



ANNUAL UK DRIVING INSTRUCTOR REVIEW 2018

Introduction and Commentary

At FBTC we've been providing Accountancy Services to UK Driving Instructors for over 20 years and in that time we've witnessed an enormous amount of change within the industry. We saw a need for independent and authoritative analysis and comment on the health of the UK Driver Training sector and a few years ago we launched the FBTC Annual UK Driving Instructor Review.

As the UK's leading provider of Accountancy Services to the UK Driver Training Industry, FBTC is in a unique position to be able to provide such insight. As FBTC client confidentiality is paramount, we gather information for this report by surveying a random sample of Independent and Franchised Instructors from across the UK.

This year's study provides further insight into Driving Instructors' workload, earnings and level of job satisfaction in what is clearly a dynamic and evolving marketplace.

Hourly rates for driving lessons only keep pace with inflation

The national average hourly rate (after deducting the cost of lesson offers and discounts) rose in the year by 2.6% to **£25.29**.

We were a little surprised that lesson prices hadn't increased further as there appears to be a strong Learner demand (as shown by the long term trend line in number of theory and practical tests conducted) and the continued shrinkage in the number of ADIs on the register.

Exceptionally low lesson prices and introductory price offers are evident right across the UK. This marketing approach can set consumer expectations of less than £10 per hour for driving lessons, making it more difficult for Instructors to command a rate which reflects the UK supply and demand curve.

We feel there is clear scope to increase lesson prices particularly at the bottom end of the market given the demand for lessons and availability of instructors.

Over the last 12 months, our report shows that Independent Instructors started to close the gap on the premium charged by Franchised Instructors. We also found that the lesson price premium commanded by female Instructors has eroded.

All in a week's work

The average workload for Driving Instructors has remained static at just over **29 hours of paid tuition per week**, with those operating within a Franchise typically working an additional 2 hours per week compared to their Independent counterparts.

There is relatively little deviation around this 29 hour workload which gives us the impression that once travel time and time spent on administrative duties are taken into

account, most Instructors are working what would be considered to be a “full” working week.

UK driving Instructors are now earning an average gross income of £740.25 per week which represents an increase of £23.60 compared to last year.

17% of Instructors surveyed are achieving a gross weekly income of £1000 or more.

With these “top end” earners in mind, we sincerely hope that the rumours about the exchequer’s investigations into a reduction in the VAT threshold are untrue!

The future’s bright...

The survey shows **extremely high levels of job satisfaction across the board** and a majority of the UK’s Driving Instructors continue to see their earnings increasing over the next 12 months.

We hope that this insight is of interest to the various stakeholders within the UK Driver Training sector and we look forward to further debate on the topics raised.

Andrew Briscoe
General Manager
FBTC Accountancy Services

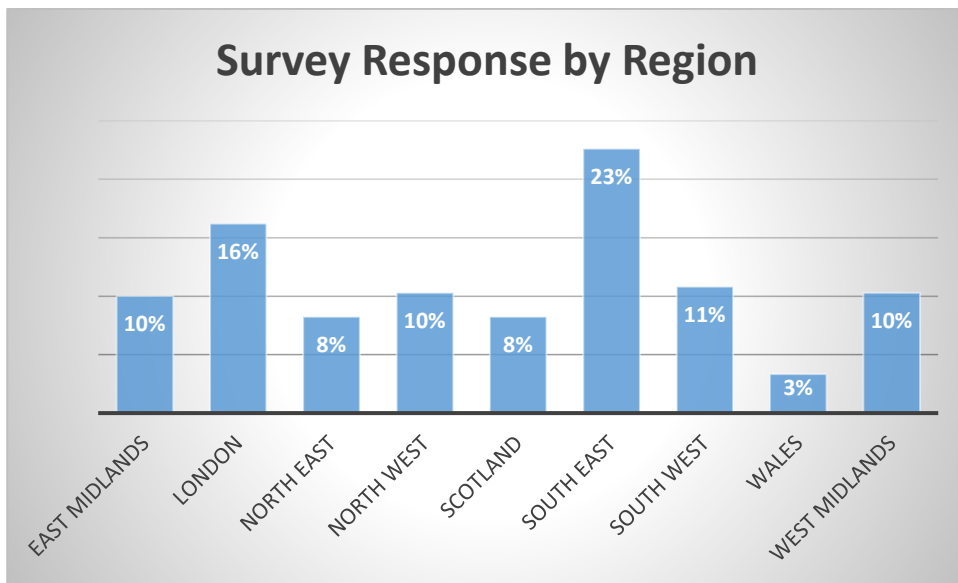
Methodology

In November 2017 a questionnaire was emailed to over 20,000 UK Driving Instructors.

Questionnaire completion was skewed towards: Male, Franchised and southern based Instructors. See below.

Male 79%
Female 21%

Independent 43%
Franchised 57%



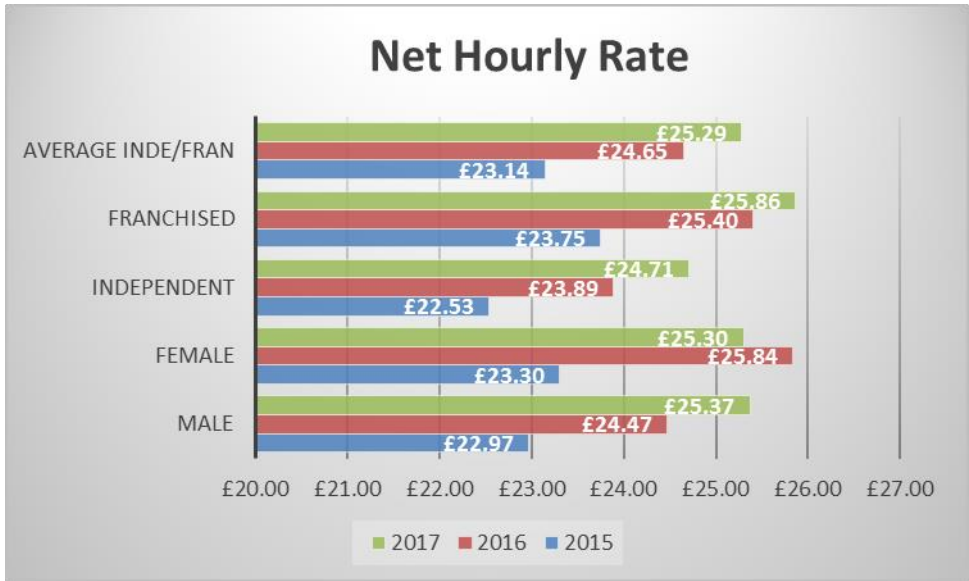
On average, respondents have served in the industry for nine years. The Independent Instructors had served for an average of over 13 years, whilst the Franchised Instructor average tenure within the industry was five and a half years.

Key Findings

Hourly Rate

Instructors were asked to specify their average hourly income-after deducting the cost of any offers or discounts, this gives a net hourly rate.

UK Driving Instructors are attaining an average net hourly rate of £25.29 which represents an increase of 64p per hour and 2.6% more than last year.



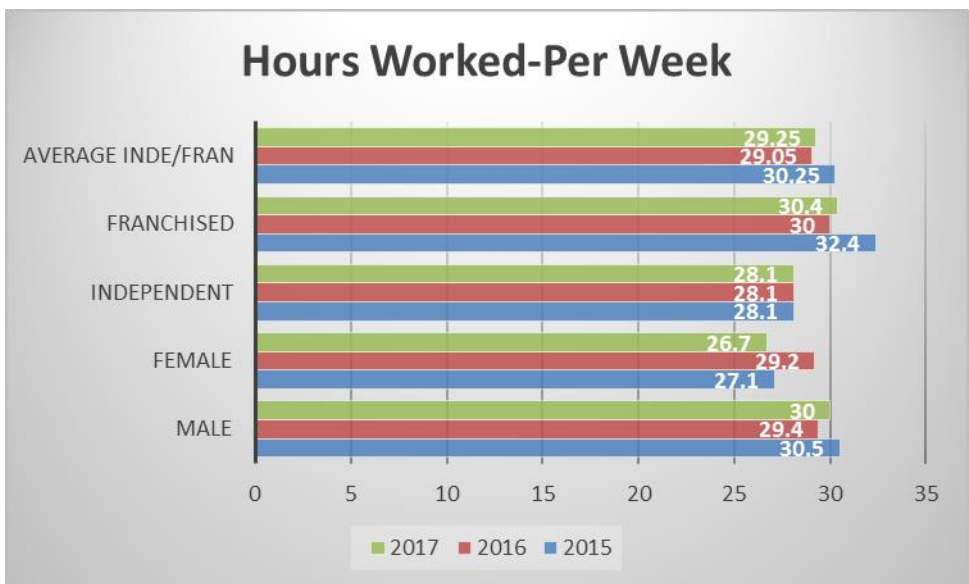
Independent Instructors achieved an average increase of 3.4% and now lag just £1.15 per hour behind Franchised Instructors.

Female Instructors over the course of the year appeared to have lost their premium and now achieve an hourly rate in line with their male counterparts.

20% of all Instructors sampled are earning £28 or more per hour

Hours Worked

UK Driving Instructors on average are working just over 29 hours per week which is in line with last year’s findings. This figure represents “all paid-for driver tuition” and includes, where relevant; fleet, advanced and Instructor training.

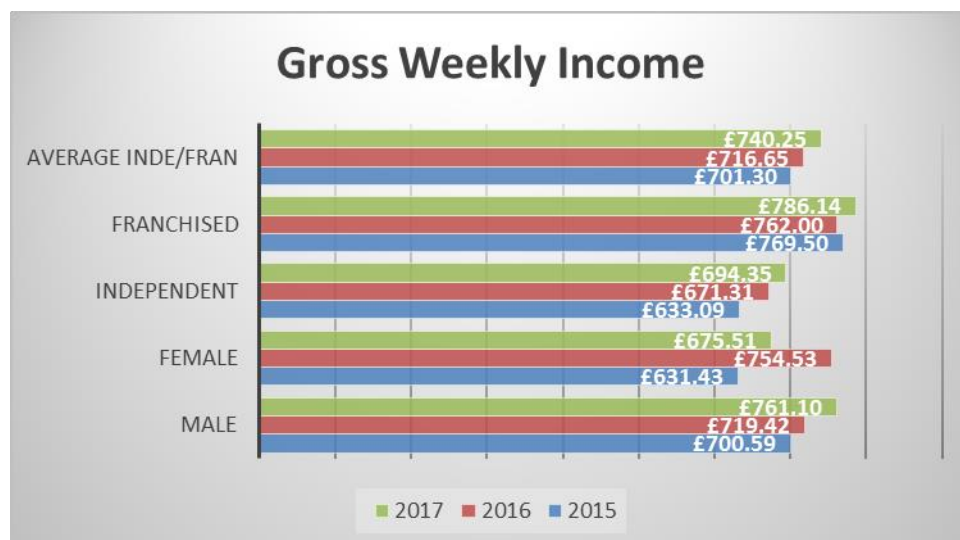


Franchised Instructors work 2 hours more than Independents and male Instructors work 3 hrs per week more than females.

15% of Instructors sampled are working an average of 40 paid driver training hours or more each week.

Gross Weekly Income

UK Driving Instructors are earning an average of £740.25 per week which represents an increase of £23.60 per week and 3.3% more than previous year. This is a gross figure achieved by multiplying hours worked and hourly rate.



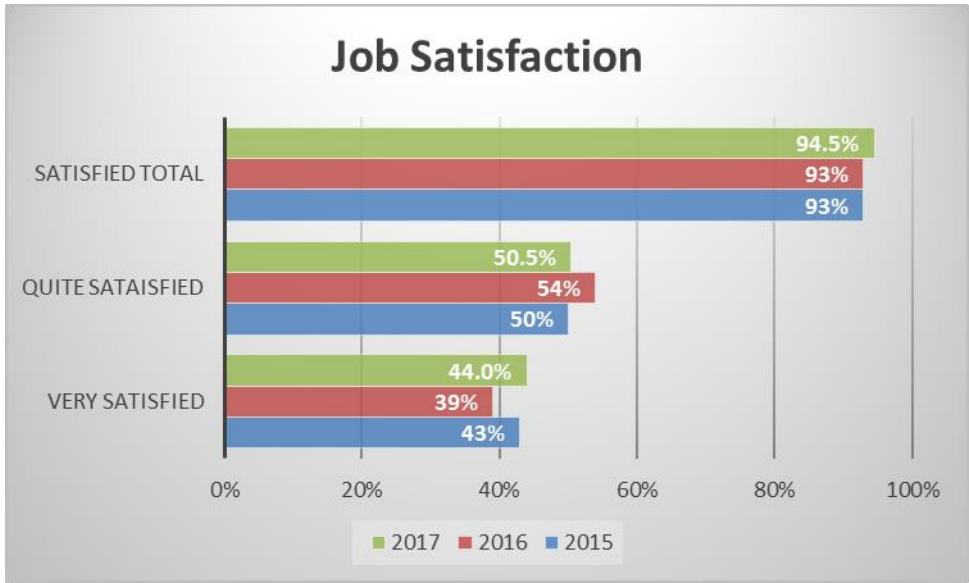
Franchised Instructors earn £91.79 per week more than their Independent counterparts which is consistent with last year.

But Female Instructors have reported a fall in weekly gross income which is driven predominantly by the reduction in hours worked.

17% of Instructors sampled are earning a gross weekly income of £1000 or more per week

Job Satisfaction

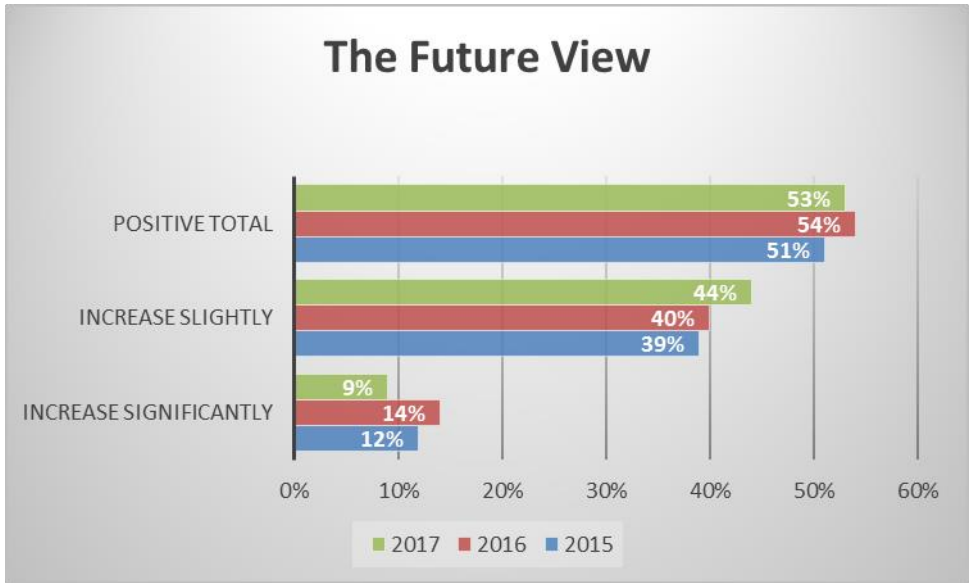
94.5 of Driving Instructors are “satisfied” with their job with 44% reporting a “very high level of job satisfaction”.



This picture shows an improvement on last year’s survey which is driven predominantly by Franchised Instructors, 48% of whom report a “very high level of job satisfaction”.

...What Does the Future Hold?

A majority of Instructors still hold a positive view about their earnings-which they see increasing over the next 12 months.



15% of Franchised Instructors see their earnings “increasing significantly” which compares to just 3% for Independent Instructors.

For further information contact

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About FBTC

Established over 20 years ago, FBTC is a specialist accountancy service for Driving Instructors and the self-employed.

Covering the whole of the UK, FBTC provides service to more than 2,000 clients..

FBTC's service is totally comprehensive service:

- Compilation of annual accounts
- Annual tax returns
- All communications with HM Revenue & Customs
- Self-employment registration
- Access to members only area of FBTC website
- Business Planning advice
- Free online cashbook system available

All for an affordable monthly fee.

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