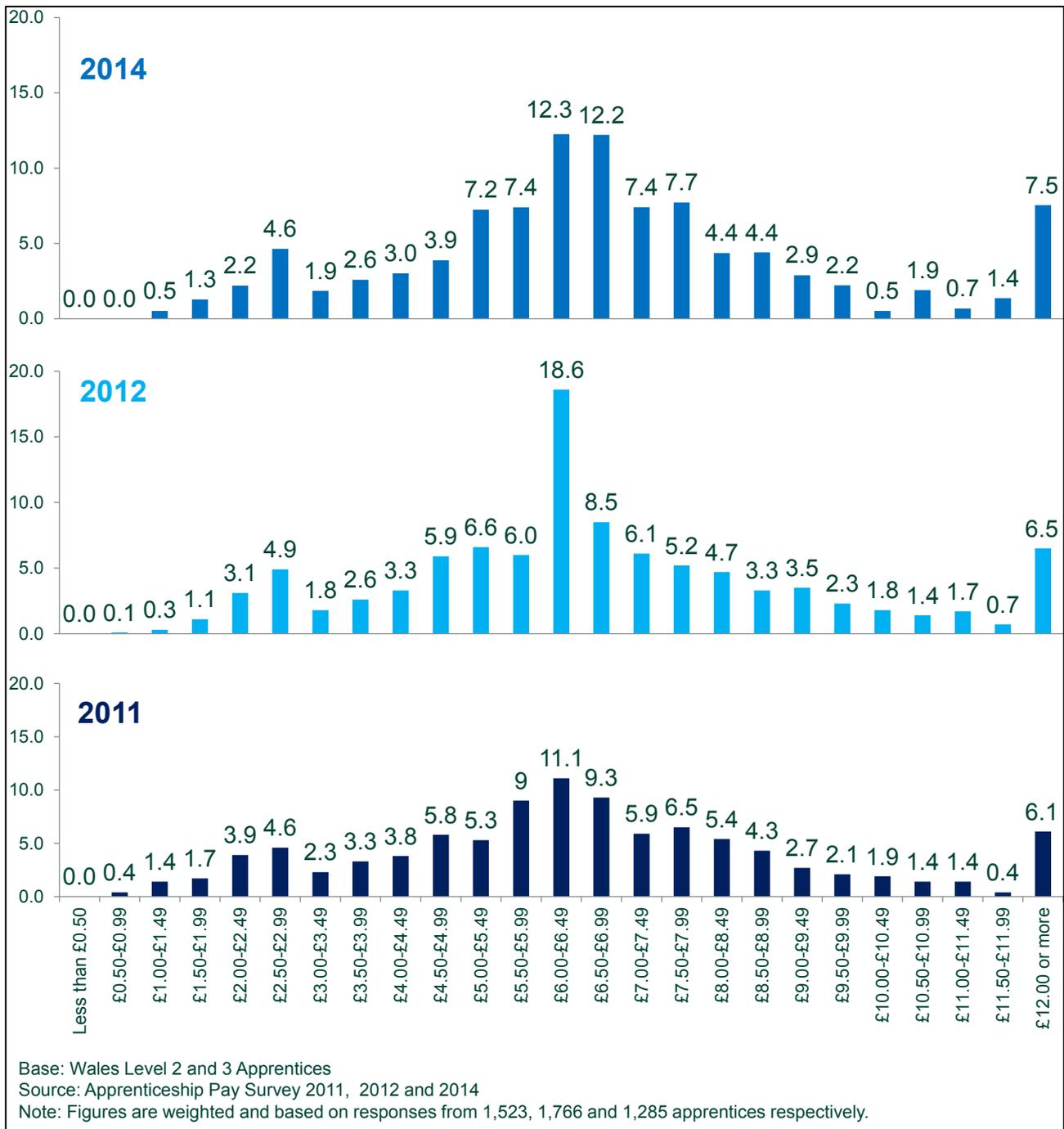
	Base n	Mean £	Median £
<b>Level</b>			
Level 2	739	£6.57	£6.37
Level 3	546	£8.41	£6.89
<b>Gender</b>			
Male	808	£7.41	£6.56
Female	477	£7.44	£6.67
<b>Age</b>			
16-18	243	£4.53	£3.96
19-20	315	£6.44	£5.56
21-24	332	£6.58	£6.50
25+	395	£8.55	£7.10
<b>Length of time on course</b>			
A year or less	1,076	£7.50	£6.54
More than a year	209	£7.28	£6.87
<b>Wales Total</b>	<b>1,285</b>	<b>£7.43</b>	<b>£6.63</b>

*These results are based on those for whom it was possible from their survey responses to calculate a basic hourly pay figure.*

As discussed earlier in the report, caution should be taken when analysing findings across different Apprenticeship Pay surveys due to methodological differences. However, in order to provide some context, Figure 6.4 shows a more detailed breakdown of the proportions of apprentices falling into the various pay bands compared with the 2011 and 2012 surveys. This reveals similar patterns across the three surveys.

There are peaks in the data in line with NMW levels i.e. between £2.50-£3.49, £5.00-£5.49 and £6.00-£6.49, although in 2014, the drop off above £6.49 is less marked with fairly even numbers falling in the £6.00-£6.49 and £6.50-£6.99 bracket (12 per cent). In 2014, 57 per cent of apprentices fell within the £2.00-£6.99 wage bracket, similar to 2012 levels (61 per cent).

**Figure 6.4: Distribution of gross hourly pay, 2011, 2012 and 2014 (Level 2 and Level 3 Apprentices in Wales)**



## Pay increases

Across GB around a third (35 per cent) of apprentices' hourly rate had increased during their course. In Wales this figure was lower, at 27 per cent. Younger apprentices were more likely to have received a rise (50 per cent of 16-18 and 44 per cent of 19-20 year olds, compared with 35 per cent of 21-24 year olds and 16 per cent of those aged 25+), as were those that had been on their course for more than a year (47 per cent compared with 18 per cent on their first year of the Apprenticeship). Males were twice as likely as females to have received a rise (39 per cent and 18 per cent respectively).

As Table 6.7 shows, the likelihood of having received a pay rise varies widely by framework. Those in Engineering and Electrotechnical frameworks were the most likely to have received a pay rise (71 and 68 per cent respectively). The rank order is similar in Wales to that across GB as a whole.

In GB a quarter or fewer apprentices had had a pay increase in three frameworks (Management, Health and Social Care and Sport, and Customer Service). This was the case for an additional two frameworks in Wales<sup>58</sup> (Hospitality and Catering and Children's Care).

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<sup>58</sup> Excluding Other and Hairdressing

**Table 6.7: Pay increases by framework and age (Level 2 and Level 3 apprentices in Wales)**

	Base		Had a pay increase
<b>Framework</b>			
Engineering, Manufacturing technologies	224	%	71
Electrotechnical	52	%	68
Construction	279	%	43
Business and related	168	%	37
Retail	66	%	28
Customer Service	50	%	20
Children's Care	62	%	19
Hospitality and Catering	147	%	19
Health and Social Care and Sport	193	%	14
Other	137	%	14
Management	94	%	13
Hairdressing	23	%	**
<b>Age</b>			
16-18	255	%	50
19-20	372	%	44
21-24	391	%	35
25+	477	%	16
<b>Wales Total</b>	<b>1,495</b>	<b>%</b>	<b>27</b>

*Base: All Wales L2 and L3 Apprentices*

*Note: Figures are weighted and based on responses from 1,495 Apprentices.*

Among those that had received a pay increase, 42 per cent indicated this had occurred because they had completed the first year of their course (equivalent to 11 per cent of all apprentices in Wales), 10 per cent indicated it was because they had turned 19 (three per cent of all apprentices) and seven per cent said it was because they had turned 21 (two per cent of apprentices).

Overall 13 per cent of all Level 2 and 3 apprentices in Wales (and 48 per cent of those who received a pay rise) had a wage increase because they either turned 19 or 21 or because they entered the second year of their Apprenticeship, i.e. reasons relating to changes in the NMW band. In comparison GB-wide 18 per cent of all apprentices and 52 per cent of those that received a rise gave a reason related to changes in NMW bands. Of course, apprentices may receive a pay increase without knowing the reason for the rise.

## Pay compared against the number of hours contracted to work

Table 6.8 shows how the mean and median basic hourly pay differs by the number of contracted hours. The mean basic pay for apprentices with contracted hours was £7.50 an hour and the median £6.71 – this increases to £7.72 and £6.86 an hour for those contracted to work on a full time basis.

**Table 6.8: Mean and Median basic hourly rate, by contracted hours a week**

	Base n	Mean £	Median £
Less than 16 hours	18	**	**
16-29 hours	121	£6.96	£6.31
30 hours or more	938	£7.72	£6.86
<b>Wales Total</b>	<b>1,077</b>	<b>£7.50</b>	<b>£6.71</b>

*Base: All Wales 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.*

*\*\* denotes base sizes too small for reporting.*

## Total weekly earnings

### Average total weekly earnings

Across all Level 2 and 3 apprentices in Wales, the mean total weekly earnings was £276 (median: £259): this includes basic pay plus paid overtime, tips from customers and bonuses. This compares with a mean of £257 and a median of £238 for GB as a whole.

As detailed in Figure 6.5, there were some notable variations in the average weekly earnings. Higher average earnings were found in the Management and Electrotechnical frameworks. A complete table of these figures can be found in Table A4 in Appendix A.

Other groups that earned an amount greater than the average across all Wales Level 2 and 3 apprentices were (as in GB):

- Male apprentices (£292; median: £268); and
- Those aged 25 or above (£310; median: £287)

**Figure 6.5: Mean total weekly earnings of Level 2 and 3 Wales 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>59</sup>**

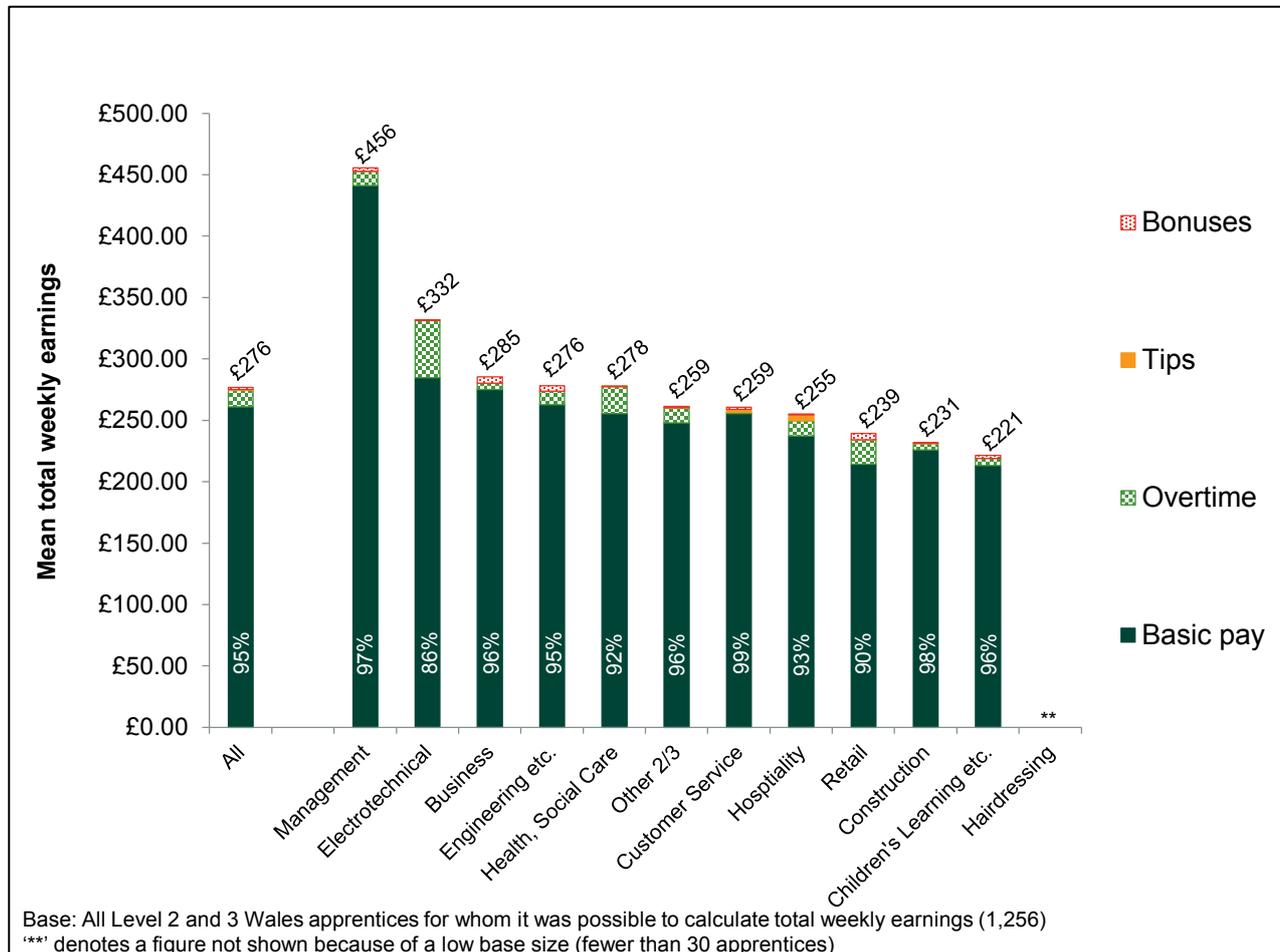


Figure 6.5 also illustrates the composition of total weekly earnings by its individual components: basic pay, overtime, tips from customers and bonuses. Unsurprisingly, basic pay constitutes the greatest proportion of total weekly earnings across all frameworks (an average of 95 per cent). However, whilst the earnings from bonuses were broadly consistent across frameworks, there were differences by framework in terms of the other components of weekly earnings:

- Proportional weekly earnings from **overtime** were highest in the Electrotechnical framework (17 per cent) compared with the average of five per cent across all apprentices; and

<sup>59</sup> Some apprentices are provided with free accommodation, paid 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 (four per cent), this has not been included in Figure 6.5.

- Proportional weekly earnings from **tips from customers** were highest in the Hospitality and Catering framework (two per cent), compared with the average of less than one per cent across all apprentices. Across GB as a whole proportional earnings derived from tips was highest in Hairdressing and in Hospitality and Catering (in Wales low base sizes mean it was not possible to analyse results within the Hairdressing framework).

## Earnings at basic pay

The mean weekly earnings from basic pay - i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Level 2 and 3 apprentices in Wales was £261 (median: £250). This compares to a mean of £242 and a median of £229 across GB as a whole. As detailed in the previous section, earnings from basic pay account for the vast majority of total weekly earnings (95 per cent).

There was substantial variation in weekly earnings from basic pay by framework, as shown in Table 6.9, with those on the Management framework earning above average basic pay (£441). Those in the Retail and Children's Care frameworks reported the lowest basic weekly pay (£214 and £213 respectively, which was around half the level of those on the Management framework).

Other notable differences in basic pay earnings included:

- Male apprentices (mean: £277; median: £256) earned more from basic pay than female apprentices (mean: £250; median: £243);
- Level 3 apprentices (mean: £294; median: £275) earned more from basic pay than Level 2 apprentices (mean: £232; median: £229); and
- Those aged 25 or above (mean: £295; median: £269) earned more from basic pay than those aged below 25 years.

**Table 6.9: Mean and median weekly earnings from basic pay for Level 2 and 3 apprentices in Wales, by framework**

	Base	Mean	Median
	n	£	£
Management	73	441	441
Electrotechnical	44	285	256
Business and related	148	275	277
Engineering, Manufacturing Technologies and related	197	263	254
Customer Service	47	256	250
Health, Social Care and Sport	150	256	243
Other 2/3	110	248	254
Hospitality and Catering	124	237	238
Construction and related	241	226	206
Retail	56	214	226
Children's Care	47	213	169
Hairdressing	19	**	**
<b>Wales Total</b>	<b>1,256</b>	<b>261</b>	<b>250</b>

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

*\*\*\* denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

## Overtime

Around six in ten Level 2 and 3 Wales apprentices (58 per cent, similar to the 61 per cent found GB wide) had worked overtime, paid or unpaid, for their employer during their Apprenticeship. This is similar to 2012 when it was reported that 59 per cent of apprentices in Wales worked overtime.

As detailed in Table 6.10, overtime was most common in the Electrotechnical (76 per cent), Retail (75 per cent) and Management (72 per cent) frameworks. By comparison,

fewer than half in the Business (49 per cent) and Customer Service frameworks (49 per cent) ever worked overtime.

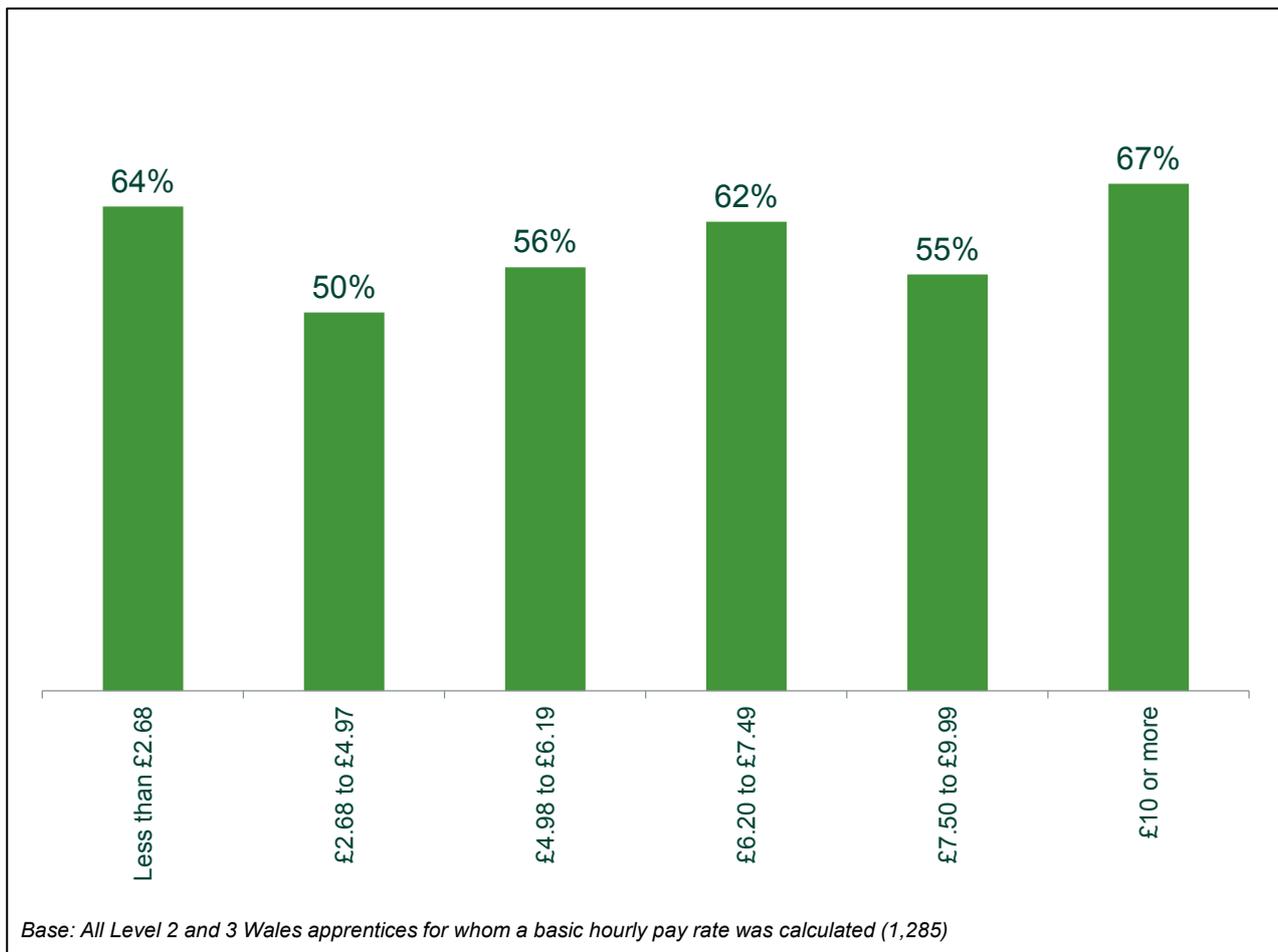
**Table 6.10: Proportion of Level 2 and 3 apprentices in Wales working overtime by framework**

	Base	Work overtime (paid or unpaid)
	n	%
Electrotechnical	52	76
Retail	66	75
Management	94	72
Health, Social Care and Sport	193	63
Hospitality and Catering	147	58
Children's Care	62	55
Other (level 2/3)	137	55
Construction and related	279	52
Engineering, Manufacturing Technologies and related	224	51
Business and related	168	49
Customer Service	50	43
Hairdressing	23	**
<b>Wales Total</b>	<b>1,495</b>	<b>58</b>

*Base: all Level 2 and 3 Wales apprentices*

Unlike in England and Scotland (where the incidence of working overtime increased as gross hourly pay increased), in Wales there was no clear relationship between overtime and gross hourly pay, as shown in Figure 6.6.

**Figure 6.6: Proportion of Wales Level 2 and Level 3 apprentices working overtime by basic hourly pay**



The mean number of hours overtime (either paid or unpaid) worked by Level 2 and 3 apprentices in Wales who were able to give a figure was 7.5 hours a week (median: 6.0 hours). This represents an increase from the mean of six hours reported for apprentices in Wales in 2012. Among those who worked overtime:

- 71 per cent worked less than 10 hours overtime per week;
- 21 per cent worked between 10 and 14 hours;
- 4 per cent worked between 15 and 19 hours; and
- 5 per cent worked 20 or more hours overtime per week.

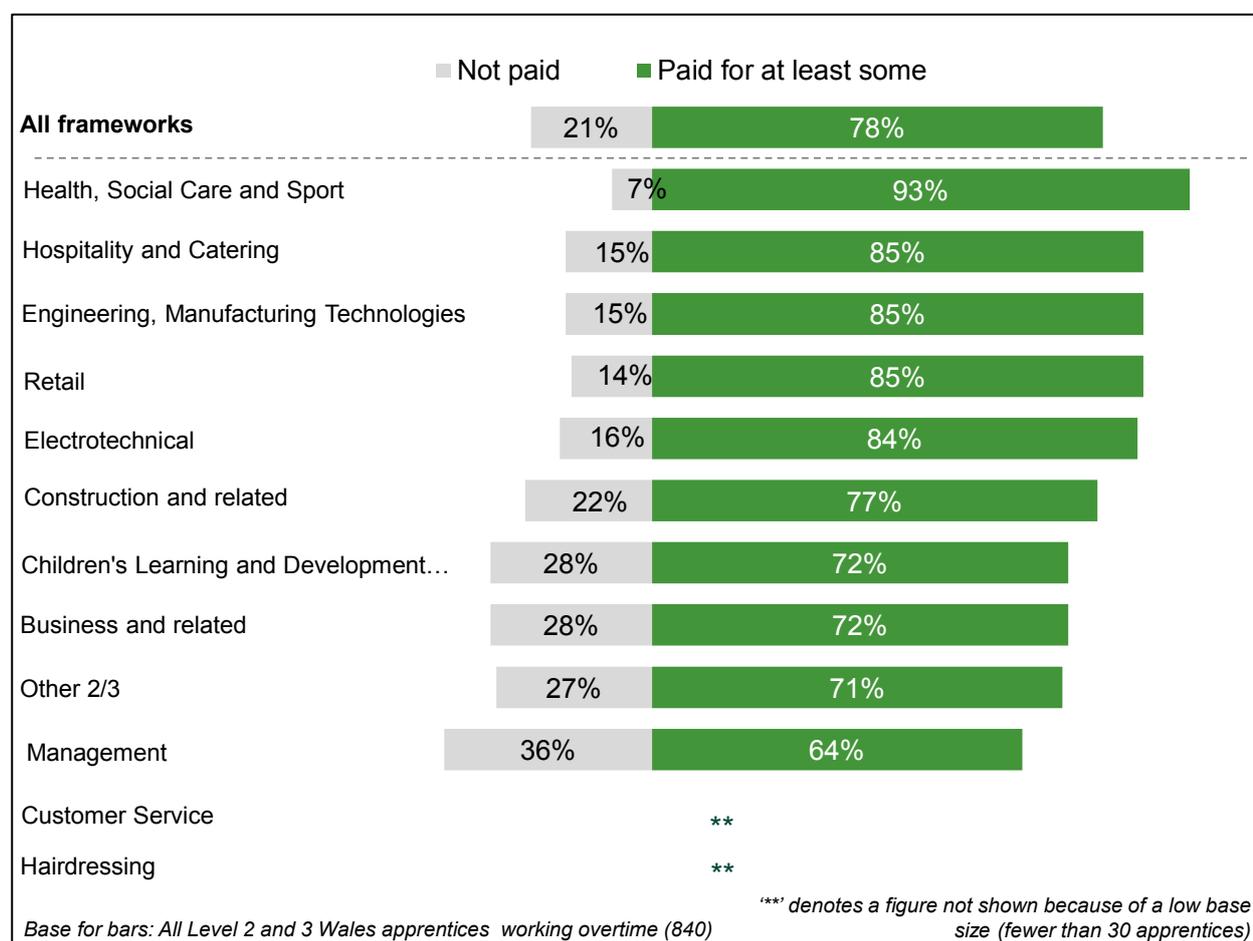
Due to low base sizes it is not possible to analyse by framework.

## Earnings from overtime

Around four-fifths (78 per cent, compared with 81 per cent in GB) of Level 2 and 3 apprentices in Wales that worked overtime with their employer were paid for at least some of the additional hours they worked, whereas a fifth (21 per cent, compared with 18 per cent in GB) were not paid for any of the additional hours they worked. For comparison, the proportion not paid for any of their overtime hours was similar to what was reported for Level 2 and 3 Wales apprentices in 2012 (19 per cent).

As shown in Figure 6.7, apprentices in the Health, Social Care and Sport framework were the most likely to be paid for at least some of their overtime hours (93 per cent), followed by those in the Hospitality and Catering, Engineering and Manufacturing Technologies, and Retail frameworks (all 85 per cent). The frameworks showed a similar pattern in GB.

**Figure 6.7: Proportion of Level 2 and 3 Wales apprentices working overtime paid for at least some of their overtime vs. those not paid for their overtime, by framework**



Among those apprentices who were paid for at least some of their overtime (and able to provide a figure for how much paid overtime they worked in a typical week) the mean number of paid overtime hours was 7.8 (compared with 6.7 in GB) and the median 5.0 hours (also 5.0 hours GB-wide). More specifically, 41 per cent did up to four hours paid overtime a week, 32 per cent did between five and nine hours overtime and 27 per cent did 10 hours or more hours paid overtime.

Due to low base sizes it is not possible to report figures by framework.

Among those able to state how much they were paid for their overtime, the mean amount earned in a week from overtime was £71 (compared with £74 across GB as a whole) and the median was £50 (compared with £51 GB-wide). As reported earlier, earnings from overtime represented five per cent of total weekly earnings across all Level 2 and 3 apprentices in Wales.

### 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>60</sup>.

Of the 21 per cent of Level 2 and 3 Wales apprentices who worked overtime but were not paid for any of their overtime (equivalent to 12 per cent of all Level 2 and 3 Wales apprentices) the mean number of unpaid overtime hours was 3.5, lower than the 4.6 hours across GB as a whole (the median was 2.5 hours, compared with 3.0 hours GB-wide). This is similar to the mean of 4.1 hours reported for apprentices in Wales in 2012.<sup>61</sup>

### Time off in lieu or flexi leave

Among those apprentices who ever worked overtime, either paid or unpaid, approaching two-fifths (37 per cent) were at least occasionally given time off in lieu or flexi leave in return (similar to the 39 per cent GB-wide, and unchanged from the level reported in 2012 for Wales).

Apprentices in the Business and related (53 per cent) and Retail (52 per cent) frameworks were more likely than average to receive time off in lieu or flexi leave in return for working overtime<sup>62</sup>.

Those who never get paid for their overtime hours were more likely to receive time off in lieu or flexi leave (54 per cent) compared with those who said that they do receive pay for at least some of their overtime hours (32 per cent).

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<sup>60</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>61</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 (see the following footnote).

<sup>62</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.

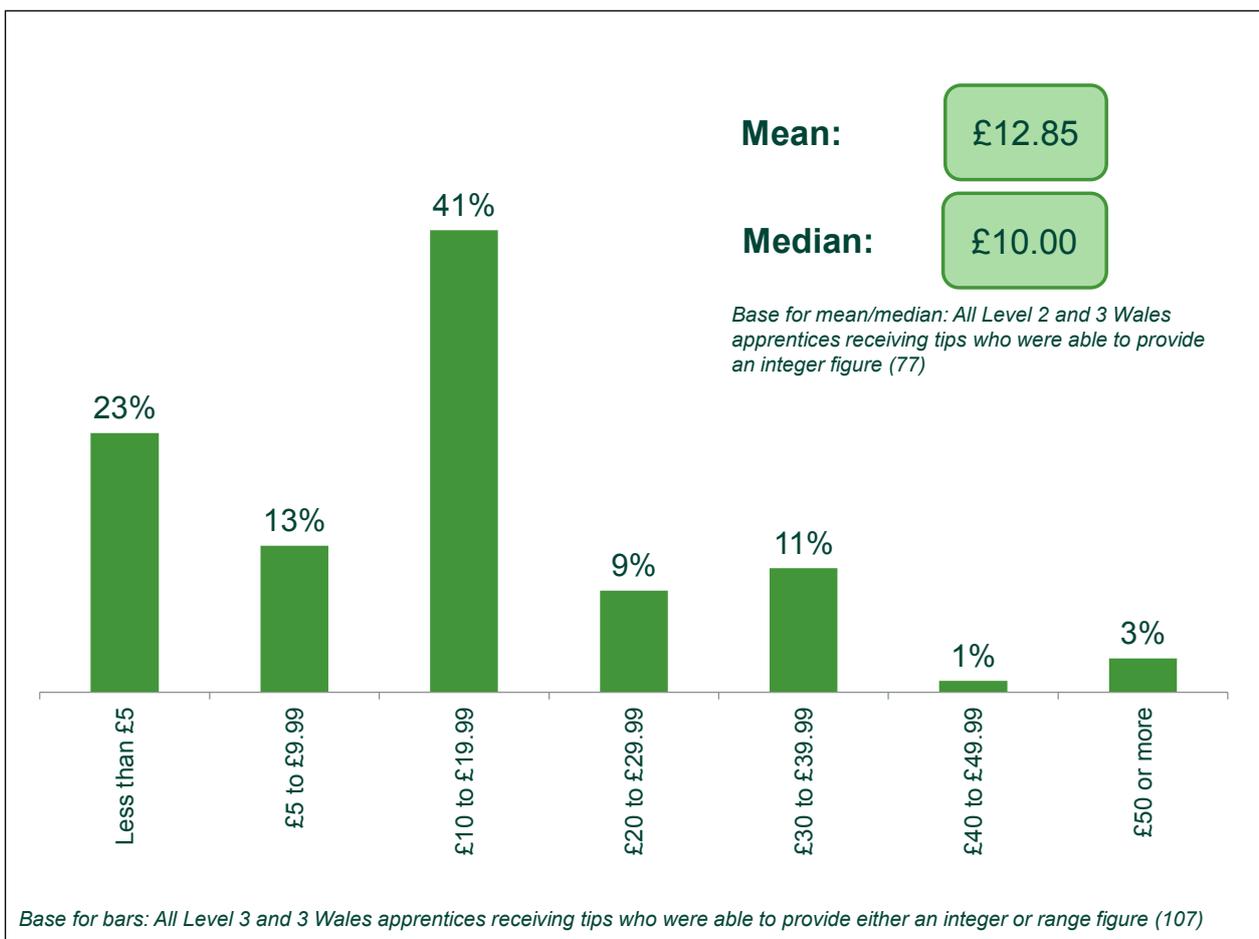
## Tips from customers

Six per cent of all Level 2 and 3 apprentices in Wales received tips from customers.

There were marked differences by framework with Level 2 and 3 apprentices in the Hospitality and Catering (34 per cent) and Customer Service frameworks (16 per cent) the most likely to report that they received tips. Across all other frameworks an average of four per cent of apprentices reported that they receive tips (range: five per cent in the Engineering and Manufacturing Technologies framework to zero in the Children's Care, and Business frameworks). It is worth noting that no data is available for Hairdressing in Wales. In GB 75 per cent of those on the Hairdressing framework reported receiving tips.

As shown in Figure 6.8, the vast majority of apprentices receiving tips reported that they received tips totalling less than £20 in a typical week. Among those receiving tips the mean amount of tips in a typical week was £12.85 (median: £10.00).

**Figure 6.8: Amount received in tips by Level 2 and 3 Wales apprentices during a typical week**



## Bonuses

Fifteen per cent of Level 2 and 3 Wales apprentices received bonuses from their employer. This represents a decrease from 2012 when it was reported that 20 per cent of apprentices in Wales received bonuses.

The following groups were more likely to have received bonuses:

- Those in the Retail (59 per cent), Customer Service (30 per cent) and Engineering and Manufacturing Technologies frameworks (28 per cent); and
- Male apprentices (20 per cent compared with 11 per cent of female apprentices).

Whilst Engineering and Manufacturing Technologies consists of a greater proportion than average of male apprentices, this was not the case for Customer Service (where the proportion of males is lower than average) and Retail (where the proportion of males is broadly similar to the average across all Level 2 and 3 apprentices in Wales).

The mean bonus paid across all apprentices receiving bonuses was equivalent to £15.83 a week (median: £7.69), compared with £17.24 and £9.62 respectively in GB. Low base sizes do not allow for 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 £4.91 is added to the apprentice’s wages for each day that 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.

Overall, four per cent of all apprentices in Wales were provided with live-in accommodation by their employer for a (mean and median) average of five days. More specifically, three per cent were provided with free accommodation and less than 0.5 per cent were provided with charged-for accommodation. By framework, the provision of accommodation (either free or charged for) was most common in the Construction and related (eight per cent) and Electrotechnical frameworks (five per cent).

## Compliance with the National Minimum Wage

This section looks at the extent to which the gross hourly pay of apprentices is compliant with the National Minimum Wage (NMW) 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)'

Among apprentices for whom compliance or non-compliance can be calculated, 88 per cent had a gross hourly wage at or above the appropriate NMW, while 12 per cent had a gross hourly wage below the appropriate NMW.

This compares with 18 per cent in Wales reported as having a gross hourly pay rate below the NMW in 2012, and 15 per cent in 2011. It is worth noting that the 2012 figure for non-compliance was potentially inflated due to a change in NMW levels occurring during the survey fieldwork period, meaning some instances of non-compliance could have been caused by apprentices failing to report recent changes in pay.

There were considerable differences in the proportions being paid below the NMW by framework, as shown in Table 6.11. Over a quarter of Level 2 and Level 3 Construction and Electrotechnical apprentices were paid less than NMW (31 per cent and 29 per cent respectively), followed by over a fifth of Engineering apprentices (22 per cent). At the other end of the scale, just four per cent of Level 2 and Level 3 Management, Customer Service, and Health, Social Care and Sport apprentices had gross hourly pay below the NMW level.

**Table 6.11: Compliance with NMW by framework (Wales Level 2 and 3)**

	<i>Base</i>		<b>Paid the NMW or higher</b>	<b>Paid below NMW</b>
Construction and related	258	%	69	31
Electrotechnical	51	%	71	29
Engineering, Manufacturing Technologies and related	210	%	78	22
Retail	63	%	82	18
Hospitality and Catering	134	%	90	10
Children's Care	53	%	92	8
Business and related	161	%	93	7
Health, Social Care and Sport	172	%	96	4
Customer Service	48	%	96	4
Management	91	%	96	4
Other (level 2/3)	127	%	91	9
Hairdressing	20	%	**	**
<b>Wales Total</b>	<b>1,388</b>	<b>%</b>	<b>88</b>	<b>12</b>

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

Male apprentices were more likely to be earning less than the NMW (17 per cent) than female apprentices (eight per cent).

Another factor with an impact on compliance was the length of time the apprentice had spent on the course: a quarter (25 per cent) of those who had been on the course for more than a year were calculated as being paid less than NMW, compared with six per cent of those who had been on their course for a year or less. This could imply that a substantial proportion of non-compliance cases were due to apprentices moving up to the next NMW bracket, without their pay being increased.

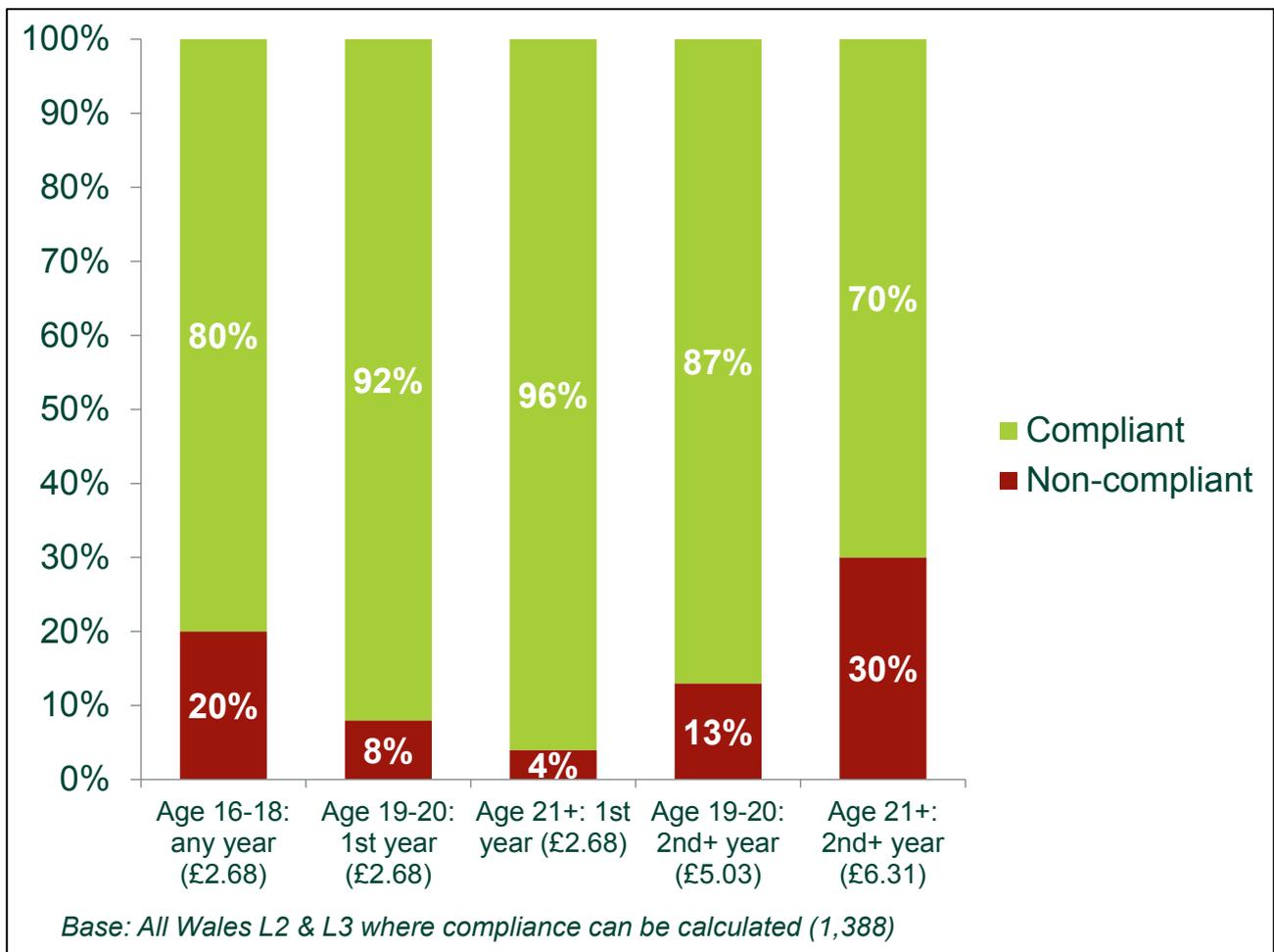
Apprentices that had not worked for their employer before they started their Apprenticeship were also more likely to be paid below the appropriate NMW (21 per cent, compared with

nine per cent among those who were already working for their employer at the start of the Apprenticeship).

Apprentices that did not have a written contract were also more likely to be paid below the NMW (17 per cent) compared with those that did have a written contract (11 per cent).

Level 2 and Level 3 apprentices in Wales who were employed for the training period only were also more likely to be paid below the appropriate NMW (24 per cent) compared with those with a fixed end date after completion (13 per cent) or with permanent employment (11 per cent).

Looking at compliance split by the different NMW levels for each age group and year of Apprenticeship, those aged 21 and over and in their second year or later of their Apprenticeship were the most likely to have non-compliant pay, with 30 per cent being paid less than the appropriate NMW, £6.31 an hour. In comparison among those aged 19 or 20 and in the second year or later of their Apprenticeship 13 per cent were being paid less than £5.03, the minimum level for that group. Among the apprentices eligible for the lowest level of NMW, £2.68, those aged 16-18 were most likely to be non-compliant, with a fifth (20 per cent) being paid less than this amount. Of those aged 19-20 and in their first year, eight per cent were non-compliant, while only a very small proportion of those aged 21+ and in their first year were paid less than £2.68 (four per cent).

**Figure 6.9: Compliance by age and year of Apprenticeship (Wales Level 2 and 3)**

Among those whose calculated gross hourly pay was non-compliant with the NMW, 35 per cent were aged under 19 or on the first year of the Apprenticeship (hence they should have been being paid a minimum of £2.68 an hour), six per cent were on the £5.03 NMW and 58 per cent should have been being paid £6.31 an hour. Amongst those aged 19-20 and not in their first year of the Apprenticeship, 87 per cent were compliant (compared with 69 per cent in GB).

Table 6.12 and Figure 6.10 show the pay distribution for Level 2 and 3 apprentices in Wales, and levels of compliance / non-compliance. Figure 6.10 also indicates within each pay band the relevant compliance rate. Results are based on respondents where it was possible to calculate an exact gross hourly pay figure (1,285 of the 1,495 Level 2 and Level 3 apprentices interviewed in Wales). Figure 6.10 shows for example (in the far right bar) that 12 per cent of all Level 2 and Level 3 apprentices in Wales for whom it was possible to calculate a gross hourly pay figure were paid more than £9 an hour and the NMW rate that applied to these apprentices was £2.68.

A very small proportion of those for whom it was possible to calculate an exact gross hourly figure were paid £1.50 an hour or less (0.6 per cent), while five per cent were paid between £1.51 and £2.67. The majority of apprentices within that range were eligible for

the £2.68 minimum rate (four per cent), with a minority eligible for the higher rates of £5.03 or £6.31 (less than 0.5 per cent and one per cent respectively).

Fifteen per cent of these apprentices received between £2.68 and £5.02 an hour; within this group, one per cent were non-compliant as they were eligible for NMW of £5.03, and a further two per cent were eligible for NMW of £6.31.

Around a fifth of apprentices were paid between £5.03 and £6.30 an hour (19 per cent); within this group, four per cent were receiving non-compliant pay, as they were eligible for the minimum rate of £6.31 an hour.

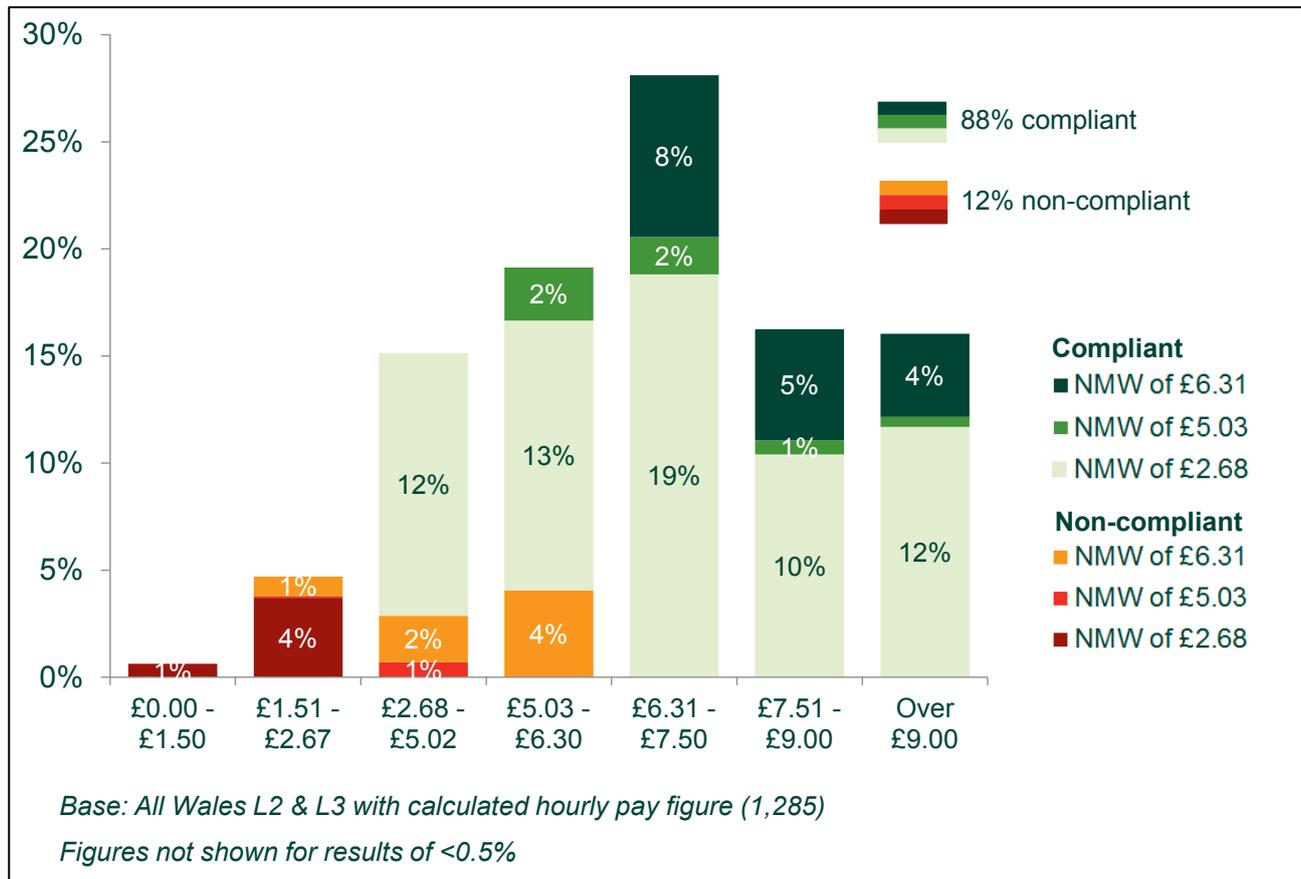
Three-fifths of all Level 2 and 3 apprentices with a known hourly pay figure received £6.31 an hour or more (60 per cent); within this group, over a quarter were paid between £6.31 and £7.50 an hour (28 per cent), 16 per cent were paid between £7.51 and £9.00 an hour, and 16 per cent were paid more than £9.00 an hour.

**Table 6.12: Apprentice pay rates and compliance / non-compliance (Wales Level 2 and 3)**

		Proportion of apprentices in each pay band							
		£0.00- £1.50	£1.51- £2.67	£2.68- £5.02	£5.03- £6.30	£6.31- £7.50	£7.51- £9.00	Over £9.00	Total
<b>Compliant</b>		-	-	12.3	15.1	28.1	16.3	16.0	<b>88</b>
<b>Non-compliant</b>	%	0.6	4.7	2.9	4.1	-	-	-	<b>12</b>

*Base: All Wales L2 and L3 apprentices with calculated hour pay figure (1,285). Each figure is based on the overall base, hence for example 2.9 per cent of all Level 2 and Level 3 apprentices where an hourly pay figure could be calculated received non-compliant pay of £2.68 to £5.02 an hour.*

**Figure 6.10: Apprentice pay rates and compliance (Wales Level 2 and 3)**



## Apprentices paid less than their national minimum wage

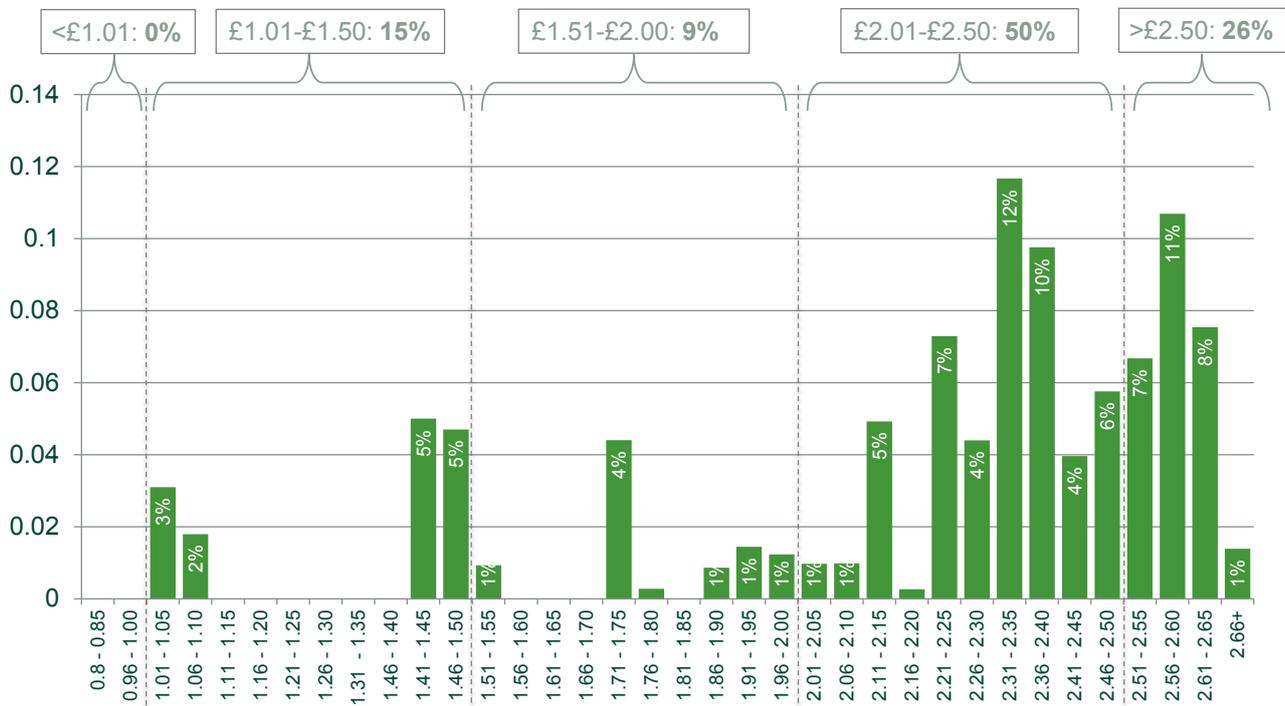
### Distance from the National Minimum Wage

Overall, one per cent of Level 2 and Level 3 apprentices with non-compliant pay in Wales were paid very close to the NMW (within three pence of the appropriate rate), and just under a third (31 per cent) were paid within 10 per cent of the NMW.

Figure 6.11 shows the distribution of pay below £2.68 for those aged 16-18 or in the first year of their Apprenticeship. A fairly high proportion were close to the NMW level, indicating that non-compliance could in some cases have been due to measurement or calculation error: two per cent were paid very close to the NMW, between £2.65 and £2.67, and overall over a third (36 per cent) were paid within 10 per cent of the correct rate (between £2.41 and £2.67). This compares with 44 per cent paid within 10 per cent of the correct rate across GB as a whole.

No apprentices in this group of non-compliant apprentices reported pay levels below £1.00 an hour, with the lowest figure being £1.01 (compared with one per cent in GB). The mean pay figure was £2.19 an hour.

**Figure 6.11: Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of Apprenticeship (Wales Level 2 and 3)**



Base: All Wales L2 & 3 aged 16-18 or in first year with non-compliant pay (111)

In Wales, only twelve respondents aged 19-20 and in their second year or later were paid less than the NMW of £5.03 an hour. The lowest pay reported by this group was £2.57, and the highest £4.99. Due to the very low base size, it is not possible to analyse these figures further.

Among apprentices aged 21 or over and in the second year or later of their Apprenticeship, 46 were paid less than the NMW of £6.31 an hour. Due to the low base size, the following figures are presented unweighted. The majority were paid more than £4.00 an hour (41 of the 46), and within this group six were paid more than £6.00 an hour. The mean pay figure for this group was £5.07.

**Table 6.13: Distribution of hourly pay for those with non-compliant pay aged 21 and over in the second or later year of their Apprenticeship (Wales Level 2 and 3, unweighted)**

Pay band	n.
£2.00 an hour or less	1
£2.01 - £3.00	2
£3.01 - £4.00	2
£4.01 - £5.00	14
£5.01 - £6.00	21
>£6.00 an hour	6
Total	46

An apprentice's 'standard' hourly pay can be above the NMW but their pay can be non-compliant if an apprentice chooses to do a large amount of unpaid overtime or training in their own time.

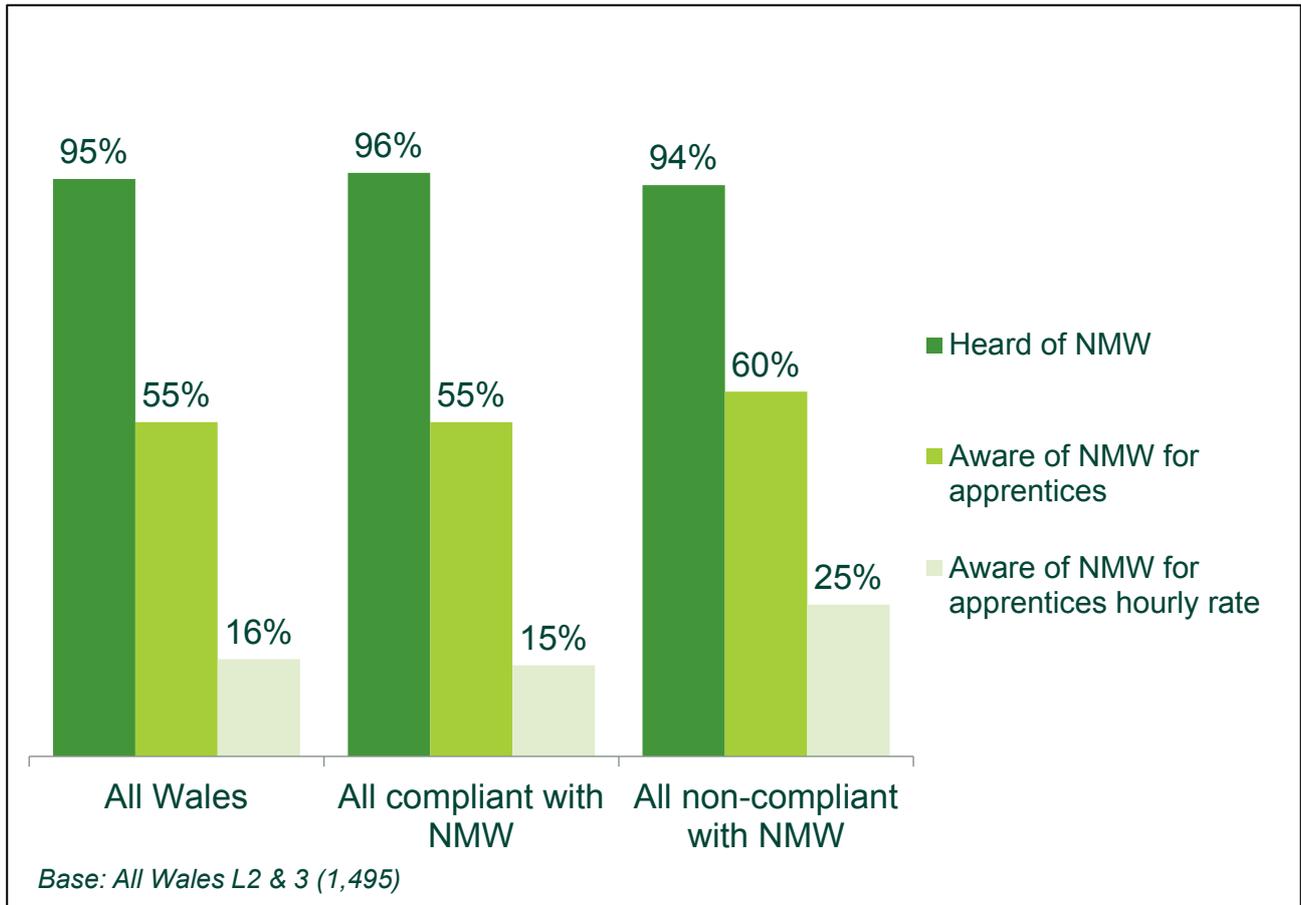
While the overall proportion of apprentices receiving free or paid for accommodation from their employer was very low (four per cent), with no significant differences between those with compliant and non-compliant pay, comparing other pay elements does reveal some significant differences. Those whose pay was non-compliant were four times as likely to say they received tips in their work as those who were compliant (16 per cent versus four per cent), suggesting that some cases of non-compliance could be due to employers treating tips as contributing to wages (whereas they do not and should not count towards NMW pay calculations).

Nearly three-fifths of apprentices worked overtime (58 per cent), with no significant difference between those with compliant and non-compliant pay; however, among all apprentices who did work overtime, those with non-compliant pay were more likely to say that this overtime was not paid (31 per cent compared with 20 per cent of those with compliant pay).

## Awareness of the Apprentice Rate of the National Minimum Wage

The vast majority of Level 2 and Level 3 apprentices in Wales (95 per cent) had heard of the National Minimum Wage (similar to the 94 per cent found across GB as a whole). There was no difference in level of awareness between those with compliant and non-compliant pay.

**Figure 6.12: Knowledge of National Minimum Wage (Wales Level 2 and 3)**



Awareness of the NMW was lower among the following groups:

- Younger apprentices (83 per cent of those aged 16-18 were aware, compared with 96 per cent of those aged 19 and over);
- Men (92 per cent, compared with 97 per cent of women);
- Construction apprentices (82 per cent).

Apprentices were also asked if they were aware that there is a National Minimum Wage rate specifically covering certain apprentices. More than half of all Level 2 and Level 3 apprentices in Wales (55 per cent) were aware, an increase compared with 2012 (46 per cent). There were no differences in this level of awareness by compliance; however, in contrast to awareness of the general NMW, older apprentices were less likely to be aware of the NMW for apprentices: 48 per cent of those aged 25 or older were aware, compared

with 58 per cent of those aged 21-24, 61 per cent of those aged 16-18, and 71 per cent of those aged 19-20.

In terms of framework, as shown in Table 6.14, those on Electrotechnical and Engineering frameworks were most likely to know that there was a NMW rate for apprentices (with 79 per cent and 76 per cent aware respectively), while those on the Health, Social Care and Sport framework were least likely to be aware (35 per cent).

Sixteen per cent of Level 2 and Level 3 apprentices in Wales were aware of the hourly minimum rate for apprentices. Apprentices with a non-compliant hourly pay rate were more likely to be aware of the hourly minimum rate for apprentices (25 per cent) than those with a compliant rate of pay (15 per cent). It should be noted that these awareness figures were entirely self-reported; actual knowledge of the Apprenticeship NMW rates was not tested.

Those with permanent contracts of employment were also less likely to know the minimum hourly rate for apprentices (15 per cent, compared with 22 per cent of those employed for the training period only, and 24 per cent of those employed with a fixed ending after completion). This could imply that those who are permanent employees are less likely to identify themselves as 'apprentices', and are thus less familiar with Apprenticeship wage rates.

Other groups less likely to say they know the minimum hourly rate for apprentices included:

- Those aged 25 or more (9 per cent, compared with 23 per cent of those aged 16-24);
- Women (14 per cent, compared with 18 per cent of men).

By framework, in contrast to awareness of the existence of the Apprenticeship NMW, those on the Children's Care framework were most likely to say they were aware of the actual hourly rate (28 per cent). Results are shown in the following table, ranked by awareness of the Apprenticeship NMW.

**Table 6.14: Awareness of Apprenticeship NMW / hourly rate by framework (Wales Level 2 and 3)**

	<b>Base</b>	<b>Aware of Apprenticeship NMW</b>	<b>Aware of hourly rate</b>
		<b>%</b>	<b>%</b>
Electrotechnical	52	79	21
Engineering, Manufacturing Technologies and related	224	76	24
Business and related	168	66	15
Management	94	65	11
Children's Care	62	63	28
Customer Service	50	58	10
Other (level 2/3)	137	56	16
Construction and related	279	51	20
Retail	66	51	12
Hospitality and Catering	147	46	13
Health, Social Care and Sport	193	35	9
Hairdressing	23	**	**
<b>Wales Total</b>	<b>1,495</b>	<b>55</b>	<b>16</b>

*Base: all Level 2 and 3 apprentices in Wales*

## 7. Pay levels of Level 4 and Level 5 Apprentices in Great Britain

### Key facts and summary

This chapter reports findings from 841 interviews conducted among Level 4 and Level 5 apprentices. This group have not been covered in previous Apprenticeship Pay Surveys which have all covered Level 2 and 3 provision only. The sample is not representative of all Higher Apprenticeships in GB (which go up to Level 7), and the sample concentrated in areas of high volume provision, particularly Care Leadership and Management (489 interviews) and Accountancy (235 interviews), although 117 interviews were conducted in other frameworks.

The vast majority of Level 4 and 5 apprentices had already been working for their employer when they started their Apprenticeship (88 per cent), higher than found among Level 2 and 3 apprentices (67 per cent). Those working in the Care Leadership and Management were particularly likely to have worked for their employer previously (96 per cent, compared with 64 per cent within the Accounting framework).

Ninety-three per cent of Level 4 / 5 had a set number of hours they were contracted to work in a week, higher than found among Level 2 and Level 3 apprentices (85 per cent). The mean average contracted weekly hours for Level 4 / 5 apprentices' was just under 37 and the median was 38, though higher apprentices work on average around seven hours a week more than contracted (based on the mean figure). The actual hours worked and trained a week (a mean of 43.7) were higher than among Level 2 and 3 apprentices (a mean of 39.7 hours).

The mean gross hourly pay of Level 4 / 5 apprentices was £11.63 an hour, and the median £9.68. Predictably this was much higher than the pay levels of Level 2 and Level 3 apprentices (a mean of £6.79 and a median of £6.31). Hourly pay was lower in Accountancy (a mean of £8 and a median of £6.94) than in Care Leadership and Management (a mean of £15 and a median of £10.64) or in Other frameworks (a mean of just over £13 and a median of almost £10.50).

Mean average total weekly earnings including overtime, bonuses and tips was £480 (median: £413). This is much higher than among Level 2 and 3 apprentices (a mean of £257 and a median £238).

Results indicate that 95 per cent of all higher apprentices where compliance could be determined were paid at or above the NMW, while for five per cent had hourly pay below the NMW. This compares to 15 per cent among Level 2 and 3 apprentices. Non-compliance was far higher among Accountancy Level 4 and 5 apprentices (nine per cent) than among Care Leadership and Management (four per cent) or Other Level 4 / 5 frameworks (two per cent). Almost a fifth of those aged 19-20 on the second year of their higher Apprenticeship received non-compliant pay (18 per cent).

## Introduction

This chapter explores findings among those undertaking higher apprentices at Level 4 and 5. This group have not been included in previous Apprenticeship Pay surveys. Higher apprentices are much older than those undertaking Level 2 and 3 Apprenticeships: 72 per cent were aged 25 plus (compared with 42 per cent of Level 2 / 3 apprentices) and one per cent were aged under 19 (compared with 15 per cent of Level 2 / 3 apprentices).

Overall among these apprentices the mean basic hourly pay was £11.63 per hour and the median £9.68 per hour. Figures are shown on Table 7.1 specifically for higher apprentices, but also, for comparison, among all apprentices from Level 2 - 5.

**Table 7.1: Basic hourly pay among higher apprentices and all Level 2-5 apprentices**

	<b>Base N</b>	<b>Mean £</b>	<b>Median £</b>
<b>Level 4 and Level 5 apprentices</b>			
<b>Great Britain</b>	<b>713</b>	<b>£11.63</b>	<b>£9.68</b>
Scotland	125	£14.45	£13.98
Wales	194	£11.10	£9.79
England	394	£10.70	£8.97
<b>All apprentices (including higher apprentices)</b>			
<b>Great Britain</b>	<b>7,978</b>	<b>£6.91</b>	<b>£6.32</b>
England	4,633	£6.86	£6.31
Scotland	1,866	£6.79	£6.16
Wales	1,479	£7.84	£6.77

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

## Routes into Apprenticeships, contracts, contracted hours and hours worked

### Routes into Apprenticeships

The majority of Level 4 and 5 apprentices had already been working for their employer when they started their Apprenticeship (88 per cent), higher than found among Level 2 and 3 apprentices (67 per cent). Those working in the Care Leadership and Management and Other frameworks were more likely to have worked for their employer previously (96 per cent and 83 per cent, compared with 64 per cent within the Accounting framework).

### Working arrangements and number of hours contracted to work

#### Contractual and employment arrangements

Ninety-five per cent of higher apprentices across Great Britain had a written contract of employment, higher than the 90 per cent found among Level 2 and 3 apprentices. The majority of higher apprentices were employed on a permanent basis (88 per cent, again higher than found among Level 2 and 3 apprentices). Three per cent were employed for their training period only and five per cent for a fixed end date after completion.

Table 7.2 shows contractual and employment arrangements by country, framework and age. Care Leadership and Management apprentices were particularly likely to be employed permanently (94 per cent). 19-20 year olds were more likely than average to have a fixed date after completion on which their contract ended (22 per cent) in comparison to other age groups.

**Table 7.2: Written contracts and employment arrangements by framework and age (GB Level 4 and 5 apprentices)**

	Base		Written contract		Employment arrangement <sup>1</sup>		
			Yes	No	Permanent	For training period only	Fixed end after completion
<b>Country</b>							
England	461	%	95	5	85	5	7
Scotland	151	%	95	5	93	1	5
Wales	229	%	96	4	93	2	*
<b>Apprenticeship framework</b>							
Accounting	235	%	95	4	80	8	9
Care Leadership and Management	489	%	93	6	94	1	3
Other	117	%	97	3	81	5	9
<b>Age</b>							
16-18	8	%	**	**	**	**	**
19-20	129	%	98	2	56	12	22
21-24	143	%	94	5	90	6	3
25 +	561	%	94	5	94	-	3
<b>Total</b>	<b>841</b>	<b>%</b>	<b>95</b>	<b>5</b>	<b>88</b>	<b>3</b>	<b>5</b>

Base: All GB L4 and L5 apprentices

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

### Contracted hours versus the number of hours worked

Ninety-three per cent of higher apprentices had a set number of hours they were contracted to work in a week, higher than found among Level 2 and Level 3 apprentices (85 per cent). The mean average contracted weekly hours for Level 4 / 5 apprentices' was 36.8 and the median was 38 (a little higher than found for Level 2 and 3 apprentices; 35.4 and 37.5 respectively).

Figure 7.1 shows a comparison of contracted hours against actual weekly hours worked. Sixty-six per cent work 40 or more hours a week, though only 31 per cent are contracted to do so. Taking the mean hours figure, higher apprentices work on average around seven

hours a week more than contracted. Actual hours worked and trained a week (a mean of 43.7) were higher than among Level 2 and 3 apprentices (a mean of 39.7 hours).

**Figure 7.1: Contracted hours against actual hours worked (GB Level 4 and 5 Apprentices)**

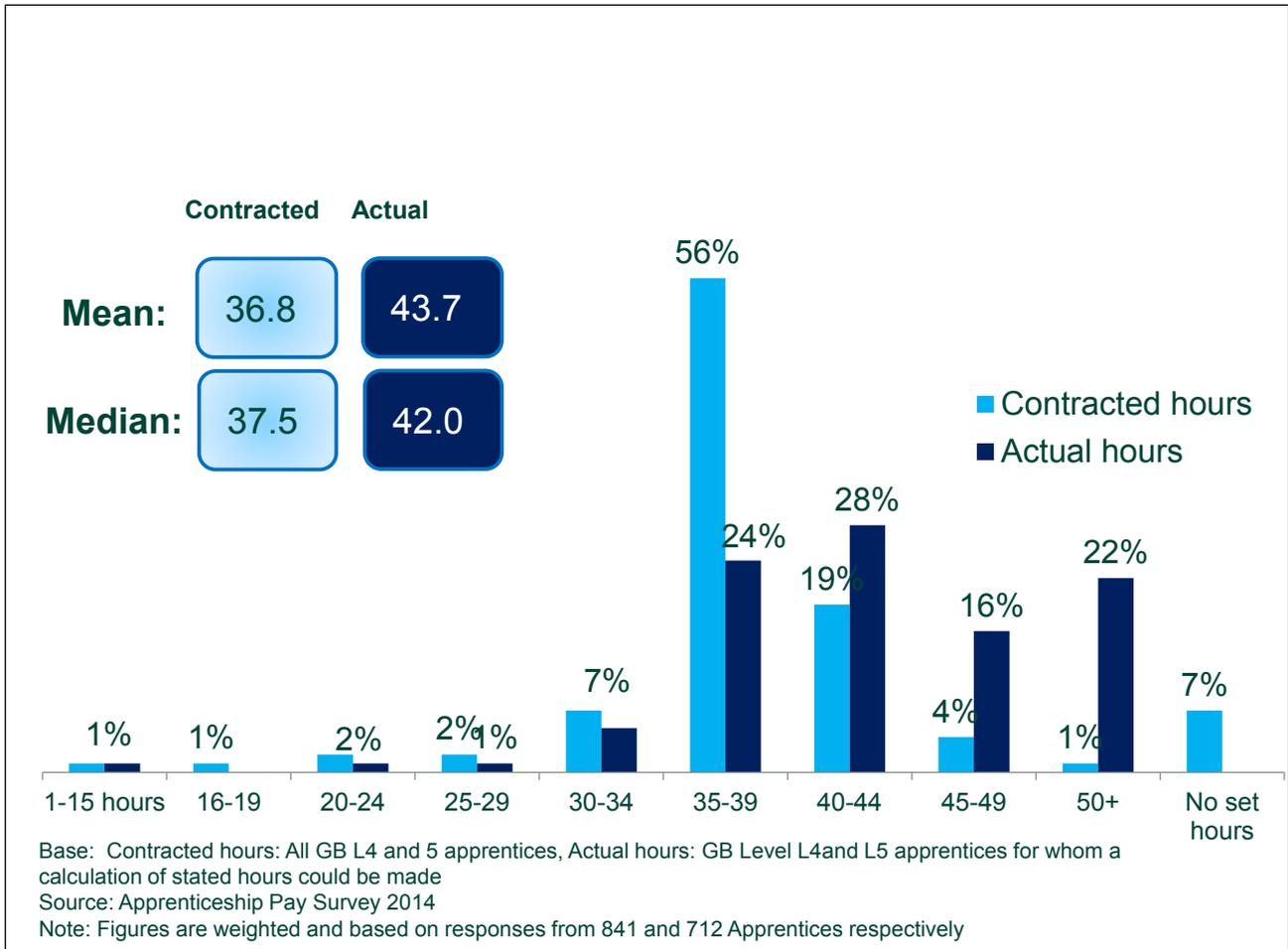


Table 7.3 outlines the mean number of contracted and actual hours by framework. Care Leadership and Management higher apprentices work the longest hours in a week (a mean and median of around 45 hours) and also experience the largest gap between their contracted and actual working hours.

**Table 7.3: Number of hours apprentices were contracted to work versus the number of actual hours worked and trained (Level and Level 3 apprentices across GB)**

	Mean hours					Median hours		
	<i>Contracted hours Base</i>	<i>Actual hours Base</i>	Contracted	Actual	Extent to which actual hours exceed contracted hours	Contracted	Actual	Extent to which actual hours exceed contracted hours
Care Leadership and Management	442	390	36.5	45.3	8.8	37.5	44	6.5
Other	102	105	37.3	42.6	5.3	37.5	41	3.5
Accounting	230	217	37	40.8	3.8	37.5	40	2.5
<b>GB Total</b>	<b>774</b>	<b>712</b>	<b>36.8</b>	<b>43.8</b>	<b>7</b>	<b>37.5</b>	<b>42</b>	<b>4.5</b>

*Base: Contracted hours: All GB L4 and L5 apprentices.*

*Actual hours: GB L4 and L5 apprentices for whom a calculation of actual hours could be made.*

*Shaded figures are those higher than found across GB as a whole.*

Table 7.4 shows the mean and median contracted against actual hours by country. Higher apprentices in Wales and Scotland work a higher number of hours a week than the average across GB. In addition, the difference between the hours they are contracted to work and actual hours is greater than the overall average (8.2 and 7.6 extra hours respectively based on the mean figure).

**Table 7.4: Number of hours apprentices were contracted to work versus number of actual hours (Level 4 and Level 5 apprentices across GB)**

	Mean hours			Median hours				
	Contracted hours Base	Actual hours Base	Contracted	Actual	Extent to which actual hours exceed contracted hours	Contracted	Actual	Extent to which actual hours exceed contracted hours
Wales	203	194	35.6	43.8	8.2	37	43	6
Scotland	126	125	38.4	46	7.6	38	43	5
England	445	393	36.7	42.8	5.9	37.5	41	3.5
<b>GB Total</b>	<b>774</b>	<b>712</b>	<b>36.8</b>	<b>43.7</b>	<b>6.9</b>	<b>37.5</b>	<b>42</b>	<b>4.5</b>

*Base: Contracted hours: All GB L4 and L5 apprentices. Actual hours: GB L4 and L5 apprentices for whom a calculation of stated hours could be made*

*Note: Figures are weighted and based on responses from 841 and 712 apprentices. Shaded figures are those higher than found across GB as a whole.*

## Rates of Pay

### Pay arrangement

Over two-thirds (69 per cent) of higher apprentices were paid the same total amount each week, regardless of the number of hours they worked (much higher than was the case among Level 2 and Level 3 apprentices (46 per cent)). Fourteen per cent were paid the same hourly rate and their pay varied according to the number of hours they worked, and 13 per cent were paid different hourly rates under different circumstances, for example if they work overtime or at weekends. As Table 7.5 illustrates, Accounting apprentices were the most likely to get paid the same amount each week (87 per cent).

**Table 7.5: Pay arrangements for Level 4 and 5 apprentices by framework**

	Base		Paid the same amount, irrespective of number of hours	Pay varies – all hours at the same rate	Pay varies – some hours at different rate
<b>Total</b>	<b>814</b>	<b>%</b>	<b>69</b>	<b>14</b>	<b>13</b>
<b>Country</b>					
England	461	%	71	13	13
Scotland	151	%	72	7	17
Wales	229	%	58	26	7
<b>Framework</b>					
Accounting	235	%	87	6	2
Care Leadership & Management	489	%	62	19	15
Other	117	%	75	7	14

*Base: All GB L4 and L5 apprentices*

*Row percentages do not sum to 100% due to exclusion of “Other” and “Don’t know” responses*

## Pay levels

The mean basic hourly pay for Level 4 and 5 apprentices was £11.63 and the median was £9.68. This is higher than found among Level 2 and 3 apprentices, among whom comparative figures were £6.79 and £6.31 respectively). Table 7.6 shows the mean and median basic hourly pay by framework, in ascending order of mean hourly pay.<sup>63</sup> As the table highlights, there is a clear divide between Accounting and other apprentices. Care, Leadership and Management apprentices had a higher basic rate (a mean of £12.63 and a median of £10.64) than Accountancy apprentices (around £8 and £7 respectively).

**Table 7.6: Mean and Median basic hourly pay**

	Base	Mean hourly pay	Median hourly pay
Care Leadership and Management	391	£12.63	£10.64
Other	105	£11.98	£10.44
Accounting	217	£7.62	£6.94
<b>Total</b>	<b>713</b>	<b>£11.63</b>	<b>£9.68</b>

*Base: All GB L4 and L5 Apprentices where pay could be calculated based on responses provided*

<sup>63</sup> How this figure is calculated is discussed in Chapter 2 (section 2.5 entitled ‘Key variables used in this report’).

Table 7.7 shows the mean and median basic hourly pay rate by key demographics. Pay increases with age and level of Apprenticeship. Level 4 / 5 apprentices in Scotland have the highest average basic pay rate and England the lowest.

**Table 7.7: Basic hourly pay for Level 4 and Level 5 apprentices in Great Britain**

	Base	Mean	Median
<b>Country</b>			
Scotland	125	£14.45	£13.98
Wales	194	£11.10	£9.79
England	394	£10.70	£8.97
<b>Level</b>			
Level 4	372	£10.03	£8.62
Level 5	341	£12.93	£10.90
<b>Gender</b>			
Male	306	£11.65	£10.47
Female	407	£11.61	£9.45
<b>Age</b>			
16-18	8	**	**
19-20	122	£7.09	£6.33
21-24	122	£8.37	£7.69
25+	461	£13.25	£11.06
<b>Length of time on Apprenticeship</b>			
One year or less	494	£11.92	£10.02
More than a year	219	£11.11	£9.00
<b>Total</b>	<b>713</b>	<b>£11.63</b>	<b>£9.68</b>

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

## Pay increases

Almost a third of higher apprentices (29 per cent) indicated that their hourly rate had increased during their Apprenticeship. As would be expected, length of time on the course affected likelihood of wage changes: 39 per cent of those who had been on their Apprenticeship longer than a year had received a pay increase compared with 23 per cent of those still in their first year. Those aged 19-24 were more likely to have received a rise than those aged 25+ (58 per cent of 19-20 year olds and 61 per cent of 21-24 year olds compared with 17 per cent of those aged 25 and older). In addition, males were more likely to have had an increase (36 per cent, compared with 23 per cent female having had an increase).

Seventy-eight per cent of Accountancy apprentices had received an increase compared with 19 per cent of those training in Care Leadership and Management and 22 per cent in Other frameworks. Of the Accountancy apprentices, experiencing a rise, almost half (47 per cent) said the increase was due to them turning 21.

Overall 13 per cent of all Level 4 and 5 apprentices in GB (and 44 per cent of those who received a pay rise) had a wage increase because they either turned 19 or 21 or because they entered the second year of their Apprenticeship, i.e. reasons relating to changes in the NMW band. Of course, apprentices may receive a pay increase without knowing the reason for the rise.

## Total weekly earnings

### Average total weekly earnings

Across all Level 4 and 5 apprentices in Great Britain, mean total weekly earnings were £480 (median: £413): this includes basic pay plus paid overtime, tips from customers and bonuses. In comparison among Level 2 and 3 apprentices in Great Britain, the mean total weekly earnings was £257 (median: £238).

As detailed in Figure 7.2, there were variations in the average weekly earnings by framework. Lower than average weekly earnings were found in the Accounting framework. A complete table of these figures (included a breakdown by nation) can be found in Table A5 in Appendix A.

Mean total weekly earnings were higher for male Level 4 and 5 apprentices (£524; median: £419) than female apprentices (mean: £445; median: £391).

**Figure 7.2: Mean total weekly earnings of Level 4 and 5 GB Apprentices split by basic pay, overtime, tips and bonuses, and the percentage of the mean total weekly earnings made up by basic pay, by framework<sup>64</sup>**

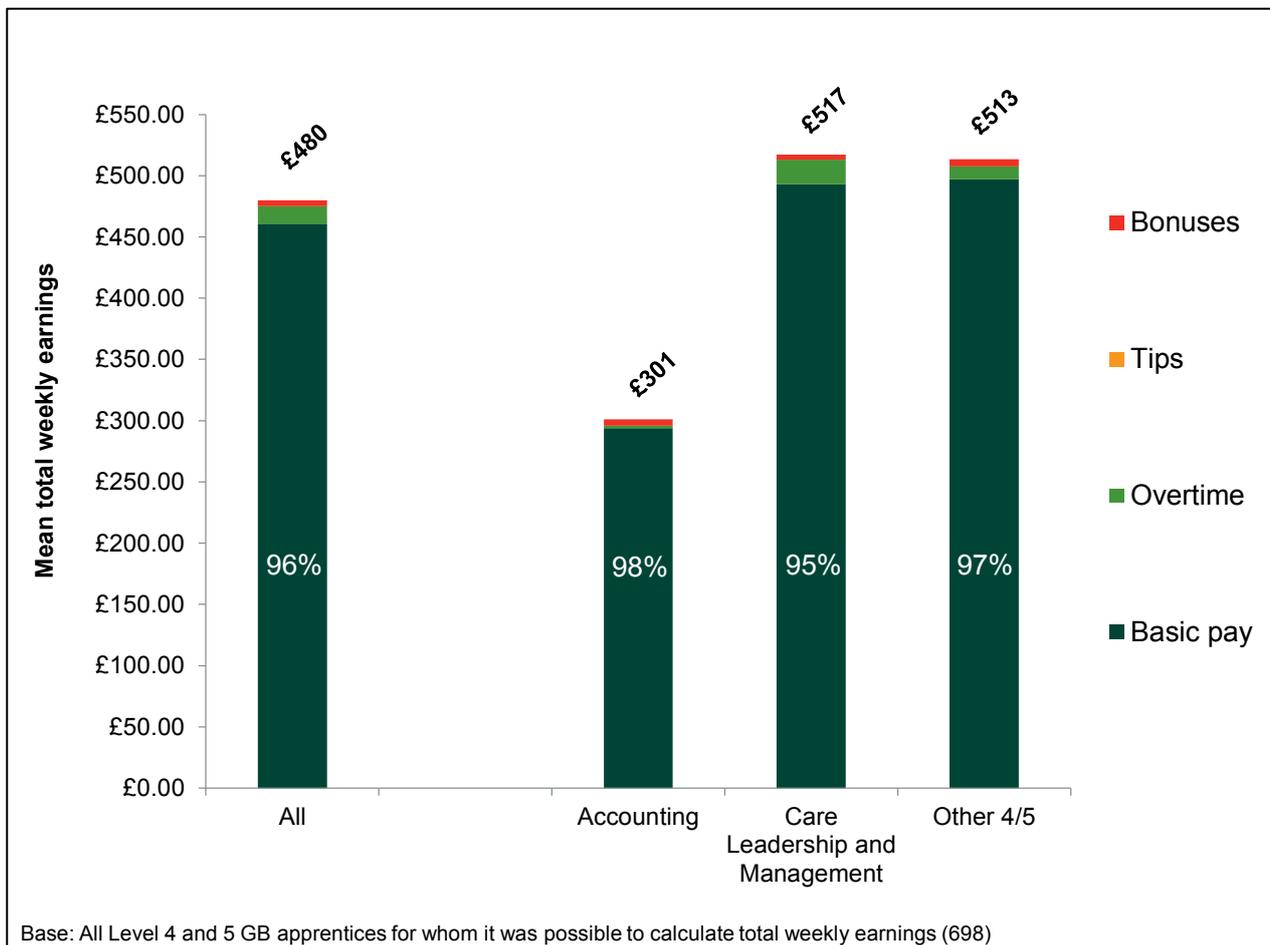


Figure 3.6 also illustrates the composition of total weekly earnings by its individual components: basic pay, overtime, tips from customers and bonuses. As would be expected, basic pay constitutes the greatest proportion of total weekly earnings across all frameworks (an average of 96 per cent).

### Earnings at basic pay

The mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Level 4 and 5 apprentices was £461 (median: £385). As detailed in the previous section, earnings from basic pay account for the vast

<sup>64</sup> Some apprentices are provided with free accommodation, this is 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 Level 4 and 5 apprentices were provided with accommodation by their employer (one per cent), this has not been included in Figure 7.2.

majority of total weekly earnings across all Level 4 and 5 Apprenticeship frameworks (96 per cent).

Reflecting the different earning levels discussed, those in the Care Leadership and Management and Other Level 4/5 frameworks earned more from basic pay (means of £493 and £497 and medians of £441 and £385 respectively) than those in the Accounting framework (a mean of £294 and a median of £282 a week).

## Overtime

Two-thirds of Level 4 and 5 apprentices (67 per cent) had worked overtime, paid or unpaid, for their employer during their Apprenticeship, higher than the proportion among Level 2 and Level 3 apprentices (61 per cent). This was more common in the Accounting framework (50 per cent; in Care Leadership and Management 72 per cent had done so).

The mean number of hours overtime (either paid or unpaid) worked by Level 4 and 5 apprentices who were able to state the number of overtime hours they worked was 8.9 hours a week (median: 6.0 hours). Among those who worked overtime:

- 66 per cent worked fewer than 10 hours overtime per week;
- 15 per cent worked between 10 and 14 hours;
- 5 per cent worked between 15 and 19 hours; and
- 14 per cent worked 20 or more hours overtime per week.

By framework, the mean number of overtime hours worked per week was highest among those Level 4 and 5 apprentices working overtime in the Care Leadership and Management framework (11.1 hours; median: 8.0 hours; comparative figures in the Accounting framework were a mean of 3.6 hours and a median of 2.0 hours).

By nation, the proportions of Level 4 and 5 apprentices working overtime ranged from 63 per cent in both England and Wales to 73 per cent in Scotland.

## Earnings from overtime

Just over half of all Level 4 and 5 apprentices who ever worked overtime with their employer (53 per cent) were paid for at least some of the additional hours they work, whereas 46 per cent were not paid for any of these additional hours. This varied relatively little by framework (60 per cent in Other, and around half in Care Leadership and Management (52 per cent) and Accountancy (48 per cent)).

Among those apprentices able to provide a figure for how much paid overtime they worked in a typical week, the mean number of paid overtime hours was 8.5 (median: 6.0 hours). More specifically, 37 per cent did up to four hours paid overtime, 34 per cent typically did between five and nine hours overtime, and 29 per cent did 10 hours or more paid overtime.

Among those who were paid for their overtime, the mean amount earned in a week from overtime was £118.90 (median: £75.60).

### Unpaid overtime

Of the 46 per cent of Level 4 and 5 apprentices who worked overtime and were not paid (31 per cent of all Level 4 and 5 apprentices), the mean number of unpaid overtime hours was 5.8 (median: 4.0 hours).<sup>65</sup>

It should be noted that apprentices should be paid for all the hours they work, but some apprentices may choose to work longer hours. The survey provides no evidence either way to determine whether employers are intentionally underpaying their apprentices, or if it is their own choice.

As detailed in Table 7.8, among apprentices who worked unpaid overtime and were able to state their total number of unpaid overtime hours, those in the Care Leadership and Management framework reported the highest number of weekly unpaid overtime hours (mean: 6.8 hours; median: 5.0 hours).

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<sup>65</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 (see the following footnote).

**Table 7.8: Mean and median weekly unpaid overtime hours for Level 4 and 5 apprentices in Great Britain, by framework**

	Base n	Mean hours	Median hours
Accounting	41	2.9	2.0
Care Leadership and Management	115	6.8	5.0
Other 4/5	22	**	**
<b>GB Total</b>	<b>178</b>	<b>5.8</b>	<b>4.0</b>
England Total	93	4.7	2.5
Scotland Total	35	7.7	7.0
Wales Total	50	6.2	5.0

*Base: all Level 4 and 5 GB apprentices for who were able to state their total number of overtime hours overtime and the number of hours they were usually paid for*

*‘\*\*’ denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

### Time off in lieu or flexi leave

Among those apprentices who ever worked overtime, either paid or unpaid, just over half (53 per cent) were given time off in lieu or flexi leave in return, higher than found among Level 2 and 3 apprentices (39 per cent)<sup>66</sup>. Apprentices in the Accounting framework were more likely to be given time off in lieu or flexi leave (62 per cent) compared with those in the Care Leadership and Management (51 per cent) and Other 4/5 frameworks (53 per cent).

### Tips from customers

Less than one per cent of all Level 4 and 5 apprentices reported that they received tips from customers: receipt of tips is far less common among these higher level frameworks than on Levels 2 and 3 provision reported earlier (seven per cent).

<sup>66</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.

## Bonuses

Just under one-fifth of all Level 4 and 5 apprentices received bonuses from their employer (18 per cent, the same proportion as reported by Level 2 and 3 apprentices).

The following groups were more likely to have received bonuses:

- Those in the Accounting (27 per cent) and Other Level 4/5 frameworks (24 per cent) compared with those in the Care Leadership and Management framework (13 per cent);
- Male apprentices (26 per cent compared with 12 per cent of female apprentices); and
- Level 4 apprentices (26 per cent compared with 12 per cent of Level 5 apprentices).

The mean bonus paid across all apprentices receiving bonuses was equivalent to £32.31 a week (median: £15.38). As detailed in Table 7.9, apprentices in the Care Leadership and Management framework received the highest mean bonuses per week. It is worth noting the wide differences in the mean and median figures overall, and in individual frameworks, indicating a small proportion of apprentices receiving very high bonuses compared with the average.

**Table 7.9: Mean and median weekly bonus for Level 4 and 5 apprentices in Great Britain, by framework**

	Base n	Mean weekly bonus	Median weekly bonus
Accounting	56	£21.47	£9.62
Care Leadership and Management	51	£41.06	£15.38
Other 4/5	19	**	**
<b>GB Total</b>	<b>126</b>	<b>£32.31</b>	<b>£15.38</b>
England Total	79	£24.13	£11.54
Scotland Total	32	£49.83	£38.46
Wales Total	15	**	**

*Base: all Level 4 and 5 GB apprentices receiving bonuses and able to give a figure for the amount of bonus they receive.*

*‘\*\*’ denotes a figure not shown because of a low base size (fewer than 30 apprentices)*

## 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 £4.91 is added to the apprentice’s wages for each day that 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.

Just one per cent of all Level 4 and 5 apprentices were provided with live-in accommodation by their employer. One per cent were provided with free accommodation and less than 0.5 per cent were provided with charged-for accommodation.

The lower proportions of apprentices being provided by their employer suggest that the impact of the provision of accommodation is minimal for Level 4 and 5 apprentices.

## Compliance with the National Minimum Wage

This section looks at the extent to which the gross hourly pay of higher apprentices is compliant with the National Minimum Wage (NMW) 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)’.

Looking only at apprentices for whom compliance could be calculated, 95 per cent had a gross hourly wage at or above the appropriate NMW, while five per cent had a gross hourly wage below the appropriate NMW<sup>67</sup>. Non-compliance was highest in Accountancy (nine per cent, compared against four per cent in Care Leadership and Management and two per cent in Other frameworks. Non-compliance is at a considerably lower level than among Level 2 and Level 3 apprentices in Great Britain, 15 per cent of whom had non-compliant pay.

One factor that impacts on compliance is the length of time the apprentice had spent on the course: 11 per cent of those that had been on the course for more than a year were being paid less than the NMW, compared with just one per cent of those who had been on their course for a year or less.

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<sup>67</sup> Across all Level 4 and Level 5 apprentices, 90 per cent were paid at or above the NMW, four per cent below the NMW, and for six per cent it was not possible to determine from their survey responses if their pay was compliant or not.

Apprentices that did not have a written contract were also more likely to be paid below the appropriate NMW (14 per cent) compared with those that did have a written contract (four per cent).

Looking at compliance split by the different NMW levels for each age group and year of Apprenticeship, those aged 19-20 in their second or later year of their Apprenticeship were the most likely to be in the non-compliant category, with 18 per cent paid less than the appropriate NMW, £5.03 an hour. Those aged 21 or over in the second year or later were slightly less likely to be non-compliant, with 10 per cent paid less than £6.31, the minimum level for that group.

Of those aged 19-20 and in their first year, one per cent were non-compliant, an identical proportion to those aged 21 and over and in their first year.

These results are shown in Figure 7.3.

Figures for those aged 16-18 are not shown, due to the very low base size (only nine Level 4 and 5 apprentices were aged 16-18, and all of these reported compliant levels of pay).

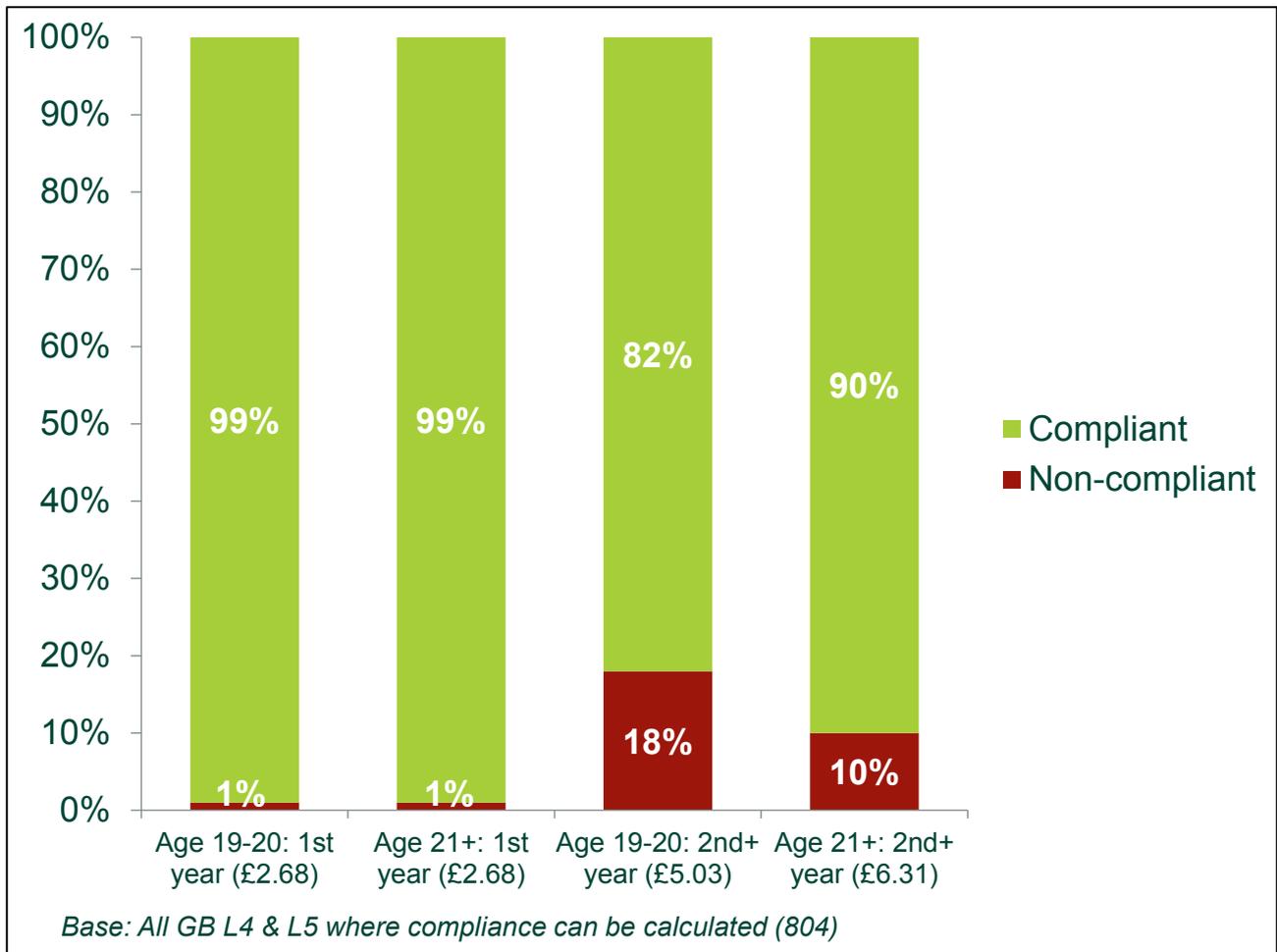
**Figure 7.3: Compliance by age and year of Apprenticeship (GB Level 4 and 5)**

Table 7.10 and Figure 7.4 show the pay distribution for Level 4 and 5 apprentices in Great Britain. Both are based on respondents where it was possible to calculate an exact gross hourly pay figure (714 of the 841 Level 4 and Level 5 apprentices interviewed).

Table 7.10 shows that a majority (54.9 per cent) of all L4 and L5 apprentices where an hourly pay figure could be calculated were receiving pay compliant with the NMW and were paid more than £9 an hour. It shows that more of those paid from £2.68 to £5.02 an hour were receiving non-compliant than compliant pay, while the reverse was true for those paid from £5.03 to £6.30.

**Table 7.10: Apprentice hourly pay rates and compliance / non-compliance (GB Level 4 and 5)**

		Proportion of apprentices in each pay band							
		£0.00- £1.50	£1.51- £2.67	£2.68- £5.02	£5.03- £6.30	£6.31- £7.50	£7.51- £9.00	Over £9.00	Total
<b>Compliant</b>		-	-	2.0	6.8	14.9	15.6	54.9	<b>95</b>
<b>Non-compliant</b>	%	0.4	0.4	3.0	2.1	-	-	-	<b>5</b>

*Base: All GB L4 and L5 apprentices where an hourly pay figure could be calculated (714). Each figure is based on the overall base, hence for example 3.0 per cent of all Level 4 and Level 5 apprentices where an hourly pay figure could be calculated received non-compliant pay of £2.68 to £5.02 an hour.*

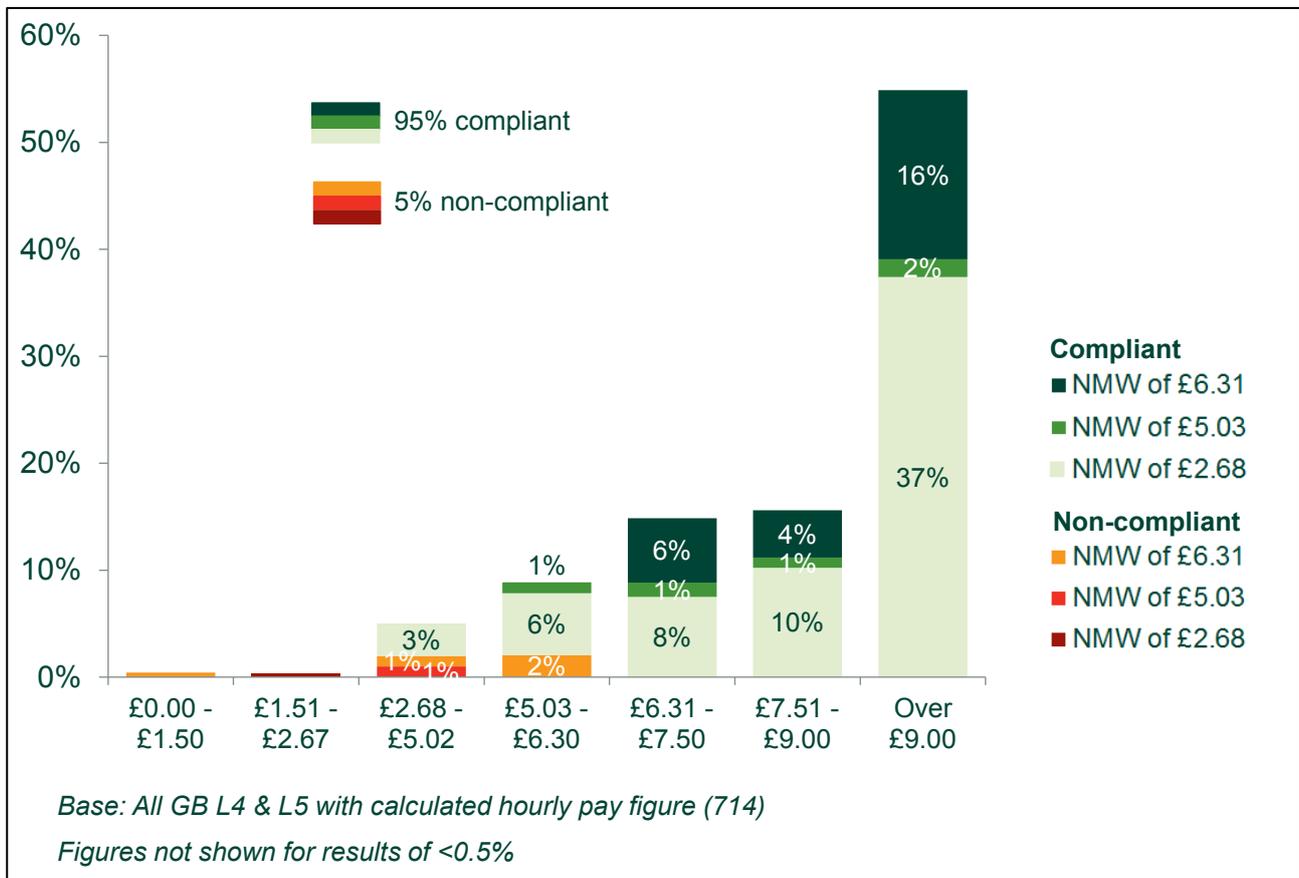
As well as showing the distribution of hourly pay rates, Figure 7.4 also shows which NMW rate applied to respondents and whether the pay was compliant or not. For example, it shows in the final column that 16 per cent of all apprentices for whom a gross hourly pay could be calculated received over £9 an hour and needed a minimum of £6.31 an hour to be compliant, while 37 per cent received over £9 an hour and needed £2.68 an hour to be compliant (i.e. they were on the first year of their Apprenticeship).

Five per cent of the Level 4 and 5 apprentices for whom exact pay figures could be calculated received between £2.68 and £5.02 an hour; within this group, one per cent were non-compliant as they were eligible for NMW of £5.03, and a further one per cent were eligible for NMW of £6.31.

One in eleven apprentices were paid between £5.03 and £6.30 an hour (nine per cent); within this group, two per cent were receiving non-compliant pay, as they were eligible for the minimum rate of £6.31 an hour.

The majority of all Level 4 and 5 apprentices with a calculable hourly pay figure received £6.31 an hour or more (85 per cent); of these, 15 per cent were paid between £6.31 and £7.50 an hour, 16 per cent were paid between £7.51 and £9.00 an hour, and more than half (55 per cent) were paid more than £9.00 an hour.

**Figure 7.4: Level 4 and Level 5 apprentice Pay Rates and compliance / non-compliance (GB)**



## Awareness of the Apprentice Rate of the National Minimum Wage

Nearly all Level 4 and 5 apprentices (98 per cent) had heard of the National Minimum Wage, a higher proportion than among Level 2 and Level 3 apprentices (94 per cent of whom had heard of the NMW). There were no differences in awareness between those with compliant and non-compliant levels of pay.

Apprentices were also asked if they were aware that there is a National Minimum Wage rate for certain apprentices. Three-quarters of all Level 4 and Level 5 apprentices (75 per cent) were aware; again, higher than found among Level 2 and Level 3 apprentices (62 per cent).

In terms of framework, as shown in Table 7.11, those on the Accounting framework were considerably more likely to know that there was a NMW rate for apprentices (88 per cent, compared with 72 per cent of those on the Care Leadership and Management framework and the same proportion of those on Other Level 4 and 5 frameworks).

Just over a quarter of GB Level 4 and Level 5 apprentices (27 per cent) aware of the hourly minimum rate for apprentices; this is in line with the proportion of Level 2 and 3 apprentices aware of the hourly rate (26 per cent). Apprentices with a compliant hourly pay rate were less likely to say that they were aware of the hourly minimum rate for apprentices (27 per cent) than those with a non-compliant rate of pay (40 per cent). It

should be noted that these awareness figures were entirely self-reported; actual knowledge of the Apprenticeship NMW rates were not tested.

Those aged 25 or over were less likely to know the NMW hourly rate for apprentices (22 per cent, compared with 41 per cent of those aged 16-24).

By framework, knowledge of the hourly rate largely mirrors awareness of the existence of the Apprenticeship NMW, with those on the Accounting framework most likely to say they knew the hourly rate (44 per cent). Results are shown in the following table, ranked by awareness of the Apprenticeship NMW.

**Table 7.11: Awareness of Apprenticeship NMW / hourly rate by framework (GB Level 4 and Level 5)**

	Base		Aware of Apprenticeship NMW	Aware of hourly rate
	n	%	%	%
Accounting	235	%	88	44
Care Leadership and Management and Management	489	%	72	25
Other Level 4/5	117	%	72	23
<b>GB Total</b>	<b>841</b>	<b>%</b>	<b>75</b>	<b>27</b>

*Base: all GB Level 4 and Level 5 apprentices*

# Appendix A

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

	Base	Total weekly earnings	Basic Pay	Overtime	Tips	Bonuses
	n	£	£	£	£	£
Business and related	800	225	221	2	*	3
Children's Care	448	192	184	8	-	*
Construction and related	883	250	233	16	*	2
Customer Service	366	262	251	4	1	6
Electrotechnical	520	297	272	23	*	2
Engineering, Manufacturing Technologies and related	1,220	273	257	13	*	4
Hairdressing	444	152	141	1	9	1
Health, Social Care and Sport	725	258	238	20	*	*
Hospitality and Catering	487	250	234	11	4	1
Management	345	393	371	18	1	4
Retail	427	268	239	26	*	3
Other 2/3	390	235	229	4	*	2
<b>GB Total</b>	<b>7,055</b>	<b>257</b>	<b>242</b>	<b>13</b>	<b>1</b>	<b>2</b>

*Base: All Level 2 and 3 apprentices in GB 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: 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	495	222	218	2	*	2
Children's Care	299	193	184	8	-	*
Construction and related	307	242	225	16	*	2
Customer Service	246	263	252	4	1	6
Electrotechnical	385	276	256	18	*	2
Engineering, Manufacturing Technologies and related	639	273	257	13	*	4
Hairdressing	313	151	140	1	9	1
Health, Social Care and Sport	460	259	238	20	*	*
Hospitality and Catering	265	249	233	11	4	1
Management	212	389	367	19	1	3
Retail	274	270	240	27	*	2
Other 2/3	206	232	228	3	*	2
<b>England Total</b>	<b>4,101</b>	<b>256</b>	<b>241</b>	<b>13</b>	<b>1</b>	<b>2</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 A3: Breakdown of total weekly earnings, by framework (Scotland Level 2 and 3)**

	Base	Total weekly earnings	Basic Pay	Overtime	Tips	Bonuses
	n	£	£	£	£	£
Business and related	157	237	231	1	-	4
Children's Care	102	150	149	1	-	*
Construction and related	335	292	269	23	*	2
Customer Service	73	282	266	9	2	6
Electrotechnical	91	431	376	56	-	*
Engineering, Manufacturing Technologies and related	384	300	273	25	*	5
Hairdressing	112	150	140	1	8	1
Health, Social Care and Sport	115	187	178	9	-	*
Hospitality and Catering	98	255	236	10	8	1
Management	60	399	382	9	2	21
Retail	97	275	247	22	1	5
Other 2/3	74	257	240	13	*	4
<b>Scotland Total</b>	<b>1,698</b>	<b>269</b>	<b>249</b>	<b>17</b>	<b>1</b>	<b>3</b>

*Base: All Level 2 and 3 apprentices in Scotland 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 A4: Breakdown of total weekly earnings, by framework (Wales Level 2 and 3)**

	Base	Total weekly earnings	Basic Pay	Overtime	Tips	Bonuses
	n	£	£	£	£	£
Business and related	148	285	275	5	-	5
Children's Care	47	221	213	6	-	2
Construction and related	241	231	226	5	*	1
Customer Service	47	259	256	1	3	2
Electrotechnical	44	332	285	47	*	*
Engineering, Manufacturing Technologies and related	197	276	263	11	*	4
Hairdressing	19	**	**	**	**	**
Health, Social Care and Sport	150	278	256	22	*	*
Hospitality and Catering	124	255	237	12	5	1
Management	73	456	441	12	*	3
Retail	56	239	214	20	*	5
Other 2/3	110	259	248	12	*	1
<b>Wales Total</b>	<b>1,256</b>	<b>276</b>	<b>261</b>	<b>13</b>	<b>1</b>	<b>2</b>

*Base: All Level 2 and 3 apprentices in Wales for whom it was possible to calculate total weekly earnings.*

*‘\*\*’ denotes a figure not shown because of a low base size (fewer than 30 apprentices), ‘\*’ denotes a figure greater than zero but less than £0.50 and ‘-’ denotes a figure of zero.*

**Table A5: Breakdown of total weekly earnings, by framework (GB Level 4 and 5)**

	Base	Total weekly earnings	Basic Pay	Overtime	Tips	Bonuses
	n	£	£	£	£	£
Accounting	216	301	294	2	*	5
Care Leadership and Management and Management	378	517	493	20	*	4
Other 4/5	104	513	497	10	*	6
<b>GB Total</b>	<b>698</b>	<b>480</b>	<b>461</b>	<b>14</b>	<b>*</b>	<b>5</b>
England Total	384	425	409	12	*	4
Scotland Total	124	651	621	21	1	9
Wales Total	190	483	472	9	-	2

*Base: All Level 4 and 5 GB apprentices 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.*

# Appendix B: Methodology

## Summary

The survey was conducted by telephone from IFF's telephone centre in London. Fieldwork took place from 22 July 2014 to 14 September 2014, and 9,367 interviews with apprentices were conducted.

Sample was drawn from three different national sample frames: the Individualised Learner Record (ILR) in England, the Corporate Training System in Scotland; and the Lifelong Learning Wales Record in Wales.

The sample was drawn on an interlocking framework by level grid within each country, separately for Level 2 / Level 3 apprentices, and then for Level 4 / 5 apprentices.

A total of 12 framework categories were used for Level 2 and Level 3 apprentices, while for higher apprentices three categories were used.

In total 30,523 names were loaded. In Wales the starting sample was a census of the available sample with telephone numbers. In England and Scotland, within each cell of the framework by level, once the target number of interviews had been agreed, the sample was drawn at random from the available sample with telephone numbers.

A letter introducing the survey was sent to all respondents prior to them being called. For those in Wales the letter was sent in English and Welsh. A copy of the letter can be found at Appendix C.

## The profile of apprentices

Table B1-3 shows the proportion of interviews achieved in each country by level and framework.

**Table B1: Demographic profile of apprentices**

	England			Scotland			Wales		
	Total	Level 2/3	Level 4/5	Total	Level 2/3	Level 4/5	Total	Level 2/3	Level 4/5
	%	%	%	%	%	%	%	%	%
<b>Age:</b>									
16-18	15	15	2	27	28	1	6	8	*
19-20	21	21	20	30	30	3	14	14	3
21-24	22	22	21	24	25	8	22	24	5
25+	42	42	57	19	17	88	58	54	91
<b>Gender:</b>									
Male	50	50	43	68	68	75	40	42	20
Female	50	50	57	31	32	25	60	58	80
<b>Year of Apprenticeship:</b>									
A year or less	71	70	58	63	60	85	74	70	60
More than a year	29	30	42	37	40	15	26	30	40
<b>Base: all</b>	<b>5,481</b>	<b>5,020</b>	<b>461</b>	<b>2,162</b>	<b>2,011</b>	<b>151</b>	<b>1,724</b>	<b>1,495</b>	<b>229</b>

Source: Apprenticeship Pay Survey 2014 (weighted survey data)

Age shows a combination of age at payslip if apprentice responded using a payslip and age at interview if not

**Table B2: Profile of Level 2 and 3 apprentices by framework**

	England	Scotland	Wales
<b>L2 and 3 Frameworks:</b>	%	%	%
Business and related	12	8	8
Children's Care	5	3	6
Construction and related	5	25	5
Customer Service	7	3	6
Electrotechnical	2	2	3
Engineering, Manufacturing Technologies and related	17	24	10
Hairdressing	4	5	3
Health, Social Care and Sport	22	8	27
Hospitality and Catering	6	10	3
Management	7	2	9
Retail	7	7	5
Other 2/3	7	4	15
<b>Base: all</b>	<b>5,020</b>	<b>2,011</b>	<b>1,495</b>

**Table B3: Profile of Level 4 and 5 apprentices by framework**

	England	Scotland	Wales
<b>L4 and 5 Frameworks</b>			
Accounting	21	1	2
Care Leadership and Management and Management	52	44	88
Other 4/5	28	55	10
<b>Base all:</b>	<b>461</b>	<b>151</b>	<b>229</b>

## Sampling

### Sourcing the sample

Sample was drawn from three databases: the ILR (England), the Lifelong Learning Wales Records (Wales) and the Corporate Training System (Scotland).

### Sample verification

On receipt of sample from the three respective sources, the first stage was a 'cleaning' exercise. This entailed de-duplication (multiple entries in aims files), and exclusion of those not wanting to be contacted for research (where these details were supplied).<sup>68</sup>

Records were removed where individuals were recorded as having completed their Apprenticeship, as well as those where their planned completion date was before the start of the fieldwork period. In addition, records with no telephone number were also excluded.

### Sample stratification

In Wales, given the limited sample available, no stratification was undertaken and an interview was attempted with all available sample.

Meanwhile, in England and Scotland, the sample was drawn in such a way as to achieve the desired interview target structure. That is to say, the sample was drawn on a stratified basis to achieve a desired profile of apprentices, though no quotas targets were imposed. Rather, from the drawn sample, as many interviews as possible were sought.

Sample stratification in England and Scotland was undertaken via the following steps / stages:

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<sup>68</sup> Removal of those who did not want to be contacted for research happened before data was transferred for apprentices in Wales.

- 1) Within each country, sample was split into framework categories. For Level 2 and Level 3 apprentices, 12 broad frameworks were used: Business Administration; Children's Care; Construction; Customer Service; Electrotechnical; Engineering; Hairdressing; Health and Social Care; Hospitality and Catering; Management; Retail; and Other. For Level 4 and Level 5 apprentices, three framework categories were used: Accounting; Care Leadership and Management and Management; and Other.
- 2) Within country, half the Level 2/3 interviews were split equally across framework, and then half in proportion to the number of apprentices undertaking each. Within framework, interviews were then split between Level 2 and 3 proportionate to the population. This ensured that more interviews would be undertaken in larger frameworks, but the smaller frameworks would still receive more interviews than if the allocation to framework were strictly proportional. The same process was undertaken to provide an initial allocation of the Level 4/5 interviews.
- 3) Finally, a number of small adjustments were implemented to ensure that all Frameworks would be allocated a minimum number of interviews, as well as boosting the number of interviews sought in those Frameworks where pay levels are most closely clustered to the Apprentice Rate (in order to maximise the robustness of findings relating to compliance / non-compliance).

### Sampling fractions

Within England and Scotland, rather than applying 'blanket' sampling fractions across all stratification cells, we took into account previous conversion rates (interviews achieved as a proportion of sample drawn) in each framework-by-level cell to maximise efficiency when drawing sample.

To ensure representativeness, within country and framework category, sample was ordered – first by level, then by age, year of study and gender – before being drawn in the required volumes on a 1-in-n basis.

In total 30,223 records were initially drawn and loaded. Towards the end of fieldwork, a further 300 records were added within the Retail framework in England at Level 2 / 3 , in order to increase the number of interviews achieved in that particular cell.

### Advanced letters

A letter introducing the survey was sent to all respondents prior to them being called. For those in Wales the letter was sent in English and Welsh. A copy of the letter can be found at Appendix C.

## The response rate

Interviews were achieved with just under a third (31 per cent) of the starting sample. This was much higher in Wales (40 per cent) and lowest in England (28 per cent). The response rate excluding ineligible contacts (unobtainable numbers and wrong numbers, and those saying they had completed their Apprenticeship, or had no recall of undertaking an Apprenticeship) was 46 per cent, rising to 57 per cent in Wales.

**Table A6: Response rates**

	<b>GB</b>	<b>England</b>	<b>Scotland</b>	<b>Wales</b>
Total sample loaded	30,523	19,821	6,405	4,297
Screened out of survey (Apprenticeship completed or no recall of undertaking an Apprenticeship)	4,184	2,860	860	464
Wrong number / invalid telephone number	6,095	4,281	1,016	798
<i>Sample excluding screen outs and wrong numbers / dead lines</i>	<i>20,244</i>	<i>12,680</i>	<i>4,529</i>	<i>3,035</i>
Still live at the end of fieldwork	8,663	5,683	1,995	985
Refused	2,214	1,516	372	326
Completed interviews	9,367	5,481	2,162	1,724
<b>Completed interviews as a % of loaded sample</b>	<b>31%</b>	<b>28%</b>	<b>34%</b>	<b>40%</b>
<b>Completed interviews as a % of 'sample loaded sample excluding screen outs and wrong numbers / dead lines'</b>	<b>46%</b>	<b>43%</b>	<b>48%</b>	<b>57%</b>

## Weighting

Weights were applied to the final data to ensure that findings are representative of the total apprentice population.

A three-stage approach to weighting was adopted:

### Stage 1) Corrective weighting

The first stage of weighting accounted for the sample design which intentionally sampled various groups disproportionately. In other words, this stage accounted for the different probabilities of selection created by the sampling approach.

Reflecting the sampling approach adopted, this first stage involved weighting by level within broad framework.

### Stage 2) Non-response weighting

Even though within each cell of the sampling grid sample is selected randomly, the first stage of weighting does not guarantee the correct demographic profile of respondents. In

light of this, a second stage of weighting was then required to rectify different response rates across different key groups.

More specifically, within each country, rim weights were applied to ensure the achieved sample profile matched the population by gender, age and year of study.

### **Stage 3) Grossing**

Finally, a “grossing” factor was applied, so that the weighted data delivers volumetric findings based on the entire apprentice population.

### **Great Britain and Country weights**

Following the approach outlined above, two sets of weights were derived.

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

The second was a ‘country’ weight, applied for country-specific analysis throughout the report. Within country these weights were based on level within framework, with rim weights for age, gender and year of Apprenticeship. As very few interviews were achieved in the Hairdressing framework in Wales, Level 2 Hairdressing was weighted with Other Level 2, and Level 3 Hairdressing with Other Level 3 - Hairdressing and Other frameworks in Wales have still been reported on separately in Wales in order to allow comparison between countries of the ‘Other’ category,

### **Net to Gross Pay Conversion Calculation**

In order to convert net pay to gross, deductions for income tax and National Insurance needed to be added onto the net pay figure. Income tax and National Insurance are calculated on gross earnings above the earnings threshold: in 2014, this was £192 a week for income tax, and £153 a week for National Insurance.

For the purposes of these calculations, we have assumed that all apprentices earning above the thresholds will be paying income tax / NI at the basic rate; income tax this was 20%, and for National Insurance this was 12%.

Other possible deductions (such as student loan or pension payments) were not taken into account as these were not covered by the survey. Therefore, it is possible in some cases that the calculated gross pay figure could be below the actual gross pay figure.

Prior to conversion, all net pay figures given at question E5 were first converted to weekly as follows:

Original pay period	Calculation for 'NET_WEEK_COMBINED'
Annual	$E5\_year / \text{number of weeks worked in year (A4A)}$
Monthly	$(E5\_month * 12) / \text{number of weeks worked in year (A4A)}$
Four weekly	$E5\_fourweek / 4$
Fortnightly	$E5\_fortnight / 2$
Weekly	<i>No calculation applied</i>
Daily	$E5\_daily * 5$ (a five day working week was assumed)
Hourly	$E5\_hour * \text{weekly hours worked}$

The following formulas were then applied:

Weekly pay	Calculation
Weekly pay > £192	$\text{Gross pay} = (((\text{NET\_WEEK\_COMBINED} - (192 * 0.2)) - (153 * 0.12)) / (1 - 0.2 - 0.12))$
Weekly pay £153 - £192	$\text{Gross pay} = ((\text{NET\_WEEK\_COMBINED} - (153 * 0.12)) / (1 - 0.12))$
Weekly pay < £153	$\text{Gross pay} = \text{NET\_WEEK\_COMBINED}$

## Gross Hourly Pay Conversion

For the purpose of establishing compliance with the National Minimum Wage, all pay figures had to be converted to a gross hourly figure in accordance with the standards for calculating National Minimum Wage.

The following elements were included when calculating the gross hourly pay figure:

- Pay, though excluding any overtime paid at a higher rate. Tips and bonuses have not been included
- 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.

Initially, reported pay figures were adjusted to subtract any pay that was paid at a higher rate, as this is not eligible for inclusion towards the National Minimum Wage; at the same

time, hours were adjusted to account for overtime: any hours that were paid at a higher rate were subtracted, while unpaid overtime hours were added.

Then, all the adjusted pay figures were converted to a basic weekly pay figure, while hours worked were also converted to a final weekly figure, using the following calculations:

Original pay period	Calculation for Basic Weekly Gross Pay	Calculation for Final Weekly Hours
Annual	Adjusted_pay_year / Number of weeks worked (A4A)	<i>Not applicable</i>
Monthly	(Adjusted_pay_month * 12) / Number of weeks worked (A4A)	(Adjusted_hours_month * 12) / Number of weeks worked (A4A)
Four weekly	Adjusted_pay_fourweek / 4	Adjusted_hours_fourweek / 4
Fortnightly	Adjusted_pay_fortnight / 2	Adjusted_hours_fortnight / 2
Weekly	<i>No calculation applied</i>	<i>No calculation applied</i>
Daily	Adjusted_pay_daily * 5 (a five day working week was assumed)	<i>Not applicable</i>
Hourly	Adjusted_pay_hourly * number of hours worked per week	<i>Not applicable</i>

Where applicable, the accommodation offset rate was applied to the basic weekly pay figures. If accommodation was free, the offset rate of £4.91 per day the accommodation was lived in (up to £34.37 for 7 days a week) was added to the basic weekly pay figure to give a final weekly pay figure.

If accommodation was charged for, but at a rate less than or equal to £4.91 per day, no change was made to basic weekly pay, and the figure was carried forwards to final weekly pay. If accommodation was charged for at a rate above £4.91 per day, the difference was subtracted from basic weekly pay to give the final weekly pay figure.

Finally, the gross hourly pay figure was derived by dividing the final weekly pay figure by the final weekly number of hours.

## CHAID Analysis

CHAID (Chi-Squared Automatic Interaction Detector) is a technique that can be used to find predicting factors of a dependent variable and highlight interactions. It separates the data into statistically different groups, based on the probability of having a particular characteristic. CHAID can be used to work out which variables have the biggest impact and where they need to be split in order to create groups that optimise prediction or classification of the dependent variable. The groups created are statistically different to each other in terms of their effect on the dependent variable.

CHAID works by using Chi-squared to test different combinations of cross-tabulations and determines where and how many splits are needed to create groups that are significantly different to each other. It merges categories that are not statistically different and separates variables into the appropriate categories. The CHAID method has certain advantages as a way of looking for patterns in complicated datasets. First, the level of measurement for the dependent variable and predictor variables can be nominal (categorical), ordinal (ordered categories ranked from small to large), or interval (a "scale"). Second, not all predictor variables need be measured at the same level (nominal, ordinal, and interval). Third, missing values in predictor variables can be treated as a "floating category" so that partial data can be used whenever possible within the tree. Fourth, if an appropriately conservative set of statistical criteria are used, the resulting models will primarily emphasise strong results without over-capitalising on chance. On the other hand, it must be remembered that with CHAID modelling there is always a potential for too much to be seen in the data even when very conservative statistical criteria are used. Nonetheless, in those cases in which there is not a strong theory in an area that would clearly indicate which variables are, and are not, probably predictors of some dependent measure, CHAID is very useful in identifying major data trends.

## Conducting the CHAID analysis

To explore the relationships that may exist between certain key variables within the survey and employers' characteristics, CHAID modelling was used. The choice of this technique was based on the requirements of the data. Independent variables which were thought to affect the outcome of the dependent variable were entered into the CHAID models

# Appendix C: The questionnaire

Apprenticeship Pay Survey

J5368

Telephone

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FROM SAMPLE:

Respondent name	
Course name	
Provider name	
Employer name	
Start date	MONTH / YEAR
Sample indicates that been doing the Apprenticeship for less than a year	Yes / No
Planned completion date	MONTH / YEAR
Higher Apprenticeship	Yes / No
Country	England, Scotland or Wales
Disability flag	Yes / No

## Screener

ASK PERSON WHO ANSWERS PHONE

S1 **Good morning / afternoon / evening. My name is <NAME> and I'm calling from IFF Research. Please can I speak to <NAME>?**

Respondent answers phone	1	CONTINUE
Transferred to respondent	2	
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
No reply / Answer phone	5	CALL BACK
Engaged	6	
Named person moved and new number known (COLLECT)	7	CALL NEW NUMBER
Named person moved and number NOT known	8	CLOSE
Never heard of the named person	9	
Not available in deadline	10	
Fax Line	11	
Business Number	12	
Dead line	13	
Other (SPECIFY)	14	ASK SUPERVISOR HOW TO PROGRESS
Re-send advance letter via email	15	Collect email address (input required twice for check)

WHEN TALKING TO NAMED RESPONDENT

S2 **Good morning / afternoon, my name is <NAME> calling from IFF Research, an independent market research company. We're doing a short survey for the Department for Business, Innovation and Skills <IF WALES: and the Welsh Government> <IF SCOTLAND: and the Scottish Government> about learning and training, hours of work, and pay.**

You should have received a letter in the post explaining what the survey is about. As the letter stated, you might find it useful to have a payslip or your contract with you as I will be asking some questions relating to your pay and this will help you give accurate answers. These questions are so we can understand whether employers are conforming to rules relating to fair pay.

The survey should only take 10 minutes. Would now be a good time for you to answer a few questions?

[IF WELSH SAMPLE]: INTERVIEWER NOTE: *IF RESPONDENT REQUESTS AN INTERVIEW IN WELSH, SELECT CONTINUE AND CHOOSE S2A=1.*

INTERVIEWER ADD IF NECESSARY:

**We are not trying to sell you anything. We are only collecting information about training courses, work and pay. Your feedback is extremely important as it will help to inform Government policy on fair pay and national pay reviews which could benefit employees.**

**Your employer will not be informed by us that you have taken part in the survey.**

**The Department for Business, Innovation and Skills is the Government department in charge of in-work learning and training in England.**

**The Skills Funding Agency is the Government agency responsible for funding in-work learning and training in England.**

**The Welsh Government and the Scottish Government provide funding for in-work learning and training in Wales and Scotland.**

Yes	1	CONTINUE
Hard appointment	2	MAKE APPOINTMENT
Soft appointment	3	
Refusal (NOTE ANY COMMENTS)	4	THANK AND CLOSE
Re-send advance letter via email	5	Collect email address (input required twice for check)

ASK IF HARD OR SOFT APPOINTMENT SELECTED (S2=2/3) AND WELSH SAMPLE

S2A **Would you prefer us to call you back in Welsh or English?**

<b>Welsh</b>	1	<b>“One of our Welsh speaking interviewers will call back in the next one or two working days to make an appointment with you.”</b> THANK AND CLOSE
<b>English</b>	2	CONTINUE TO APPOINTMENT SCREEN

ASK IF WELSH LANGUAGE CALLBACK

S2W) **Good morning / afternoon, my name is NAME, calling from IFF Research, an independent market research company. One of our interviewers called you recently about the Apprenticeship Pay Survey we are conducting on behalf of the Department for Business, Innovation and Skills and the Welsh Government. You said you would like to be called back in Welsh. Would now be a good time to do the interview?**

IF NOT: **When would be a suitable time to conduct the interview with you?**

Continue	1	CONTINUE TO S3
Hard appointment	2	MAKE APPOINTMENT
Soft appointment	3	
Refusal (NOTE ANY COMMENTS)	4	THANK AND CLOSE

S3 INTERVIEWER NOTE:

FINE TO CONTINUE	1	CHECK S6
LANGUAGE DIFFICULTIES	2	GO TO S4
RESPONDENT MAY HAVE LEARNING DIFFICULTIES, HEARING OR SPEECH IMPAIRMENT, OR OTHER DISABILITY WHICH IS MAKING THE INTERVIEW DIFFICULT TO CONDUCT:	3	GO TO S5

ASK ALL

S3a **Please note, this call may be recorded for quality or training purposes.**

ASK IF LANGUAGE DIFFICULTIES (S3=2)

S4 **Is there someone who would be able to interpret for you or to answer the questions on your behalf?**

Yes – but this person not currently available	1	ARRANGE TO CALL BACK TO CONDUCT INTERVIEW WHEN PROXY IS AROUND (NOTE NAME OF PERSON AND TIME & DATE TO CALL BACK)
Yes – this person available now	2	ASK TO SPEAK TO THIS PERSON; THEN RE-INTRODUCE THE SURVEY AND PROCEED WITH THE INTERVIEW
No (INTERVIEWER: NOTE LANGUAGE REQUIRED)	3	THANK AND CLOSE

ASK IF RESPONDENT MAY HAVE LEARNING DIFFICULTIES, HEARING OR SPEECH IMPAIRMENT, OR OTHER DISABILITY WHICH IS MAKING THE INTERVIEW DIFFICULT TO CONDUCT (S3=3)

S5 **Is there someone who would be able to answer the questions on your behalf?**

IF HARD OF HEARING: **would you prefer to conduct the interview using Type Talk?**

Yes – but this person not currently available	1	ARRANGE TO CALL BACK TO CONDUCT INTERVIEW WHEN PROXY IS AROUND (NOTE NAME OF PERSON AND TIME & DATE TO CALL BACK)
Yes – this person available now	2	ASK TO SPEAK TO THIS PERSON; THEN RE-INTRODUCE THE SURVEY AND PROCEED WITH THE INTERVIEW
Yes –prefer to conduct the interview using Type Talk	3	ARRANGE SUITABLE TIME
No (INTERVIEWER: NOTE THE ISSUE)	4	THANK AND CLOSE

ASK WELSH SAMPLE AND SAID CONTINUE AT S2 (S2=1)

S6 **Before I start with the main interview, can I just check, would you prefer to be interviewed in English or in Welsh?**

Prefer English	1	CONTINUE IN ENGLISH
Prefer Welsh	2	CONTINUE IN WELSH VERSION (IF WELSH SPEAKER) OR SAY WILL BE CALLED BACK SOON BY ONE OF OUR WELSH SPEAKING INTERVIEWERS
Don't mind	3	CONTINUE IN ENGLISH IF ENGLISH SPEAKER OR IN WELSH IF WELSH SPEAKER

ASK ALL

T1 **We are contacting you because we understand that you are currently involved in a course or training in <TEXT SUB: INSERT NAME OF COURSE FROM SAMPLE>. Can I check are you still doing this course or training? [SINGLE CODE]**

Yes - still doing the course / training	1	CONTINUE TO A1
No, doing a different course / training	2	ASK T3
No – finished or left that that course / training early	3	THANK AND CLOSE
No, did a different course / training (no longer on it)	4	THANK AND CLOSE
No, have not done any course / training	5	ASK T2
Not started the course / training yet	6	THANK AND CLOSE

T2 IF CODE 5 AT T1 AND PROVIDER NAME OR EMPLOYER NAME ON THE SAMPLE  
**As we understood it this was with** [IF ONE OR OTHER OF PROVIDER NAME OR EMPLOYER NAME KNOWN: <PROVIDER NAME> <EMPLOYER NAME>] [IF BOTH PROVIDER NAME AND EMPLOYER NAME KNOWN: <PROVIDER NAME> and the employer was <EMPLOYER NAME>].  
**It was due to end in <ADD PLANNED COMPLETION DATE>. Which of the following applies...READ OUT (SINGLE CODE)**

**NOTE FOR RESEARCH: need to work out what to do for mainstage if sample has neither a provider name nor employer name.**

I am currently doing this course / training, even if with a different provider or employer	1	CONTINUE TO A1
I recall it now but I'm no longer doing the course (e.g. because you completed it or left it early)	2	THANK AND CLOSE
I never started the course	3	
I've no recollection of the course	4	

T3 IF CODE 2 AT T1  
**What is the subject of the course or training that you are currently undertaking?**

[AGREE WHETHER TO BE CODED BY INTERVIEWER OR AT CODING STAGE – LISTS MAY DIFFER BY COUNTRY]

T3a IF CODE 2 AT T1  
**Is this a level <INSERT LEVEL OF COURSE FROM SAMPLE> course?**

Yes	1	ASK T3c
No	2	ASK T3b
Don't know	3	ASK T3c

T3b IF CODE 2 AT T3A  
**What [ENGLAND AND WALES: NVQ] [SCOTLAND: SVQ] level is it ...READ OUT AND CODE ONE ONLY?**

Level 2	2	ASK T3c
Level 3	3	
Level 4	4	
Level 5 or higher	5	
(DO NOT READ OUT) It doesn't have a level	6	THANK AND CLOSE
(DO NOT READ OUT) Level 1 / entry level	7	THANK AND CLOSE
(DO NOT READ OUT) Don't know	X	ASK T3c

IF CODE 2 AT T1

T3c **And can I check does it involve some time with an employer, and some receiving formal training. You may have been told it is an Apprenticeship.**

Yes	1	ASK A1
No	2	THANK AND CLOSE
(DO NOT READ OUT) Don't know	3	

#### REASSURANCES TO USE IF NECESSARY

- The interview will take around 10 minutes to complete.
- The interview is completely confidential and we will not inform your employer that you have taken part in the research
- Please note that all data will be reported in aggregate form and your answers will not be reported to our client in any way that would allow you to be identified.
- Your personal details will not be passed on to a third part without first seeking express permission.
- All personal information and pay related information will be used for analysis purposes and will not be linked directly to you or your employer
- If respondent wishes to confirm validity of survey or get more information about aims and objectives, they can call:
  - **MRS: Market Research Society on 0500396999**
  - **IFF: Mark Tweddle or Liz Murphy on 0207 250 3035**
  - **BIS: James Boyde: 0207 215 5358**
  - [IF SCOTLAND SAMPLE]: **Scottish Government – David Jack or Stuart King, tel: 0300 244 6793**
  - [IF WALES SAMPLE]: **Welsh Government – Alison Spence 02920 821636**

## A Course or training undertaken

ASK IF EMPLOYER NAME IS PROVIDED ON THEN SAMPLE (OTHERS ASK A2)

- A2 **According to [ENGLAND: the Skill Funding Agency's] [SCOTLAND: Skills Development Scotland's] [WALES: the Welsh Government's] records we were supplied with, you are undertaking this course/training whilst working for <TEXT SUB: EMPLOYER FROM SAMPLE>. Can I check, is this correct?**

IF NO: PROBE WHETHER WITH EMPLOYER WHEN STARTED THE COURSE BUT HAVE SINCE CHANGED EMPLOYER OR DID NOT WORK FOR STATED EMPLOYER

Yes	1	ASK A3
No – that was the employer I started the course or training with but I am no longer with this employer / changed employer	2	ASK A1a
No – did not work for them. Training / course being done with a different employer	3	ASK A1a
I am not employed whilst doing this course/training	4	THANK AND CLOSE
Don't know / refused	X	ASK A3

IF NO AT A1 (A1=2 OR 3)

- A1a **What is the name of the employer you are working for?**

WRITE IN		
Don't know / refused	X	

ASK IF NO EMPLOYER NAME ON THE SAMPLE

- A2 **What is the name of the employer you are working for while doing this course or training?**

WRITE IN		
I am not employed (whilst doing this course/training)	3	THANK AND CLOSE
Don't know / refused	X	

ASK ALL

- A3 **Do you have a written contract of employment with this employer?**

Yes	1	ASK A4
No	2	ASK A5
Don't know	3	

IF HAVE WRITTEN CONTRACT (A3=1)

A4 **Are you contracted to work for the full year or only part of each year?**

ADD IF NECESSARY: FOR EXAMPLE, YOU MAY BE EMPLOYED SEASONALLY OR WORK IN A SCHOOL WHERE YOU ARE MAY CONTRACTED TO WORK DURING TERM TIME.

NOTE: if they say the contract is due to end shortly this does not mean the answer should therefore be part of the year.

Full year	1	ASK A5
Part of the year	2	ASK A4a
Don't know	X	ASK A5

WORK ONLY PART OF THE YEAR (A4=2)

A4a **How many weeks a year are you contracted to work?**

WRITE IN (RANGE 1-51)		
Don't know / refused	X	

ASK ALL

A5 **Thinking about your employment , which one of the following best applies...? READ OUT AND CODE ONE ONLY**

You have a permanent job with no fixed end date	1
You will be employed for the duration of your training only	2
You have a fixed end date for your employment which is after the date you expect to complete your training	3
Or some other arrangement(SPECIFY)	0
(DO NOT READ OUT) Don't know	X

ASK ALL

A6 **According to <IF ENGLAND: the Skills Funding Agency's> <IF WALES: the Welsh Government's> <IF SCOTLAND: Skill Development Scotland's> records, you started this course/training around <insert START DATE (MONTH AND YEAR) from sample>? Is that correct?**

Yes	1	Section B
No	2	ASK A7
Don't know / cant's remember	3	Section B

ASK IF DIFFERENT START DATE TO SAMPLE (A6=2)

A7 **Approximately when did you start this course/training?** CODE MONTH AND YEAR

January	1
February	2
March	3
April	4
May	5
June	6
July	7
August	8
September	9
October	10
November	11
December	12
Can't remember month	13

*FOR YEAR USE*

2014	1
2013	2
2012	3
2011	4
Earlier	5
Can't remember year	X

PROGRAMMER: whether been doing the Apprenticeship for less than a year?

DUMMY QA

A year or less	(A5 = 1 or X) & (Sample indicates a year or less)  Or  A5=2 & [(A6 (YEAR = 2014) OR (Year = 2013 and current i.e. interview month same month or earlier than A6 month)]
More than a year	Not the above

PROGRAMMER: NOTE FOR SUBSEQUENT TEXT SUBSTITUTION

DUMMY Q1

Course name	FROM SAMPLE UNLESS T3 ANSWERED (IN WHICH CASE TAKE T3 ANSWER)
Current employer name	FROM SAMPLE UNLESS A1a OR A2 ANSWERED IF EMPLOYER NAME REFUSED / DON'T KNOW SUBSTITUTE 'your employer'

## B Employment circumstances

ASK ALL

- B1 **Thinking of the employer you were working for when you started the <INSERT COURSE NAME FROM DUMMY Q1> course or training, had you already been working for them when you started the course or training?**

Yes	1	ASK B3
No	2	ASK B5
Can't remember	X	

- B2 THERE IS NO B2

ASK IF WORKED FOR EMPLOYER BEFORE COURSE/TRAINING (B1=1)

B3 **Did your pay increase, decrease or stay the same as a direct result of starting your <INSERT COURSE NAME> course / training?**

*SINGLE CODE.*

Increase	1
Decrease	2
Stayed the same	3
Changed but not as a direct result of starting the course	4
Can't remember	X

B4 THERE IS NO B4

ASK ALL

B5 **Can you tell me if you are aged...READ OUT**

[IF ASKED: **this is just to help us understand some of your later answers**]

16-18	1
19-20	2
21-24	3
Or 25 or older	4
(DO NOT READ OUT) Refused	V

PROGRAMMER: Dummy variable "AGE AND YEAR"

Aged 16-18	B5=1 or age on sample 16-18	<i>Apprenticeship NMW applies (£2.68 per hour)</i>
Aged 19+ and in first year of Apprenticeship	((B5=2, 3 or 4) or (age on sample 19+) & (answers from A5/A6 indicate < 1 year)	<i>Apprenticeship NMW applies (£2.68 per hour)</i>
19+ and in second+ year of Apprenticeship	((B5=2, 3 or 4) or (age on sample 19+) & (answers from A5/A6 indicate 1 year plus)	<i>Relevant NMW is not Apprenticeship NMW</i>
Aged refused	Age unknown on sample and B5=V	

## C Payslip, pay and hours

ASK ALL

- C1 I am now going to ask you some questions about your pay and hours of work. For these questions, I am asking specifically about any pay you get from <INSERT EMPLOYER NAME FROM DUMMY Q1>, and not for any second jobs you might have. First can you tell me, do you always get paid the same amount each week, or does this vary depending on how many hours you work? SINGLE CODE

Always get the same amount each week	1
It varies depending on the hours worked	2
Don't know	3

IF VARIES DEPENDING ON THE HOURS WORKED (C1=2)

- C2 Are all the hours that you work paid at the same rate, or do you get a higher hourly rate for some hours, for example for working overtime, at weekends etc.? SINGLE CODE

All paid at the same rate	1
Some paid at a different rate	2
Don't know	3

ASK ALL  
C3 READ OUT. SINGLE CODE.

	Yes	No	Don't know
<b>a) Do you have a set number of hours you are contracted to work each week?</b>	1	2	3
IF YES AT C3 a): <b>b) How many hours a week is this?</b>	(allow decimals)		3
ASK ALL <b>c) Do you ever work overtime - by this we mean any time paid or unpaid in addition to what you consider to be your [IF C3 a)=2/3: normal] [IF C3 a)=1: contracted] working hours?</b>	1	2	3
IF YES at C3 c) <b>d) Is any of this overtime or additional hours paid?</b>	1	2	3
ASK ALL <b>e) Do you receive any bonuses, commissions or tips</b>	1	2	3
<b>f) Do you receive payslips from your employer?</b>	1	2	3
IF YES AT C3 f) <b>g) Do you have a recent payslip to hand now?</b>	1	2	3
IF NO / DON'T KNOW AT C3 g) <b>h) Would it to be possible for you to get one now to assist your answers when I come to ask pay-related questions?</b> INTERVIEWER NOTE: ONLY CODE YES ONCE RETURN WITH ONE	1	2	3

IF C1=1 & C3D=1

C3a **Can I just check, you mentioned that you get paid the same amount each week, but that you also sometimes do paid overtime. Are these both right?**

Yes	1	CONTINUE – IF SO FORCE C1 = 2
No	2	AMEND EITHER C1 OR C3d

**IF PAYSリップ AVAILABLE (C3g =1 OR C3h=1) – IF NOT GO TO SECTION D**

C4 I'd like to ask you a few questions about your pay. What month and year does this payslip cover?

**INTERVIEWER NOTE:** Payslip might not cover the full month (i.e. it might be weekly). We are asking them to tell us "which year and month is the payslip from."

MONTH		YEAR	
January	1	2014	1
February	2	2013	2
March	3	2012 or earlier	3
April	4	Don't know	X
May	5		
June	6		
July	7		
August	8		
September	9		
October	10		
November	11		
December	12		
Don't know month	X		

**IF PAYSリップ AVAILABLE (C3 G=1) OR (C3 H=1)**

C5 **And does the payslip cover a week, a fortnight, four weeks, a month, or some other period?**

Week	1	
Fortnight	2	
4 weeks	3	
Month	4	
Other (SPECIFY)	5	
Don't know	X	GO TO D1

**IF PAID SAME AMOUNT EACH WEEK AND HAS PAYSLIP [(C1=1) & (C3g =1 OR C3h=1)] (OTHERS CHECK TO NEXT UNDERLINED HEADING – C11)**

**C6 Looking at the payslip what is the GROSS pay shown, by this I mean the figure BEFORE tax, national insurance and any other deductions. [IF C3E=1: Please exclude bonuses, commissions or tips>]**

	<b>Weekly</b>	<b>Fortnightly</b>	<b>Four weekly</b>	<b>Monthly</b>	<b>Other</b>
	Allow decimals	Allow decimals	Allow decimals	Allow decimals	Allow decimals
<b>EXACT FIGURE:</b>	£_____	£_____	£_____	£_____	£_____
Don't know *	X	X	X	X	X
Refused *	V	V	V	V	V

IF GIVE AN EXACT FIGURE AT C6

**C7 And can I just check this figure is per <ANSWER FROM C5>?**

Yes	1
No – the figure is monthly	2
No – the figure is 4 weekly	3
No – the figure is fortnightly	4
No – the figure is weekly	5
No – the figure is annual	6
Other (SPECIFY)	0

IF PAID SAME AMOUNT EACH WEEK AND HAS PAYSリップ [(C1=1) & (C3g =1 OR C3h=1)

**C8 Thinking about the period covered by the payslip, how many hours A WEEK did you spend working for <INSERT NAME OF EMPLOYER FROM DUMMY Q1> EXCLUDING unpaid meal breaks [IF EVER DO OVERTIME (C3c=1): but including any unpaid overtime]**

*IF VARIED EACH WEEK ACROSS THE PERIOD ON THE PAYSリップ ASK FOR A WEEKLY AVERAGE ACROSS THE PERIOD*

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE.*

WRITE IN	/ HOURS A WEEK (Data programmers: allow decimals)
DON'T KNOW * .....X	

*SOFT CHECK: INTERVIEWER TO RECONFIRM HOURS IF LESS THAN 10 OR OVER 50*

**Just to confirm, I've recorded that in the period covered by the payslip you worked [C8 INTEGER] hours PER WEEK. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question C8.	2	RE-ASK C8

*HARD CHECK: MORE THAN 100 HOURS NOT PERMISSIBLE*

IF PAID SAME AMOUNT EACH WEEK AND HAS PAYSリップ [(C1=1) & (C3g =1 OR C3h=1)

**C9 We are also interested in the amount of time each week you spend attending college; on courses, workshops or training sessions at your employer’s premises or held externally; learning at home; learning from workbooks; with your assessor, or filling in your portfolio.**

**In addition to the <TEXT SUB IF C8 ANSWERED AS A NUMBER: C8> hours per week you worked, in the time period covered by the payslip how many hours per week, if any, did you spend training or on guided learning as part of your <INSERT COURSE NAME> course?**

[So if you said you work 35 hours a week and during this time you spend 1 hour filling in your portfolio, please do not include this hour, as you’ve already accounted for it]

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 3-5 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN ADDITIONAL HOURS A WEEK TRAINING(Data programmers: allow decimals)	
DON'T KNOW * .....X	

*SOFT CHECK IF C9=0.1-4.9 OR C9>50:*

**Just to confirm, I've recorded that in the period covered by the payslip you spent [C9 INTEGER] hours PER WEEK on training or guided learning activities and these hours are in addition to your working hours. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question C9.	2	RE-ASK C9

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

ASK ALL WHERE SPECIFIC NUMBERS GIVEN AT C8 & C9

**C10 Can I just check, in the period covered by the payslip, you spent a total of <SUM OF C8 + C9> hours working and training EACH WEEK [IF EVER DO OVERTIME (C3c=1; including any unpaid overtime.] Is that correct?**

**INTERVIEWER NOTE: We are looking for the hours they do EACH WEEK and not the total number of hours covered by the payslip**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask questions C8 and C9.	2	RE-ASK C8 TO C9

**NOW CHECK SECTION D**

**IF PAYSリップ AND PAY VARIES DEPENDING ON HOURS WORKED (C1=2 OR X) AND (C3G=1 OR C3H=1)**

**C11 Looking at the payslip what is the TOTAL GROSS pay shown, by this I mean the figure BEFORE tax, national insurance and any other deductions. [IF OVERTIME EVER PAID C3d=1: Please include any PAID overtime] [IF C3e=1: Please exclude bonuses, commissions or tips>]?**

	<b>Weekly</b>	<b>Fortnightly</b>	<b>Four weekly</b>	<b>Monthly</b>	<b>Other</b>
	Allow decimals	Allow decimals	Allow decimals	Allow decimals	Allow decimals
<b>EXACT FIGURE:</b>	£_____	£_____	£_____	£_____	£_____
Don't know *	X	X	X	X	X
Refused *	V	V	V	V	V

IF GIVE AN EXACT FIGURE AT C11

**C12 And can I just check this figure is per <ANSWER FROM C5>?**

Yes	1
No – the figure is monthly	2
No – the figure is 4 weekly	3
No – the figure is fortnightly	4
No – the figure is weekly	5
No – the figure is annual	6
Other (SPECIFY)	0

**IF PAYSリップ AND PAY VARIES DEPENDING ON HOURS WORKED (C1=2 OR X) AND (C3G=1 OR C3H=1)**

**C13 Does the payslip show the number of hours worked, on which this pay is based?**

Yes	1
No / can't see it	2

IF YES (C13=1)

**C14 What is the TOTAL number of hours shown on the payslip (IF OVERTIME EVER PAID (C3d=1) please include any paid overtime)?**

WRITE IN	(Data programmers: allow decimals)
DON'T KNOW * .....	X

SOFT CHECK IF PAYSALIP WEEKLY (C5=1) AND (C14<10 OR C14>50):

**Just to confirm, your payslip shows that you worked [INSERT INTEGER FROM C14] hours FOR A SINGLE WEEK. Is that correct?**

HARD CHECK IF PAYSALIP WEEKLY (C5=1): MORE THAN 100 HOURS NOT PERMISSIBLE

SOFT CHECK IF PAYSALIP FORTNIGHTLY (C5=2) AND (C14<20 OR C14>100):

**Just to confirm, your payslip shows that you worked [INSERT INTEGER FROM C14] hours over a FORTNIGHTLY PERIOD. Is that correct?**

HARD CHECK IF PAYSALIP FORTNIGHTLY (C5=2): MORE THAN 200 HOURS NOT PERMISSIBLE

SOFT CHECK IF PAYSALIP FOUR WEEKLY (C5=3) AND (C14<40 OR >200):

**Just to confirm, your payslip shows that you worked [INSERT INTEGER FROM C14] hours OVER A FOUR WEEK PERIOD. Is that correct?**

HARD CHECK IF PAYSALIP FOUR WEEKLY (C5=3): MORE THAN 400 HOURS NOT PERMISSIBLE

SOFT CHECK IF PAYSALIP MONTHLY OR OTHER (C5=4 OR 5) AND (C14<40 OR C14>215):

**Just to confirm, I've recorded that you worked [INSERT INTEGER FROM C14] hours over the time period covered by the payslip. Is that correct?**

HARD CHECK IF PAYSALIP MONTHLY OR OTHER (C5=4 OR 5): MORE THAN 430 HOURS NOT PERMISSIBLE

IF GIVE AN EXACT FIGURE AT C14

C15 **And can I just check is this the number of hours for the <ANSWER FROM C5>?**

Yes	1
No – the figure is monthly	2
No – the figure is 4 weekly	3
No – the figure is fortnightly	4
No – the figure is weekly	5
No – the figure is annual	6
Other (SPECIFY)	0

IF HOURS NOT ON PAYSリップ (C13=2)

C16 **Thinking about the period covered by the payslip, how many hours A WEEK did you spend working for <INSERT NAME OF EMPLOYER FROM DUMMY Q1> EXCLUDING unpaid meal breaks [IF EVER OVERTIME (C3c=1: but including paid over time or additional hours?**

*IF VARIED EACH WEEK ACROSS THE PERIOD ON THE PAYSリップ ASK FOR A WEEKLY AVERAGE ACROSS THE PERIOD*

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE.*

WRITE IN _____ / HOURS A WEEK (Data programmers: allow decimals)	
DON'T KNOW * .....X	

*SOFT CHECK IF C16<10 OR C16>50:*

**Just to confirm, I've recorded that in the period covered by the payslip you worked [C16 INTEGER] hours PER WEEK. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question C16.	2	RE-ASK C16

*HARD CHECK: MORE THAN 100 HOURS NOT PERMISSIBLE*

IF PAYSリップ AND PAY VARIES DEPENDING ON HOURS WORKED (C1=2 OR X) and (C3g=1 OR C3h=1)

C17 **We are also interested in the amount of time each week you spend attending college; on courses, workshops or training sessions at your employer's premises or held externally; learning at home; learning from workbooks; with your assessor, or filling in your portfolio.**

In **ADDITION** to the <TEXT SUB IF EXACT ANSWER AT C14 and GIVEN AS WEEKLY [C5=1]) OR C16: THE NUMBER AT C14 OR C16 **hours per week you worked that you just mentioned**>, <TEXT SUB IF C14 NOT GIVEN WEEKLY [C5 NOT=1]: **hours shown on your payslip**> in the time period covered by the payslip how many hours **PER WEEK**, if any, did you spend training or on guided learning as part of your <INSERT COURSE NAME> course?

[So if you said you work 35 hours a week and during this time you spend 1 hour filling in your portfolio, please do not include this hour, as you've already accounted for it]

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 3-5 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN ADDITIONAL HOURS A WEEK TRAINING(Data programmers: allow decimals)	
DON'T KNOW * .....X	

*SOFT CHECK IF C17<5 OR C17>50:*

**Just to confirm, I've recorded that in the period covered by the payslip you spent [C17 INTEGER] hours PER WEEK on training or guided learning activities and these hours are in addition to your working hours. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question C17.	2	RE-ASK C17

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

*HARD CHECK SUM OF C1 AND C2: 0 IS NOT PERMISSIBLE. 100 MORE HOURS NOT PERMISSIBLE*

ASK ALL WHERE SPECIFIC ANSWERS GIVEN AT [(C14 IF WEEKLY (C5=1)) OR C16) AND C17]

C18 **Can I just check, in the period covered by the payslip, you spent a total of approximately <SUM OF C14 IF WEEKLY/C16 + C17> hours working and training each week [IF EVER DO OVERTIME:, including any paid overtime.] Is that correct?**

Yes	1	
No	2	RE-ASK C14 – C17

IF PAYSリップ AND PAY VARIES DEPENDING ON HOURS WORKED (C1=2 OR X) AND (C3G=1 OR C3H=1)

C19 **Thinking about the total** [IF ANSWERED C14: INTEGER GIVEN AT C14] [IF ANSWERED C16: INTEGER GIVEN AT C16] **hours you worked, were any of these paid at a higher rate than your standard rate?**

Yes	1	ASK C20
No	2	ASK C22
Don't know*	3	ASK D1

IF C19 = 1 (YES TO EXTRA HOURS AT THE HIGHER RATE)

C20 [IF ANSWERED C16: **In the period covered by the payslip, how many hours a WEEK on average were you paid at a higher rate than your normal rate?**] [IF ANSWERED C14: **How many of the hours shown on your payslip were paid at a higher rate than your normal rate?**]

WRITE IN NUMBER OF HIGHER RATE HOURS (Data programmers: allow decimals)	
(ANSWER MUST BE LESS THAN C14 / C16 ANSWER)	
DON'T KNOW *.....X	

IF C19 = 1 (YES TO EXTRA HOURS AT THE HIGHER RATE)

C21 **What is the higher hourly rate at which you are paid? Please answer in gross terms i.e. before tax, NI and other deductions.**

[IF SAYS VARIES ASK THE HIGHER RATE PAID MOST OFTEN]

(NB RECORD THE TOTAL RATE NOT THE INCREMENT OVER THE STANDARD RATE]

£ _____ per hour (ALLOW DECIMALS)	1
Other (SPECIFY)	2
Don't know	X

IF PAYSALIP AND PAY VARIES DEPENDING ON HOURS WORKED (C1=2 OR X) AND (C3G=1 OR C3H=1)

C22 **In the period covered by the payslip, did you work any extra hours for which you were NOT paid?**

Yes	1	ASK C23
No	2	
Don't know*	3	ASK D1

IF "WORKED EXTRA UNPAID HOURS (C22=1)

C23 **Approximately how many hours was this? <IF ANSWERED C16: Please give the figure per week>.**

ADD IF NECESSARY: **It is fine to give a best estimate.**

WRITE IN NUMBER OF UNPAID HOURS (Data programmers: allow decimals)	
DON'T KNOW *.....X	

## D Non-payslip pay and hours

SectionD_DUM:	
<b>1 (Yes)</b>	IF: <ul style="list-style-type: none"> <li>• <b>“No payslip”</b> (C3f=2 OR 3) or (C3h= 2 OR 3); OR</li> <li>• <b>“Has payslip but don’t know if pay varies each week”</b> (C1=3) [i.e. those with payslip but not asked either C6 or C11]; OR</li> <li>• <b>“Has payslip but don’t know the time period the payslip covers”</b> (C5=X); OR</li> <li>• <b>“Has payslip and get paid same amount each week but DK or REF at”</b>:               <ul style="list-style-type: none"> <li>○ C6; or</li> <li>○ C8; or</li> <li>○ C9; OR</li> </ul> </li> <li>• <b>“Has payslip and pay varies depending on hours worked but DK or REF at”</b>:               <ul style="list-style-type: none"> <li>○ C11; or</li> <li>○ C14; or</li> <li>○ C16; or</li> <li>○ C17; or</li> <li>○ C19; or</li> <li>○ C20; or</li> <li>○ C22; or</li> <li>○ C23.</li> </ul> </li> </ul>
<b>2 (No)</b>	All those not covered in above definition.

ASK IF SECTIOND\_DUM=1

D1 [IF C5=1-5: **Moving away from what is noted on the payslip**] I am now going to ask you about the weekly hours you spend working for <INSERT NAME OF EMPLOYER FROM DUMMY Q1>. Thinking about your last full working week, so not a week where you had paid leave or were on sick leave, how many hours did you spend working - please EXCLUDE unpaid meal breaks [IF EVER DO OVERTIME ADD (C3c=1): and overtime. By overtime we mean any work time paid or unpaid in addition to what you consider to be your normal working hours.]

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 35-40 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN	/ HOURS A WEEK (Data programmers: allow decimals)
DON'T KNOW .....X	

SOFT CHECK IF D1<10 OR D1>50:

**Just to confirm, I've recorded that you worked [D1 INTEGER] hours during your last full working week. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D1.	2	RE-ASK D1

*HARD CHECK: MORE THAN 100 HOURS NOT PERMISSIBLE*

ASK IF SECTIOND\_DUM=1

D2 **We are also interested in the amount of time each week you spend attending college; on courses, workshops or training sessions at your employer's premises or held externally; learning at home; learning from workbooks; with your assessor; or filling in your portfolio.**

**In addition to the <TEXT SUB: NUMBER OF HOURS FROM D1> hours you worked that you just mentioned, how many **ADDITIONAL** hours, if any, in the last full working week did you spend training or on guided learning as part of your <INSERT COURSE NAME> course or training.**

[So if you said you work 35 hours a week and during this time you spend 1 hour filling in your portfolio, please do not include this hour, as you've already accounted for it]

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 3-5 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN ADDITIONAL HOURS A WEEK TRAINING(Data programmers: allow decimals)	
DON'T KNOW.....X	

SOFT CHECK IF D2<5 OR D2>50:

**Just to confirm, I've recorded that during your last full working week you spent [D2 INTEGER] hours on training or guided learning activities and these hours are in addition to your working hours during that week. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D2.	2	RE-ASK D2

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

*HARD CHECK SUM OF C18 AND C19: 0 IS NOT PERMISSIBLE. 100 MORE HOURS NOT PERMISSIBLE*

IF GAVE NUMBER ANSWERS AT D1 AND D2

D3 **Can I just check, in total you spent <SUM OF D1 and D2> working and training in your last full week [IF EVER DO OVERTIME (C3c=1):, excluding any overtime]. Is that correct?**

Yes	1	ASK D4
No	2	RE-ASK D1 AND D2

ASK IF YES AT D3

D4 **Would you say that this is the usual number of hours you spend working and training in a typical week, [IF EVER DO OVERTIME (C3c=1): excluding any overtime]?**

Yes	1	CHECK D7
No	2	ASK D5
Don't know / don't really have a typical week	X	

ASK IF NOT TYPICAL WEEK (D4=2 OR X) OR IF DON'T KNOW AT D1 OR D2

D5 **Excluding unpaid meal breaks [IF EVER DO OVERTIME (C3c=1): and overtime], how many hours in total do you usually spend working for <employer at dummyq1> and on training or on guided learning during a typical full working week.**

**Training or guided learning as part of your <INSERT COURSE NAME> course or training could include attending college, courses, workshops or training sessions at your employer's premises or held externally, learning at home, learning from workbooks, time with your assessor, and time filling in a portfolio.**

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 35-40 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN	/ HOURS A WEEK (ALLOW DECIMALS)
DON'T KNOW / IT VARIES TOO MUCH	ASK D6

SOFT CHECK IF D5<10 OR D5>50:

**Just to confirm, I've recorded that during a typical full working week you spend a total of [D5 INTEGER] hours, which includes any working hours as well as hours on training or guided learning. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D5.	2	RE-ASK D5

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

ASK IF UNABLE TO GIVE A TOTAL NUMBER OF USUAL WORKING/ TRAINING HOURS (D5 = DON'T KNOW / IT VARIES TOO MUCH)

D6 **Thinking about the last month or so, how many hours a WEEK ON AVERAGE have you spent working, training or on guided learning. Please exclude unpaid meal breaks [IF EVER DO OVERTIME (C3c=1): and any overtime].**

WRITE IN	/ HOURS A WEEK (ALLOW DECIMALS)
Don't know	X

IF DON'T KNOW – PROMPT WITH RANGES [ALL RESPONDENTS WHERE AN EXACT ANSWER GIVEN INTERVIEWER TO CODE RANGE AND CHECK CONSISTENT]

Less than 10 hours a week	1	40-45	8
10-14	2	46-50	9
15-20	3	51-59	10
21-25	4	60-69	11
26-29	5	70+ hours a week	12
30-34	6	Don't know	X
35-39	7		

SOFT CHECK: INTERVIEWER TO RECONFIRM HOURS IF LESS THAN 10 OR OVER 50

**Just to confirm, I've recorded that over the last month you spent, on average, [D6 INTEGER] hours PER WEEK working, training or on guided learning. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D6.	2	RE-ASK D6

*HARD CHECK: 0 IS NOT PERMISSIBLE. 100 MORE HOURS NOT PERMISSIBLE*

IF EVER DO OVERTIME (C3 C=1) AND SECTIOND\_DUM=1

D7 **You said earlier that you sometimes do overtime. Thinking about your last full working week, did you spend any hours doing overtime for <INSERT NAME OF EMPLOYER AT DUMMY Q1> i.e. paid or unpaid hours in addition to what you consider to be your normal working hours?**

Yes	1	ASK D8
No	2	ASK D9
Don't know	3	

ASK IF DID OVERTIME (D7=1)

D8 **How many hours did you spend working overtime in your last full working week? [i.e. paid or unpaid hours in addition to what you consider to be your normal working hours]**

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 35-40 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN	/ HOURS A WEEK (ALLOW DECIMALS)
DON'T KNOW ...X	

*SOFT CHECK IF D8<10 OR D8>50:*

**Just to confirm, I've recorded that in your last full working week you worked [D6 INTEGER] hours OVERTIME. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D8.	2	RE-ASK D8

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

IF EVER DO OVERTIME (C3 C=1) AND SECTIOND\_DUM=1

D9 **Would you say this is the usual number of hours you spend working overtime in a typical week with <EMPLOYER NAME FROM DUMMY Q1>?**

Yes	1	ASK D10
No	2	
Don't know	X	

ASK IF NOT TYPICAL WEEK (D9=2 OR X)

D10 **How many hours would you usually spend working overtime during a typical full working week? [i.e. paid or unpaid hours in addition to what you consider to be your normal working hours]**

*IF DON'T KNOW PLEASE ASK RESPONDENT TO PROVIDE BEST ESTIMATE. IF RANGE PROVIDED I.E. 35-40 HOURS, PLEASE PROBE FOR EXACT FIGURE.*

WRITE IN	/ HOURS A WEEK
DON'T KNOW / IT VARIES TO MUCH...X	

*SOFT CHECK IF D10<10 OR D10>50:*

**Just to confirm, I've recorded that during a typical full working week you usually work [D10 INTEGER] hours OVERTIME. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D10.	2	RE-ASK D10

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

*DP: ALLOW FOR DECIMAL HOURS*

ASK IF UNABLE TO GIVE USUAL HOURS WORKING OVERTIME (D10 = X)

D11 **Thinking about the last four weeks, how many hours a WEEK ON AVERAGE did you spend working overtime?**

[SO IF IN THE LAST 4 WEEKS – 8,0,0,0 hours overtime answer would be 2]

WRITE IN	/ HOURS A WEEK
Don't know	X

*SOFT CHECK IF D11<10 OR D11>50:*

**Just to confirm, over the last four weeks on average PER WEEK you worked [D11 INTEGER] hours OVERTIME. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D11.	2	RE-ASK D11

*HARD CHECK: 100 MORE HOURS NOT PERMISSIBLE*

*DP: ALLOW FOR DECIMAL HOURS*

IF DON'T KNOW – PROMPT WITH RANGES [ALL RESPONDENTS WHERE AN EXACT ANSWER GIVEN INTERVIEWER TO CODE RANGE AND CHECK CONSISTENT]

None	1	20-24 hours a week	9
1-2 hours a week of overtime on average	2	25-29 hours a week	10
3-4 hours a week	3	30-34 hours a week	11
5-6 hours a week	4	35-39 hours a week	12
7-8 hours a week	5	40-49 hours a week	13
9-10 hours a week	6	50+ hours a week	14
11-14 hours a week	7	Don't know	X
15-19 hours a week	8		

DUMMY VARIABLE: D1\_TOT\_USUALHRS

PROGRAMMER NOTE: NEED TO CALCULATE TOTAL "USUAL" HOURS GIVEN FOR WORKING/TRAINING AND "USUAL" OVERTIME (IF DO OVERTIME):

ASK IF ASKED D1

D12 **So can I just check, based on your responses, in a typical week, you would usually spend <D1\_TOT\_USUALHRS > hours working and training, including all paid and unpaid overtime? Does that seem accurate?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question D1.	2	RE-ASK FROM D1

## E Pay, bonuses and tips

NON-PAYSLIP RESPONDENTS (IE EXCLUDE IF FULLY ANSWERED C6 TO C11) – OTHERS ASK E10

- E1 **I am going to ask you a few questions about your pay. Ideally we are interested in your gross pay - by which I mean how much you get paid BEFORE any deductions for tax, national insurance or any other deductions. Are you able to answer in terms of your gross pay?**

Yes – can answer gross pay (before deductions)	1
No – can only answer NET pay (take-home pay)	2
Refused	X

ASK ALL ANSWERING ABOUT GROSS PAY (E1=1)

- E2 **Would it be easier to give your gross pay with an...?**

Annual figure	1	ASK E3
Monthly	2	
Four weekly / every four weeks	3	
Fortnightly	4	
Weekly	5	
Daily	6	
Hourly	7	
Refused to answer about pay [INTERVIEWER TRY AND PERSUADE BY SAYING THEY CAN ANSWER IN RANGES NOT WITH A SPECIFIC RESPONSE]	V	

ASK IF CAN ANSWER FOR SPECIFIC PERIOD (E2=1 - 6)

E3 **Excluding any payments for [IF EVER DO OVERTIME (C3c=1): overtime], bonuses, commissions or tips, what is your GROSS pay per <ANSWER FROM E2> - again by gross I mean how much you get paid BEFORE any deductions for tax or national insurance?**

WRITE IN EXACT IF GIVEN AND RANGE (CATI CHECK THE TWO CONSISTENT – IF NOT RE-ASK). IF DON'T KNOW PROMPT WITH RELEVANT RANGES.

	Annual	Monthly	Four weekly	Fortnightly	Weekly	Daily	Hourly
						Allow decimals	Allow decimals
<b>EXACT FIGURE:</b>	£_____	£_____	£_____	£_____	£_____	£_____	£_____
Don't know	X	X	X	X	X	X	X
Refused	V	V	V	V	V	V	V
IF DK / REFUSED PROMPT WITH RANGES:							
	Less than £6,000	Less than £166	Less than £154	Less than £76	Less than £38	Less than £18	Less than £2.68
	£6,000 - £7,999	£166-£333	£155 - £307	£76 - £149	£38-£74	£18-£20	£2.68 - £3
	£8,000 - £9,999	£334-£499	£308 - £449	£150 - £229	£75-£114	£21-£24.99	£3.01-£3.71
	£10,000 - £11,999	£500-£666	£450 - £624	£230 - £299	£115-£153	£25-£29.99	£3.72-£4.50
	£12,000 - £14,999	£667-£832	£625 - £749	£300 - £380	£154-£192	£30-£34.99	£4.51-£5.02
	£15,000 - £17,999	£833-£999	£750 - £924	£381 - £460	£193-£230	£35-£39.99	£5.03 - £6.30
	£18,000 - £20,999	£1,000-£1,249	£925 - £1,149	£461 - £579	£231-£289	£40-£43.99	£6.31 or more
	£21,000 or more	£1,250-£1,499	£1,150 - £1,349	£580 - £699	£290-£346	£44-£49.99	
		£1,500-£1,749	£1,350 - £1,599	£700 - £799	£347-£403	£50 or more	
		£1,750 or more	£1,600 or more	£800 or more	£404 or more		
(DON'T READ OUT) Don't know	X	X	X	X	X	X	X

ALLOW 0

SOFT CHECK IF RESPONDENT ANSWERS 0

ASK IF ANY OVERTIME (AT C3C=1)

E3chk **Can I just check that the figure you gave me excludes any payment you get for working overtime?**

Yes	1	
No	2	RE-ASK E1 and E2 EXCLUDING OVERTIME

ASK IF DON'T KNOW GROSS PAY OR PREFER TO ANSWER IN NET TERMS [E3=X FOR THE RANGE QUESTION OR E1=2]

E4 **Thinking about your take home pay - that is, your pay after all deductions e.g. for income tax and National Insurance. Please DO NOT include any payments for [IF WORK OVERTIME: overtime], bonuses, commissions or tips. Would it be easier to give this as an...?**

Annual figure	1
Monthly	2
Four weekly / every four weeks	3
Fortnightly	4
Weekly	5
Daily	6
Hourly	7
Refused to answer about pay [INTERVIEWER TRY AND PERSUADE BY SAYING THEY CAN ANSWER IN RANGES NOT WITH A SPECIFIC RESPONSE]	V

ASK IF CAN ANSWER FOR SPECIFIC PERIOD (E4=1-6)

E5 So what is your take home pay per <ANSWER FROM E4> - that is, what did you get paid after all deductions e.g. for income tax and National Insurance. (IF C2d or e=1: Please DO NOT include any payments for <C2d=1: overtime>, <C2d=1: bonuses, commissions or tips.>)

WRITE IN EXACT IF GIVEN AND RANGE (CATI CHECK THE TWO CONSISTENT – IF NOT RE-ASK). IF DON'T KNOW PROMPT WITH RELEVANT RANGES.

	Annual	Monthly	Four weekly	Fortnightly	Weekly	Daily	Hourly
						Allow decimals	Allow decimals
<b>EXACT FIGURE:</b>	£ _____	£ _____			£ _____	£ _____	£ _____
Don't know	X	X			X	X	X
Refused	V	V			V	V	V
IF DK / REFUSED PROMPT WITH RANGES:							
	Less than £6,000	Less than £166	Less than £154	Less than £76	Less than £38	Less than £18	Less than £2.68
	£6,000 - £7,999	£166-£333	£155 - £307	£76 - £149	£38-£74	£18-£20	£2.68 - £3
	£8,000 - £9,999	£334-£499	£308 - £449	£150 - £229	£75-£114	£21-£24.99	£3.01-£3.71
	£10,000 - £11,999	£500-£666	£450 - £624	£230 - £299	£115-£153	£25-£29.99	£3.72-£4.50
	£12,000 - £14,999	£667-£832	£625 - £749	£300 - £380	£154-£192	£30-£34.99	£4.51-£5.02
	£15,000 - £17,999	£833-£999	£750 - £924	£381 - £460	£193-£230	£35-£39.99	£5.03 - £6.30
	£18,000 - £20,999	£1,000-£1,249	£925 - £1,149	£461 - £579	£231-£289	£40-£43.99	£6.31 or more
	£21,000 or more	£1,250-£1,499	£1,150 - £1,349	£580 - £699	£290-£346	£44-£49.99	
		£1,500-£1,749	£1,350 - £1,599	£700 - £799	£347-£403	£50 or more	
		£1,750 or more	£1,600 or more	£800 or more	£404 or more		
(DON'T READ OUT) Don't know	X	X	X	X	X	X	X

ASK IF WORK PAID OVERTIME (C3D=1) AND SECTIOND\_DUM=1

E6 **You said earlier that in a typical week you usually do <D8 hours IF D8 ANSWERED AS A NUMBER & D9=1> <D10 hours IF D10 ANSWERED AS A NUMBER & D9 NOT A 1> <OTHERS: some> hours overtime. For how many of the <hours used above> hours would you usually expect to be paid?**

WRITE IN _____ HOURS PER WEEK (RANGE 0 - <FIGURE USED ABOVE)	
Don't know	X

IF DON'T KNOW EXACT NUMBER / IT VARIES – PROMPT WITH RANGES

1-5	1
6-10	2
11-15	3
16-20	4
More than 20	5
Don't know	X

ASK IF WORK PAID OVERTIME (C3D=1) & (E6>0 OR E6RAN=1-5)

E7 **How much do you get paid on average PER HOUR for this paid overtime?**

*INTERVIEWER NOTE: THE FIGURE OF INTEREST IS THE TOTAL PER HOUR FIGURE THEY GET FOR WORKING OVERTIME, NOT THE EXTRA IN ADDITION TO THEIR NORMAL WAGE. SO, IF NORMAL PER HOUR WAGE IS £3.00, AND THE TOTAL FOR OVERTIME IS £4.50 PER HOUR, TYPE IN 4.50 AN NOT 1.50.*

WRITE IN (allow decimals)
Don't know.....X

SOFT CHECK IF E7>£10.00:

**Just to confirm, I've recorded that on average you get paid £[E7 INTEGER] per hour for the hours that you work overtime. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question E7.	2	RE-ASK E7

ASK IF WORK PAID OVERTIME (C3D=1) & (E6>0 OR E6RAN=1-5)

E8 **Is that the hourly figure that you are paid before tax and other deductions; or after tax?**

Before tax	1
After tax	2
Other (SPECIFY)	3

ASK IF WORK OVERTIME (C3C=1)

E9 **Do you ever get given time off or flexi leave in return for working overtime?**

Yes	1
No	2
Don't know	X

ASK ALL

E10 **Can I just check do you know your gross hourly [IF SAY SOME PAY AT HIGHER RATE (C2=2) standard] pay rate i.e. the amount you get paid per hour BEFORE any deductions for tax or national insurance?**

Yes	1
No	2
Don't know / refused	3

ASK IF AWARE OF GROSS HOURLY PAY RATE (E10=1)

E11 **What is your gross hourly pay rate?**

£ (ALLOW DECIMALS)	
Don't know....X	ASK E12

SOFT CHECK IF E11>£10.00:

**Just to confirm, I've recorded that your gross hourly pay rate is £[E11 INTEGER] per hour. Is that correct?**

Yes	1	
No INTERVIEWER NOTE: If 'no' is selected you will be automatically routed back to re-ask question E11.	2	RE-ASK E11

ASK IF UNSURE OF GROSS HOURLY PAY RATE (E11=X)

E12 **Is it....READ OUT APPROPRIATE SECTION BASED ON DUMMY VARIABLE "AGE AND YEAR"?**

IF "AGE AND YEAR" DUMMY VARIABLE 'Aged 16-18' OR 'Aged 19+ and in first year of Apprenticeship' Or 'Age=refused'	IF "AGE AND YEAR" DUMMY VARIABLE '19+ and in second+ year of Apprenticeship' and aged 19 or 20	IF "AGE AND YEAR" DUMMY VARIABLE '19+ and in second+ year of Apprenticeship' and aged 21 OR OVER	
Definitely £2.68 or above	Definitely £5.03 or above	Definitely £6.31 or above	1
Do you think it is £2.68 or above	Do you think it is £5.03 or above	Do you think it is £6.31 or above	2
Do you think it is below £2.68	Do you think it is below £5.03	Do you think it is below £6.31	3
Or is it definitely below £2.68	Or is it definitely below £5.03	Or is it definitely below £6.31	4
(DO NOT READ OUT) Don't know	(DO NOT READ OUT) Don't know	(DO NOT READ OUT) Don't know	5

ASK IF NUMBER PROVIDED AT E11

**PROGRAMMER NOTE: Check question to ensure that the correct figure has been given, if respondent has stated it is below the minimum wage. Full routing below.**

**E12a Can I just check that your gross hourly pay rate is definitely less than...?**

IF "AGE AND YEAR" DUMMY VARIABLE 'Aged 16-18' OR 'Aged 19+ and in first year of Apprenticeship' OR 'Age=refused' AND Number given at E11 = Less than 2.68	IF "AGE AND YEAR" DUMMY VARIABLE '19+ and in second+ year of Apprenticeship' and aged 19 or 20 AND Number given at E11 = Less than 5.03	IF "AGE AND YEAR" DUMMY VARIABLE '19+ and in second+ year of Apprenticeship' and aged 21 OR OVER AND Number given at E11 = Less than 6.31		
<£2.68>	<£5.03>	<£6.31>		
YES	YES	YES	1	
NO	NO	NO	2	REASK E11
(DO NOT READ OUT) Don't know	(DO NOT READ OUT) Don't know	(DO NOT READ OUT) Don't know	3	

IF SOME PAY AT A HIGHER RATE (C2=2) UNLESS ANSWERS C21 WITH AN ACTUAL FIGURE

E13 **You mentioned earlier that some pay you get is at a higher rate than your standard rate. Do you know your gross hourly HIGHER pay rate i.e. the amount you get paid per hour BEFORE any deductions for tax or national insurance?**

Yes	1	ASK E14
No	2	CHECK E15
Don't know / refused	3	

ASK IF AWARE OF GROSS HOURLY HIGHER PAY RATE (E13=1)

E14 **What is the gross hourly higher rate of pay?**

IF SAY MORE THAN ONE HIGHER RATE ASK FOR THE ONE THEY ARE PAID AT MOST FREQUENTLY:

£ (ALLOW DECIMALS)	
Don't know....X	CHECK E15

ASK IF RECEIVE BONUSES, COMMISSION OR TIPS (C3E=1)

E15 **Do you ever receive any tips from customers in your work with <INSERT EMPLOYER>?**

Yes	1	ASK E16
No	2	CHECK E18
Don't know	3	

ASK IF RECEIVED TIPS FROM CUSTOMERS (E15=1)

E16 **In a typical week, what is the average amount you receive in tips per week from customers?**

IF GIVE A RANGE ASK FOR BEST ESTIMATE

<b>EXACT FIGURE:</b>	£_____ per week
Don't know / varies widely	X
Refused	V

IF DK PROMPT WITH RANGES

Less than £5	1
£5 to £9	2
£10 to £19	3
£20 to £29	4
£30 to £39	5
£40 to £49	6
£50 or more	7

ASK IF RECEIVED TIPS FROM CUSTOMERS (E15=1)

- E17 **Can I just check, when you have told us about your pay earlier in the interview, did you include the tips you receive or did you exclude them?**

Included tips	1
Excluded tips	2
(DON'T READ OUT) Don't know	X

ASK IF RECEIVE BONUSES, COMMISSION OR TIPS (C3E=1)

- E18 **Do you ever receive bonuses in your work with <INSERT EMPLOYER>?**

Yes	1	ASK E19
No	2	ASK E23
Don't know	3	

ASK IF RECEIVED BONUSES (E18=1)

- E19 **We are interested in approximately how much do you get paid in bonuses on average. Ideally this would be in gross terms, by which I mean amount BEFORE any deductions for tax or national insurance. Are you able to provide the gross figure, or just the net figure i.e. after tax and other deductions? IF SAY EITHER ASK FOR GROSS FIGURE**

Gross	1
Net	2
Refused to answer about bonuses [INTERVIEWER TRY AND PERSUADE BY SAYING THEY CAN ANSWER IN RANGES NOT WITH A SPECIFIC RESPONSE]	V

ASK IF RECEIVED BONUSES AND CAN ANSWER EITHER GROSS OR NET (E19=1/2)

E20 **Do you want to answer this in terms of an...?**

Annual figure	1
Monthly	2
Four weekly / every four weeks	3
Weekly	4
Daily	5
Hourly	6
Refused to answer about bonuses [INTERVIEWER TRY AND PERSUADE BY SAYING THEY CAN ANSWER IN RANGES NOT WITH A SPECIFIC RESPONSE]	V

ASK IF RECEIVED BONUSES AND CAN ANSWER IN DEFINED TIMESCALE (E20=1-6)

E21 **And do you want to answer in terms of the actual amount or a percentage of your pay?**

Percent	1
Amount in £	2
Refused to answer about bonuses [INTERVIEWER TRY AND PERSUADE BY SAYING THEY CAN ANSWER IN RANGES NOT WITH A SPECIFIC RESPONSE]	V

ASK IF RECEIVED BONUSES AND CAN GIVE AMOUNT IN % OR £ (E21=1/2)

E22 **So what was your bonus per <ANSWER AT E20>?**

CODE EXACT IF GIVEN AND RANGE (CATI CHECK THE TWO CONSISTENT – IF NOT RE-ASK)

	<b>Annual</b>	<b>Monthly</b>	<b>Four Weekly</b>	<b>Weekly</b>	<b>Daily</b>	<b>Hourly</b>
<b>EXACT FIGURE (D16=2):</b>	£ _____	£ _____	£ _____	£ _____	£ _____	£ _____
<b>E16=1 (%) allow decimals</b>	____%	____%	____%	____%	____%	____%
Don't know.....X						
Refused.....V						
<b>IF DK PROMPT WITH RANGES:</b>	Less than £50	Less than £50	Less than £50	Less than £10	Less than £1	Less than 50p
	£50-£99	£50-£99	£50-£99	£10-£24	£1-£2.49	£0.50-£0.99
	£100-£249	£100-£199	£100-£199	£25-£49	£2.50-£4.99	£1-£1.49
	£250-£499	£200-£299	£200-£299	£50-£74	£5-£7.49	£1.50-£2.99
	£500-£749	£300-£399	£300-£399	£75-£99	£7.50-£9.99	£3-3.99
	£750-£999	£400-£499	£400-£499	£100 or more	£10-£14.99	£4-4.99
	£1,000 or more	£500 or more	£500 or more		£15 or more	£5 or more
(DON'T READ OUT) Don't know	X	X	X	X	X	X

ASK ALL

E23 **Does your employer provide you with live-in accommodation?**

*INTERVIEWER NOTE: THIS DOES NOT INCLUDE PAID FOR ACCOMMODATION IN HOTELS ETC. WHILE AWAY ON BUSINESS TRIPS.*

No	1	ASK E24
Yes, accommodation is free	2	
Yes, accommodation is charged for	3	

ASK IF EMPLOYER PROVIDES WITH ACCOMMODATION (E23=2/3)

E24 **How many days a week do you live in the accommodation?**

WRITE IN (RANGE: 1-7)
Don't know

ASK THOSE WHO LIVE IN CHARGED FOR ACCOMMODATION (E23=3)

E25 **We would like to know how much your employer charges you for your accommodation. Would you like to answer this daily, weekly or monthly?**

Daily	1	ASK E26
Weekly	2	
Monthly	3	
Refused to answer about accommodation charges	V	ASK F4

ASK THOSE WHO LIVE IN CHARGED FOR ACCOMMODATION AND CAN GIVE ANSWER DAILY, WEEKLY OR MONTHLY (E25=1-3)

E26 **How much does your employer charge you for accommodation? Please include any costs associated with rent, charges for gas, electricity, furnishings and laundry.**

WRITE IN £ _____	1
Don't know	X

## F Future plans

F1 **THERE IS NO F1**

F2 **THERE IS NO F2**

F3 **THERE IS NO F3**

ASK ALL

F4 **Have you ...READ OUT (SINGLE CODE EACH ROW)?**

	Yes	No	Don't know
a) Heard of the National Minimum Wage	1	2	3
IF YES TO A) b) Are you aware that there is a National Minimum Wage rate for certain Apprentices	1	2	3
IF YES TO B) c) Do you know what the hourly minimum rate for apprentices is	1	2	3

ASK ALL

F5 **At any time during your <COURSE> course has your hourly pay rate increased?**

Yes	1	ASK F6
No	2	ASK G1
Don't know	X	

IF YES (F5=1)

F6 **As far as you were aware was this for any of the following reasons....READ OUT?**

	Yes	No	Don't know
Because you turned 19	1	2	X
Because you turned 21	1	2	X
Because you completed the first year of the course / training	1	2	X

## G Demographics

SAY TO ALL: **Finally, just a few more questions about you. This information will be used to analyse the findings.**

G1 **What is your ethnic group? I will read out the options – please choose the one option that best describes your ethnic group or background** [READ OUT BOLD CATEGORIES – once answered yes read out relevant more detailed options] SINGLE CODE

<b>White</b>	
White English / Welsh / Scottish / Northern Irish / British [PROGRAMMER: IF IN ENGLAND START WITH ENGLISH; IF IN WALES START WITH WELSH; IF IN SCOTLAND START WITH SCOTTISH]	1
White Irish	2
Gypsy or Irish traveller	3
Any other white background	4
<b>Asian / Asian British</b>	
Asian Indian	5
Asian Pakistani	6

Asian Bangladeshi	7
Other Asian	8
<b>Black / Black British</b>	
Black African	9
Black Caribbean	10
Other Black	11
<b>Mixed ethnicity</b>	
White & Black Caribbean	12
White & Black African	13
White & Asian	14
Other Mixed	15
<b>Other ethnic group</b>	
Chinese	16
Arab	17
Any Other Ethnic Group	18
<b>Prefer not to say</b>	19

ASK IF DISABILITY FLAG

G2 **Do you consider yourself to have a disability?**

Yes	1
No	2
Prefer not to say	3
Don't know	4

ASK IF DISABILITY FLAG

G3 **Do you consider yourself to have learning difficulties?**

Yes	1
No	2
Prefer not to say	3
Don't know	4

ASK ALL

G4 **Are you receiving any of the following benefits or credits...READ OUT [CODE ONE PER ROW]**

	Yes	No	Don't know
Income support	1	2	3
Housing Benefit or Council Tax Credit	1	2	3
Working tax credit	1	2	3
Child tax credit	1	2	3
Universal credit	1	2	3
Other benefits or credits (SPECIFY)	1	2	3

Name:	
RECORD DETAILS OF RESPONDENT WHO COMPLETED INTERVIEW	
Job title:	

ASK ALL

G4a **Thank you very much for taking the time to speak to us today. Occasionally it is necessary to call people back to clarify information; may we please call you back if required?**

**REASSURE IF NECESSARY: Your details will only be used by IFF to call you back regarding this particular study.**

Yes	1
No	2

ASK ALL IN SCOTLAND AND ENGLAND

- G5 **If the government and its agencies wish to undertake further work on related issues in the future would it be ok for them or their appointed contractors to contact you on these issues?**

Yes	1
No	2

IF CONSENT TO RECONTACT (G5=1) OR (G4A=2)

- G6 **And could I just check, is [NUMBER] the best number to call you on?**

Yes	1
No - write in number	2

IF WALES

- G7 **The Welsh Government may be conducting similar surveys of apprentices in the near future. Would you like us to request that you are NOT contacted for these surveys?**

Yes – do NOT want to be contacted	1
No – ok to be contacted	2

SAY TO ALL

THANK RESPONDENT AND CLOSE INTERVIEW

Finally I would just like to confirm that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct. Thank you very much for your help today.

# Appendix D: The introductory letter (England version)



Department  
for Business  
Innovation & Skills



Skills Funding  
Agency

Mr Bill Wells  
Deputy Director  
Labour Market Directorate  
1 Victoria Street  
London  
SW1H 0ET

September 2014

Dear «contact»

Ref. «id»

## Apprenticeship Pay Survey 2014

We are about to carry out the 2014 Apprenticeship Pay Survey and very much hope you will be able to take part.

This is an important research project as it provides up to date information on training, hours and pay of those in workplace training schemes. Your contribution will be extremely valuable as the research is used by the Government when setting policy related to pay and improvements to workplace training.

We are working with IFF Research, an independent research organisation, who will be carrying out the research. An interviewer from IFF will call you in the next few weeks to arrange a suitable time for you to take part in a telephone interview. The discussion will last around 10 minutes. The sorts of questions you will be asked are:

- the number of hours you spend working for your employer in a typical week
- the number of *additional* hours you spend learning and training on top of your normal work in a typical week. (This could include attending college, courses, workshops or training sessions at your employer's premises or held externally, learning at home, learning from workbooks, time with your assessor, and time filling in a portfolio.)
- how much you earn (ideally the amount you earn in *gross terms* i.e. before tax, national insurance and other deductions).

It might be worth thinking about these topics in advance of the discussion. It would also be very helpful if you could **have a recent pay slip or your contract to hand** during the interview to help you give accurate answers regarding your hours and pay. These questions are asked to enable us to look at wage levels nationally, measure changes with previous years and monitor whether employers are adhering to the rules on fair pay.

Please be reassured that the research is being conducted in accordance with the Data Protection Act and the Market Research Society Code of Conduct. All your responses will be completely anonymous, and the research company will not pass us any information by which you could be identified without your permission. Your employer will not be informed that you have taken part. The information you provide will be used for research purposes only.

If you have any questions about the interview arrangements or the conduct of the study, please call **Jessica Huntley Hewitt** or **Mark Tweddle** at IFF Research on 0207 250 3035 or email [ApprenticeshipPaySurvey@iffresearch.com](mailto:ApprenticeshipPaySurvey@iffresearch.com) and they will be happy to help. If you would like to talk to someone at BIS about why the survey is being carried out, please call James Boyde on 0207 215 5358 or e-mail [james.boyde@bis.gsi.gov.uk](mailto:james.boyde@bis.gsi.gov.uk). If you don't want to take part in the research please call the freephone number 0800 0147 354 and quote the reference number at the top of this letter. Many thanks in advance for your help.

Bill Wells

Deputy Director, Labour Market Analysis, Department for Business, Innovation and Skills

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