



Apprenticeship Levy Payers

LWBLA BRIEFING

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List of Levy Payers

1. No such list exists in the public domain
2. The FOI published by DfE in August 2016 provides general information on the Apprenticeship Levy by employer size.

Breakdown of levy paying employers by size, projected to 2017-18

Employer size ⁵	Total number of employers ²	Number of employers paying the levy ²	Proportion paying the levy	Levy paid ³
0-49	1,444,300	410	0.0%	£5m
50-249	48,050	8,120	16.9%	£90m
250+	13,030	10,620	81.5%	£2585m
Total	1,505,380	19150	1.3%	£2675m

Source: HMRC modelling⁴

3. An estimated 19,150 employers in the UK are expected to be levy payers in FY 2017/18.
4. There is a strong correlation between levy-payers and the number of employees.
5. 45% of levy-payers – i.e. those with less than 250 employees (8,530) - will contribute only £95m (3.5%) of the apprenticeship levy.
6. Of the remaining 10,620 levy-payers (250+), MC Consultancy understands 10,180 will contribute £1.29bn and 440 will contribute £1.29bn.
7. Of the 440 contributing £1.29bn, they are likely to be very large employers in terms of employees – i.e. in excess of 1,000 – although MC Consultancy understands some of the 440 are not currently involved in the publicly funded provider system.



8. The average amount of levy by size of employer in terms of employees is as follows:

0-49	£12,000
50-249	£11,000
250+	£24,300
10,180 250+	£12,700
440 250+	£2.3m

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Average: £12,000

Average: £11,000

Average: £24,350

Average: 10,180 £12,700
Average 440 £2.9m

9. Assuming no price negotiation but the 10% increase for employers with small amounts of levy:

- the average amount of levy per employer with 0-49 employees (£13,200) would not be sufficient to pay for 1 apprenticeship at Band 11 (£15,000) and above;
- the average amount of levy per employer with 50-249 employees (£12,100) would not be sufficient levy to pay for 1 apprentice at Band 11 (£15,000) and above;
- the average amount of levy per the 10,180 employers with 250+ employees (£13,970) would not be sufficient to pay for 1 apprentice at Band 11 (£15,000) and above, whilst



- the largest 440 levy-paying employers have an average of £2.9m (UK) in their accounts and could take on around 100 apprentices per year at the highest funding band (England) - Band 15 - of £27,000.

Number	Band Upper Limit
1	£1,500
2	£2,000
3	£2,500
4	£3,000
5	£3,500
6	£4,000
7	£5,000
8	£6,000
9	£9,000
10	£12,000
11	£15,000
12	£18,000
13	£21,000
14	£24,000
15	£27,000

Table 1: Funding bands

- A list of the largest 100 employers in the UK by number of employees was published by an organisation called my salary in 2010 and a Wikipedia search gives a list of 4 public limited companies, 3 private limited companies (2012) and the largest 17 public sector organisations (although numbers will be lower given reduction in public sector headcount since 2010).



Company Name	Ran	Lloyds	27	SBS Worldwide	53	Arup	79
NHS	1	Hewlett Packard	28	Shell	54	Thomas Cook	80
HSBC	2	JP Morgan	29	Microsoft	55	Natwest	81
Barclays	3	Morgan Stanley	30	Nokia	56	Citibank/Citigroup	82
Tesco	4	Lloyds TSB	31	Virgin Media	57	Amey	83
RBS	5	Balfour Beatty	32	Thomson Reuters	58	Sony	84
IBM	6	Carillion	33	AstraZeneca	59	Airbus	85
BBC	7	Xerox	34	Santander	60	Diageo	86
BT	8	Fujitsu	35	Morrisons	61	Goldman Sachs	87
Siemens	9	Sainsburys	36	Deutsche Bank	62	Capgemini	88
KPMG	10	Ernst & Young	37	Ericsson	63	EDS	89
Local authority/council	11	HBOS	38	AMEC	64	Bank Of America	90
BAE Systems	12	Aviva	39	Rolls-Royce	65	Zurich	91
Capita	13	Barclays Capital	40	Police	66	Halifax	92
Deloitte	14	British Airways	41	Oracle	67	RAF	93
Boots	15	Mouchel	42	Royal Mail	68	EDF Energy	94
Vodafone	16	BSKYB	43	ITV	69	Civil Service	95
BP	17	BUPA	44	O2	70	National Grid	96
Asda	18	CSC	45	Honeywell	71	RSA	97
Accenture	19	General Electric	46	Logica	72	New Look	98
Network Rail	20	UBS	47	Orange	73	Rolls Royce	99
DHL	21	Hilton	48	Marks And Spencer	74	EON	100
PWC	22	Thales	49	PricewaterhouseCoopers	75		
GSK	23	Specsavers	50	BNP Paribas	76		
Atkins	24	Credit Suisse	51	Corus	77		
Serco	25	Unilever	52	Qinetiq	78		
Axa	26						

2010



Public listed company employers [\[edit \]](#)

Main article: FTSE 100

Statistics are available on an ad hoc basis from public company annual reports.^[1]

Currently Royal Mail, G4S, Tesco and Compass Group are the largest plc employers.

Private company employers [\[edit \]](#)

Main article: List of largest UK private companies

Statistics on staff numbers were compiled in the Sunday Times "Top Track 100" of private companies for 2012.^[2] The three largest private employers in that list are John Lewis Partnership, Swire Group and Alliance Boots.

Public sector employers [\[edit \]](#)

Partial statistics for public bodies are available from the [Office for National Statistics](#).^[1]

Employer	est.	Sector	Employees
NHS (England)	1945	Health	1,400,000
NHS Scotland	1948	Health	160,000
British Army	1660	Military	125,430 ^[2]
Department of Work and Pensions	2001	Welfare	111,000 ^[3]
HM Revenue & Customs	2005	Taxation	76,890 ^[4]
NHS Wales	1946	Healthcare	72,000
Ministry of Justice	2007	Law	68,670
Ministry of Defence	1940	Military	65,000
Metropolitan Police Service	1829	Police	50,000 (approx.)
Royal Air Force	1918	Military	37,200 ^[5]
Network Rail	2002	Transport	34,000
BBC	1927	Media	23,000
Home Office	1782	Security, immigration, etc.	25,850
Scottish Government	1999	Devolved government	17,000
Department for Transport	2002	Transport	17,640
Welsh Government	1999	Devolved government	5,682
Parliament of the United Kingdom	1707	Political representation	1,475

Dates Various

- It might well be the case that a large proportion of the 440 of the very largest employers with employees of 250+ employees not involved in the current provider funded apprenticeship system are public sector organisations.



Levy-payers and non-levy payers by size of employer

12. Funding for apprenticeships in England is limited to what will be raised by the levy.
13. The breakdown of levy-payers by size (UK) is set out below.

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Source: HMRC modelling⁴

14. Using this information it is possible to estimate the number of levy-payers and non-levy payers by employer size.

	0-49 Employees	50-249 Employees	250+ Employees
Levy Payers	410	8,120	10,620 10,180 440
Non-levy Payers	1,443,890	33,930	2,410
Total	1,444,300	48,050	13,030

15. An important observation is that there are estimated to be 2,410 employers with 250+ employees will be non-levy payers (18.5%) and they are probably those just above the 250 threshold.



Assessment

16. Given the above data, it is pretty clear why the chase is on to identify employers with 250+ employees but especially the largest 440 employers by employee size bearing in mind an average levy bill of £2.9m per year.
17. There is an obvious difference, however, between levy-payers and levy-users, and the extent to which the non-use of levy by levy-payers will create underspends which can be diverted to non-levy payers including supply chain employers