



Department  
for Business  
Innovation & Skills



Department  
for Education

**CONSULTATION ON  
APPRENTICESHIP TARGETS FOR  
PUBLIC SECTOR BODIES**

JANUARY 2016

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# Apprenticeship targets for public sector bodies

## Introduction

This consultation invites you to comment on the proposed list of public bodies in scope of the Public Bodies Duty and the reporting arrangements for this. The consultation will be of interest to all public sector organisations.

We would welcome all views but particularly from those public bodies we propose are in scope.

Apprenticeship policy is a devolved matter in Scotland, Wales and Northern Ireland. This consultation only applies to England.

Issued: 25 January 2016

Respond by: 4 March 2016

Enquiries to:

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## 1. Foreword from the Secretaries of State

We are committed to reaching 3 million apprenticeship starts in England in 2020 and are taking action to support this commitment. We are working with large and small businesses to begin or expand their programmes, are increasing the number of Degree Apprenticeships and have set new expectations for apprenticeships through public procurement.

Apprenticeships are real jobs that give people the opportunity to train and become fully competent whilst employed in a role. In 2014/15 over 250,000 workplaces in England employed apprentices, from micro businesses to blue chip companies like IBM, BAE Systems and Sky, and in more than 1,500 job roles from accountancy to butchery to civil engineering.

Apprenticeships benefit employers, apprentices and the economy. High quality apprenticeships are essential to support our employers and to help our economy to prosper in the years to come.

We are committed to delivering employer-led apprenticeship reforms, which continue to improve the quality of apprenticeships to provide the skills that employers need. Higher and Degree Apprenticeships are widening access to the professions and providing higher level technical skills employers need to improve productivity and giving young people an equally valid career route as going to university.

However, there is more that can be done. In order to meet the 3 million starts commitment the public sector needs to improve from its current position of delivering comparatively fewer apprenticeships than the private sector. Leveraging apprenticeships through the public sector will play a significant role in helping to deliver apprenticeship growth. This will include more apprenticeships within our Departments and agencies, but also within the NHS and front line services.

Expanding the number of apprenticeships will improve the capacity and capability of the public sector, ensuring that it benefits from the same positive impacts as in the rest of the economy and enable more people to achieve their potential.



**Rt Hon Sajid Javid MP**  
**Secretary of State for Business,**  
**Innovation and Skills**



**Rt Hon Nicky Morgan MP**  
**Secretary of State for**  
**Education**

## 2. Executive summary

1. Delivering three million apprenticeships by 2020 is a key priority for the Government.
2. We set high expectations for large and small businesses in the private sector to employ apprentices. We want to ensure that the public sector is a model employer in this regard, leading by example and employing a significant proportion of apprentices to develop a skilled workforce for the future.
3. Expanding the number of apprenticeships in the public sector will support growth in the programme and gives a clear sign that Government is investing in apprenticeships.
4. The Enterprise Bill contains provision to amend the Apprenticeships, Skills, Children and Learning Act 2009 so that the Secretary of State can set targets for prescribed public bodies in relation to the number of apprentices working for them in England.
5. The clause includes a duty on all public bodies which are set a target to have regard to that target. In order to increase transparency, public bodies will have a duty to publish information annually on progress towards meeting the target and send this information to the Secretary of State. The bodies in scope and the target itself will be set out in regulations.
6. We intend to use the Office for National Statistics (ONS) classification for public sector organisations for National Accounts as a starting point<sup>1</sup>. We propose that the duty applies to public bodies that have 250 or more employees in England to ensure it is practicable for organisations to achieve.
7. The target will be a minimum 2.3% starts each year based on the headcount of employees working for a body in England.
8. The duty applies to England only. Where public bodies operate across the UK, the target will be set as a certain proportion of the workforce in England.
9. An Impact Assessment has not been produced as the measure only affects publically funded bodies and there are no costs to business.
10. This consultation sets out the methodology behind the target and rationale behind it, lists the bodies we propose are in scope and sets out the reporting arrangements. We will consider all responses and use these to inform drafting of the regulations.

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<sup>1</sup> [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html)

### 3. How to respond

11. When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.
12. You can reply to this consultation online at:  
<https://bisgovuk.citizenspace.com/apprenticeships/targets-for-public-sector-bodies>.
13. The consultation response form is available electronically on the consultation page: [www.gov.uk/government/consultations/public-sector-apprenticeship-targets](http://www.gov.uk/government/consultations/public-sector-apprenticeship-targets) (until the consultation closes). The form can be submitted:

By email to: [apprenticeshipslegislation@bis.gsi.gov.uk](mailto:apprenticeshipslegislation@bis.gsi.gov.uk)

By post to:

Apprenticeship Targets for Public Sector Bodies Consultation  
Department for Business, Innovation and Skills  
Bay C, Level 2,  
2 St Paul's Place  
125 Norfolk Street  
Sheffield S1 2FJ

14. You may make printed copies of this document without seeking permission.
15. Other versions of the document in Braille, other languages or audio-cassette are available on request.
16. This consultation will close on **4 March 2016**.

## 4. Confidentiality and data protection

17. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
18. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

## 5. Help with queries

19. Questions about the policy issues raised in the document can be addressed to: [apprenticeshipslegislation@bis.gsi.gov.uk](mailto:apprenticeshipslegislation@bis.gsi.gov.uk).

The consultation principles are in Annex 1.

## 6. The proposals

### Introduction

20. The public sector plays a crucial role in modern civic life, supporting the wellbeing, security and prosperity of the country. It's essential that the public sector is representative of the country and has the skills it needs to deliver, both now and for the future. Government believes that apprenticeships can play a major role in achieving the public sector's ambitious goals.
21. The benefits to the public sector of employing apprentices include, but are not limited to, the following:
- **Building the talent pipeline:** apprenticeships can be used either for new recruitment or to develop internal talent to fill critical skills gaps.
  - **Developing existing staff:** Apprenticeships are of value for anyone changing roles or who wants to learn new skills and advance within an organisation.
  - **Social mobility:** increasing the number of apprenticeships helps identify talent from diverse backgrounds and give them opportunities to progress within their organisation.
22. Employing apprentices makes economic sense. The latest research, published in June 2015, demonstrates the high level of return to investment delivered by apprenticeships, indicating that adult apprenticeships at levels 2 and level 3 deliver £26 and £28 of economic benefits respectively for each pound of Government investment<sup>2</sup>.
23. There are also benefits for individuals. The lifetime benefits for those who complete apprenticeships at Levels 2 and 3 are very significant, standing at between £48,000 and £74,000 for Level 2 and between £77,000 and £117,000 for Level 3 apprenticeships<sup>3</sup>. Higher apprentices could earn £150,000 more on average over their lifetime compared to those with Level 3 vocational qualifications<sup>4</sup>.
24. The public sector accounts for 16.2%<sup>5</sup> of England's workforce (September 2015) but delivers a lower relative proportion of apprenticeships than the private sector. In order to meet Government's 3 million commitment the public sector needs to deliver more apprenticeships. We already set expectations for apprenticeships through Central Government public procurement and we know that some public bodies consider the employment of apprentices a crucial part of their recruitment practices but there is more that can be done across the board.
25. There are a wide range of apprenticeships available, many of which are relevant to the public sector. More and more apprenticeship standards are becoming ready for

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<sup>2</sup> [www.gov.uk/government/publications/further-education-measuring-the-net-present-value-in-england](http://www.gov.uk/government/publications/further-education-measuring-the-net-present-value-in-england)

<sup>3</sup> London Economics (2011) – [BIS Research Paper Number 53, Returns to Intermediate and Low Level Vocational Qualifications, September 2011](#)

<sup>4</sup> AAT and CEBR - [Is a university degree the best route into employment?](#)

<sup>5</sup> [www.ons.gov.uk/ons/rel/pse/public-sector-employment/q3-2015/index.html](http://www.ons.gov.uk/ons/rel/pse/public-sector-employment/q3-2015/index.html)



delivery each month. The Civil Service and wider public sector have been instrumental in the development of a number of these. The new operational delivery apprenticeship standard (level 3), which is ready for delivery, and the commercial procurement standard (level 4) were both developed by public sector groups. As well as leading on specific apprenticeship standards, public sector bodies are also assisting the development of other standards, for example in digital and leadership and management roles.

26. The Civil Service Fast Track Apprenticeship Scheme (CSFTAS) is a development programme, and an alternative to University, for school leavers and non-graduates with a minimum of 5 A\*-C GCSEs. It presents the Civil Service with a vehicle to:

- Attract and assess talent through a comprehensive selection process;
- Develop and retain highly engaged and energetic apprentices through a competitive learning offer and stretching work;
- Ensure new starters embrace the values and ways of working of the Civil Service;
- Enable new starters to their build capability, resilience and confidence to meet and exceed expectations;
- Meet priority core and functional skills gaps e.g. commercial, digital and project management;
- Identify high potential apprentices and support them to progress further in the Civil service e.g. as part of the Fast Stream.

27. CSFTAS is a level 4 apprenticeship programme and is offered in 5 areas:

- Business Administration;
- Commercial;
- Cyber Security;
- Digital and Technology; and
- Finance

To date over 700 apprentices have been recruited in 3 cohorts.

28. An apprenticeship levy will be in place from April 2017 which aims to help fund growth in quantity and quality of apprenticeships. The levy will apply to all employers in the UK including public sector employers. Following the Government consultation<sup>6</sup>, the Chancellor announced in the 2015 Spending Review that the rate of the levy will be set at 0.5% of an employer's pay bill and will be collected via PAYE. Each employer will receive an allowance of £15,000 to offset against their levy payment. Only employers with a pay bill in excess of £3m will have to pay the levy – less than 2% of UK employers.

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<sup>6</sup> [www.gov.uk/government/consultations/apprenticeships-levy-employer-owned-apprenticeships-training](http://www.gov.uk/government/consultations/apprenticeships-levy-employer-owned-apprenticeships-training)

29. Consequently, there are great incentives for public sector organisations to engage with the apprenticeships programme and offer apprenticeships and deliver a robust and dynamic workforce for the future.

### The Enterprise Bill and Public Bodies Duty

30. Expanding the number of apprenticeships in the public sector will support growth in the programme and gives a clear sign that Government is investing in apprenticeships. To achieve this, we propose setting targets for certain public bodies to take on apprentices.
31. The Enterprise Bill contains provision to amend the Apprenticeships, Skills, Children and Learning Act 2009 so that the Secretary of State can set targets for prescribed public bodies in relation to the number of apprentices working for them in England.
32. The clause includes a duty on all prescribed public bodies which are set a target to have regard to that target. In order to increase transparency, public bodies will have a duty to publish information annually on progress towards meeting the target and send this information to the Secretary of State.
33. We recognise that it is essential that apprenticeships provided by the public sector are of a high quality. Government have already taken steps to improve the quality of apprenticeships and putting an end to poor-quality training lies at the heart of our reforms. We are introducing more rigorous testing and grading at the end of the apprenticeship to ensure that apprentices are reaching full occupational competence and from 2018, we will use apprenticeship outcomes data to produce performance tables for 16 to 19 year-olds. This will sit alongside apprenticeship success rates, which are already published by BIS, and will help to inform choice for young people and employers and drive up the quality of provision. Government also intends to establish a new, independent Institute for Apprenticeships (IFA) led by employers, which will support the quality of apprenticeships.
34. The success of the minimum standards and the further provisions to improve quality is beginning to be borne out by apprenticeship evaluation reports. In 2014, they found that 89% of apprentices<sup>7</sup> and 82% of employers<sup>8</sup> were satisfied with the apprenticeship respectively.

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<sup>7</sup> Apprenticeship Evaluation: survey of learners 2014

<sup>8</sup> Apprenticeship Evaluation: survey of employers 2014

## Public bodies within scope

35. The definition of a public body within the clause in the Enterprise Bill has been set as:
- A public authority, or
  - A body or other person that is not a public authority but has functions of a public nature and is funded wholly or partly from public funds.
36. We have used the Office for National Statistics (ONS) National Accounts Sector Classification at [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html) to identify public organisations and institutions.
37. We propose that the duty applies to public sector bodies and organisations that have 250 or more employees in England at the time the list is compiled to ensure it is practicable for organisations to achieve, whilst also ensuring we are covering the vast majority of public sector employees in England. We will still encourage smaller public bodies to deliver apprenticeship growth as part of our wider growth strategy.
38. The clause provides flexibility on how to set apprenticeship targets; this may be to set the targets for individual bodies, parts of bodies, groups of bodies or bodies of a particular description. Where the Secretary of State chooses to set targets for a group of bodies or bodies of a particular description, all bodies within the group or as described will be included even if individually they might not have been included as they have fewer than 250 people working for them in England<sup>9</sup>. This approach will increase the overall headcount and therefore the number of apprentices to be employed by the group as a whole.
39. Where public bodies operate across the UK (or internationally), it is expected that the target will be set as a certain proportion of their England-based workforce, based on the primary work location of each employee. For some bodies, there is already England only headcount/full-time equivalent (FTE) data in the public domain, but for others, we will need bodies to confirm this.
40. We anticipate that the vast majority of a public body's apprentices are directly employed by that body. However, the current clause allows for apprentices to be counted towards the target even if not directly employed by the body. They can simply 'work for the body'.
41. This is to ensure that apprentices employed by Apprenticeship Training Agencies (ATAs) and who work for, but are not directly employed by, the body can count towards the target. In these cases, these individuals must also be counted in the denominator (headcount) to ensure the target (apprenticeship starts divided by headcount) is calculated properly. It does not, however, mean apprentices employed by sub-contractors who supply goods and services to a public body can count

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<sup>9</sup> For example, whilst 2 Fire and Rescue Services (FRS) would currently fall below the 250 employee threshold, Fire and Rescue Services may decide to work as one group and report at a group level, therefore covering all FRS employees in England.

towards the target. Those apprentices will be covered by the public procurement requirement mentioned above.

42. We intend to issue guidance, which public bodies would be legally required to have regard to, to clarify that employment via an ATA is the only way in which apprentices should count towards the target while not being directly employed by the body.
43. Housing Associations have recently been reclassified by the ONS as public bodies rather than private sector organisations and they will apply this change retrospectively back to 2008. We do not intend to include Housing Associations in scope of this duty as it is the Government's intention to take steps to allow them to be reclassified to the private sector.
44. The Governor of the Bank of England and Rothschild has advised that it is in the taxpayer's interest to return the Royal Bank of Scotland (RBS) Group plc to the private sector<sup>10</sup>. For this reason, we also do not intend to include RBS in scope of this duty.
45. UK Asset Resolution (UKAR) – the holding company above NRAM plc and Bradford & Bingley plc – is a wholly-owned financial institution which is run on a commercial basis at arm's length to Government. It is in wind-down, and the assets are either running off or being returned to the private sector. For this reason, we also do not intend to include NRAM plc and Bradford & Bingley in scope of this duty.
46. A list of the public sector organisations in scope are set out below. Some of the organisations in the ONS list may not be included as they are relatively small (fewer than 250 headcount). The ONS classification does not list all bodies by name – some are listed 'en bloc' (for example NHS Trusts (England)). For further reference, a list of Government departments and agencies can be found at: [www.gov.uk/government/organisations](http://www.gov.uk/government/organisations).

### **Bodies in scope**

47. All public bodies with a headcount (individual employees) of 250 or more in England at the start of a reporting year will be considered in scope and will have to report against the target, even if their headcount fell below 250 during the reporting year. The bodies in scope will be reviewed annually, so that, for example, any organisational changes which move a body (or group of or description of bodies) from fewer than 250 to 250 or more or vice versa can be reflected in the regulations.
48. The following sections therefore do not confirm definitively which bodies are in or out of scope, but should be used as a guide to the type of bodies which may be covered by the duty, once headcounts are confirmed.

The following sections are based on public sector organisations being considered individually. If certain types of bodies (e.g. local government authorities, NHS Trusts) are grouped as a whole then this would result in smaller bodies with fewer than 250

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<sup>10</sup> [www.gov.uk/government/publications/letter-to-the-chancellor-regarding-the-decision-on-the-sale-of-government-shares-in-the-royal-bank-of-scotland-group](http://www.gov.uk/government/publications/letter-to-the-chancellor-regarding-the-decision-on-the-sale-of-government-shares-in-the-royal-bank-of-scotland-group)

staff in England being included within that group and thus having the target applied to them as part of that grouping. *The Secretary of State will be considering the groupings and descriptions of bodies following this consultation and will take into account responses to this consultation in forming a decision.*

Names of the bodies potentially in scope are shown in Annex 2.

### **Ministerial Departments**

49. Based on latest headcounts 16 (of 24) Ministerial Departments would be covered by the duty (see Annex 2), as they have 250 or more headcount in England. The exceptions currently are Attorney General's Office, Northern Ireland Office, Office of the Advocate General for Scotland, Office of the Leader of the House of Commons, Office of the Leader of the House of Lords, Scotland Office, UK Export Finance<sup>11</sup>, and Wales Office<sup>12</sup>.

### **Non-Ministerial Departments**

50. 16 (of 22) Non-Ministerial Departments would be covered by the duty (see Annex 2), as they have 250 or more headcount in England at present. The exceptions currently are Government Actuary's Department, National Savings and Investments, Ofqual, UK Supreme Court, The Water Services Regulation Authority (Ofwat) and UK Trade and Investment<sup>13</sup>.

### **Local government in England**

51. Of the 354 local authorities (LA) in England, all but the smallest (around 30 councils) would be covered by the duty based on current headcount<sup>14</sup>.

### **Police forces in England**

52. All police forces in England would be covered by the duty as they all have 250 or more Full Time Equivalents (and therefore by definition, 250 or more headcount<sup>15</sup>).

### **Fire and Rescue Services in England**

53. Fire and Rescue Services in England with 250 or more headcount would be included, which would mean at present all but the very smallest (Isles of Scilly and Isle of Wight) would be covered by the duty<sup>16</sup> (see Annex 2).

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<sup>11</sup> The published headcount for UK Export Finance is 250 (UK-wide) so this department is around the threshold.

<sup>12</sup> ONS - Civil Service Statistics [www.ons.gov.uk/ons/rel/pse/civil-service-statistics/index.html](http://www.ons.gov.uk/ons/rel/pse/civil-service-statistics/index.html) - Table 12

<sup>13</sup> ONS - Civil Service Statistics [www.ons.gov.uk/ons/rel/pse/civil-service-statistics/index.html](http://www.ons.gov.uk/ons/rel/pse/civil-service-statistics/index.html) - Table 12 and/or Cabinet Office Public Bodies 2014 [www.gov.uk/government/publications/public-bodies-2014](http://www.gov.uk/government/publications/public-bodies-2014)

<sup>14</sup> Local Government Association - ONS Quarterly Public Sector Employment Survey data

[www.local.gov.uk/research-pay-and-workforce/-/journal\\_content/56/10180/2991184/ARTICLE](http://www.local.gov.uk/research-pay-and-workforce/-/journal_content/56/10180/2991184/ARTICLE)

<sup>15</sup> Home Office - Police workforce England and Wales statistics [www.gov.uk/government/collections/police-workforce-england-and-wales](http://www.gov.uk/government/collections/police-workforce-england-and-wales)

<sup>16</sup> DCLG - Fire and rescue authorities operational statistics - [www.gov.uk/government/collections/fire-and-rescue-authorities-operational-statistics](http://www.gov.uk/government/collections/fire-and-rescue-authorities-operational-statistics)

## NHS in England<sup>17</sup>

54. All NHS Trusts would be included as they are all large employers. GPs and Dental Practices are not in scope as they are classed as private sector and are less than 250 headcount.
55. There are a small number of other healthcare providers which are less than 250 headcount and would be exempt, for example Spiral Health CIC.
56. Only a small number of the Clinical Commissioning Groups (CCGs) would be covered by the duty, for example NHS Dorset CCG.
57. The majority of other NHS bodies have 250 or more headcount (e.g. NHS Blood and Transplant) and would therefore be covered by the duty – exceptions would be NHS Litigation Authority and Health Research Authority, which both have less than 250 headcount.

## Armed Forces

58. The armed forces (British Army, Royal Marines, Royal Navy and Royal Air Force) would all be covered by the duty<sup>18</sup>.

## Government Agencies

59. All Agencies and Non-Departmental Public Bodies (NDPBs) with 250 or more headcount in England would be covered by the duty. A list of potential bodies is included in Annex 2, although this is based on 2014 data and employees for each body as a whole. Therefore bodies primarily located outside of England may be exempt if they have England-only headcounts less than 250.

## Schools

60. Schools which are maintained by a LA and where the LA is also the employer are expected to be included in their own local government target.
61. Other schools such as free schools, foundation schools, voluntary-aided, and academies/trusts with 250 or more headcount will be covered by the duty<sup>19</sup>. This will exempt many schools (due to small headcounts) but some larger schools or multi-academy trusts such as the examples in Annex 2 will be covered by the duty<sup>20</sup>.

## Other Public Sector bodies and Public Corporations

62. Other large bodies and public corporations are within scope for the duty. This includes bodies such as Network Rail Ltd, the BBC, London Underground Ltd, Sellafield Ltd, Post Office Ltd, Awe Management Ltd, City of London, Bank of

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<sup>17</sup> HSCIC - NHS Workforce statistics - [www.hscic.gov.uk/searchcatalogue?productid=18858&returnid=1907](http://www.hscic.gov.uk/searchcatalogue?productid=18858&returnid=1907)

<sup>18</sup> MoD - Location of UK regular service and civilian personnel quarterly statistics, Table 2.1b in [www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-quarterly-statistics-2015](http://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-quarterly-statistics-2015)

<sup>19</sup> DfE – School Workforce in England - [www.gov.uk/government/collections/statistics-school-workforce](http://www.gov.uk/government/collections/statistics-school-workforce)

<sup>20</sup> Due to the latest schools workforce data being as at November 2014, the schools in Annex 2 are indicative only and do not take into account recent changes in school structures (new academies/trusts).

England, Financial Ombudsman Service Ltd, the Financial Conduct Authority, Magnox Ltd, and Tube Lines Ltd. There is no published headcount data for public corporations and other bodies, so Annex 2 lists all bodies until headcounts can be ascertained.

**Question 1: Do you agree that the organisations listed at Annex 2 and public corporations (at least with headcount of 250 or more in England) should be in scope and if not, why?**

**Question 2: Should any organisations listed at Annex 2 (plus public corporations with 250 or more headcount in England) be omitted and if so, which and why?**

**Question 3: Should any organisations that are not listed at Annex 2 be included and if so, which and why? The full list of organisations under consideration can be found at [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html).**

**Question 4: Should certain bodies be grouped together for the purposes of the target and if so, which are these and why?**

**Question 5: Do you have any other comments on the list of organisations?**

63. Following this consultation, we will set out the final list of public bodies in scope of the duty in regulations. There will be no further public consultations so if bodies have objections to the approach, they should make these known as part of this consultation.

## The target

64. The key elements of our proposed approach to setting the target is that the target:

- Should be based on the principle of the public sector improving from its current position of delivering relatively fewer apprenticeships than the private sector (when taking into account the workforces in each);
- Should be annual, rather than a single target to be achieved by the end of 2020, so that the Government can review progress, and support bodies as necessary to achieve growth;
- Should be based on apprenticeship starts each year, rather than the number of apprentices working for a body on a given day; and presented as a proportion of headcount at the start of the year in question;
- Should be the same target percent for all the prescribed public sector bodies.

65. As a starting point for determining an appropriate target for public sector organisations, we have taken the current proportion of public sector workers in the total workforce in England (16.2%).
- We would therefore expect the public sector to deliver 16.2% of 3 million apprenticeship starts, which is around 486,000 apprenticeship starts.
  - These starts will be delivered by a public sector workforce, currently 4.264m in England<sup>21</sup>.
  - Therefore, in order to deliver 486,000 apprenticeship starts by 2020 the public sector will need to achieve approximately 97,000 apprenticeship starts annually, which is equivalent to 2.3% of the total public sector workforce.
66. We recognise the reducing headcount pressures on bodies and, therefore by having a target percent, this means that the number of apprentices required will reduce with any headcount reductions<sup>22</sup>. Bodies will be asked to provide headcounts (both at the start and end of each reporting year) when reporting against the duty.
67. While the 3 million commitment started in May 2015, the public sector target will only apply once the new legislation comes into force. Bodies likely to be covered by the duty may wish to start monitoring starts to understand their baseline position and put steps in place to make progress on apprenticeships starts.
68. Although the target would not come into effect until 2016, for illustrative purposes, based on the latest headcount data, we could expect the following number of apprenticeship starts to be delivered per year if all prescribed public bodies achieved their target. We would still anticipate that public sector organisations not in-scope for the duty to be taking on apprentices, but we do not judge that it is appropriate to place a target on these smaller organisations. We also do not judge that it is appropriate for in-scope public sector organisations to make up the shortfall and deliver more than their fair share.

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<sup>21</sup> [www.ons.gov.uk/ons/rel/pse/public-sector-employment/q3-2015/index.html](http://www.ons.gov.uk/ons/rel/pse/public-sector-employment/q3-2015/index.html). Table 6 in the excel workbook.

<sup>22</sup> For example, a body with 1000 headcount at the start of the year would require  $1000 \times 2.3\% = 23$  apprenticeship starts in the first year of the duty. If at the end of that year, their headcount has reduced to 900, then they would only require around  $900 \times 2.3\% = 21$  apprenticeship starts the following year. If they reduced to 600 in 2020, then they would only require 14 apprenticeship starts in the final year.



**Table 1: Headcounts and potential apprenticeship starts figures**

	Total Headcount	Total Headcount within organisations with 250 or more employees	Potential apprenticeship starts per year (2.3% target) in prescribed bodies only
<b>Ministerial Departments</b>	170,000	170,000	4,000
<b>Non-Ministerial Depts</b>	80,000	80,000	2,000
<b>Executive Agencies &amp; NDPBs<sup>23</sup></b>	210,000	190,000	4,000
<b>Armed Forces</b>	130,000	130,000	3,000
<b>Local Government</b>	1,530,000	1,520,000	35,000
<b>Police Forces<sup>24</sup></b>	200,000	200,000	5,000
<b>Fire and Rescue Services<sup>25</sup></b>	40,000	40,000	1,000
<b>NHS</b>	1,220,000	1,210,000	28,000
<b>Schools<sup>26</sup></b>	600,000	110,000	3,000
<b>Public Corporations<sup>27</sup></b>	180,000	170,000	4,000
<b>Public Sector</b>	4,260,000 <sup>28</sup>	3,800,000	87,000

69. We have used headcount as the basis of the target as we have access to headcount data sets on a more consistent basis across the public sector. However, a further option could be to use Full Time Equivalent (FTE) numbers although this would reduce the number of apprentices that would be delivered by the 2.3% target.

**Question 6: Do you agree that headcount is the correct basis for the target and if not, why?**

70. Apprenticeships are real jobs with training. As with all other jobs, employers make the final decision about who they hire for any apprenticeship they have advertised. As the apprenticeships are employment we are not able to ring-fence apprenticeships for particular groups as to do so would mean requiring employers to hire particular people for their vacancies. For this reason we will not specify that a proportion of the public sector target will be for certain groups. We believe there are other ways of providing support to ensure that people from a diverse range of backgrounds are in the best possible place to apply for and secure an apprenticeship.

<sup>23</sup> Based on FTE data.

<sup>24</sup> Estimated police workforce from Table 3 in Police Workforce Statistics, 31 March 2015 as there is no published figure for England only.

<sup>25</sup> Based on FTE data.

<sup>26</sup> Only includes schools where the LA is not the employer

<sup>27</sup> Figure includes RBOS group plc, although RBOS is not considered in scope. Number within large organisations is estimated.

<sup>28</sup> Based on published ONS statistics for public sector employment at [www.ons.gov.uk/ons/rel/pse/public-sector-employment/index.html](http://www.ons.gov.uk/ons/rel/pse/public-sector-employment/index.html). Due to coverage and timing of the different types of bodies, this does not equate to the sum of the different types of bodies in the table.

71. The National Apprenticeship Service within the Skills Funding Agency has appointed Account Managers to support Civil Service Departments and their related public bodies. They will support on developing and implementing action plans to fulfil the duty to employ apprentices and will bring together all related information to do this. Best practice across departments will be highlighted and shared as part of this process.

### What this means for public bodies / reporting arrangements

72. To ensure public bodies are having regard to the target and in order to increase transparency there will be a duty for public bodies to publish information on progress towards meeting the apprenticeships targets annually. Public Bodies will also be required to publish and send additional supporting information to the Secretary of State to understand more about the recruitment and retention of apprentices. The required information in relation to workforce is:

- The number of employees whose employment by the body began in the reporting period in question (figure A);
- The number of apprentices who began to work for the body in that period and whose apprenticeship agreements also began in that period (figure B);
- Figure B expressed as a percentage of figure A;
- The number of employees that the body has at the end of that period (figure C);
- The number of apprentices who work for the body at the end of that period (figure D);
- Figure D expressed as percentage of figure C. (This will indicate whether the target is being met);
- If that reporting period is the first reporting period in the target period, the number of apprentices who worked for the body immediately before that period.

73. Bodies will also be required to send other information to the Secretary of State which we do not propose be published. We propose that this information would include:

- Information about action that the body has taken to meet an apprenticeship target set for it;
- If the public body has failed to meet an apprenticeship target set for it, an explanation of why the target has not been met;
- Information about action that the body proposes to take to meet an apprenticeship target set for the body for a future target period;
- If the body considers that a future target is not likely to be met, an explanation of why that is so.

74. The information will be used to determine whether or not further support is needed for public bodies to ensure that they are maximising apprenticeship growth and, where they are failing to meet the target, taking steps to redress this.

**Question 7: Do you think there is any further information that should be provided. If yes, what should this information be?**

### Reporting period

75. The reporting period is a body's own financial year. A body's reporting periods in the target period are:

- So much of the first financial year of the body to end in the target period as falls within that period;
- Each subsequent financial year of the body which falls wholly within the target period; and
- If the target period ends during a financial year of the body, so much of that financial year as falls within that period.

### Target period

76. The target period is the period within which the target is to be achieved and will be set out in regulations.

77. It is proposed that the target period will be the same for all bodies in order for apprenticeship information to be collated and compared. We have looked at two options for the target period; the financial year (1 April to 31 March) and the academic year (1 August to 31 July). As it aligns more closely with the way in which most public bodies do their budget and headcount planning, we propose that the target period is the financial year set out above.

78. As the regulations need debating following passage of the Bill, it is unlikely that the duty will come into force before September 2016, therefore proposed target periods for the duty are as follows:

- Date duty comes into force until 31 March 2017;
- 1 April 2017 to 31 March 2018;
- 1 April 2018 to 31 March 2019;
- 1 April 2019 to 31 March 2020.

79. Where the reporting period for the body and the target period are different, the body may want to put systems in place to record apprenticeship information to meet the requirements of the duty. We will confirm the target period and reporting arrangements in the regulations. If a target period is for less than 12 months, then the

number of apprentices required to meet the target will be pro-rated for the period<sup>29</sup> because the target will remain the same at 2.3%.

**Question 8: Do you agree that the target periods set out above at paragraph 78 are correct. If not, please state why?**

**Question 9: Do you have any other comments about the contents of this consultation document?**

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<sup>29</sup> For example, if a body has a headcount of 1000, then the annual target would be  $1000 \times 2.3\% = 23$  apprenticeship starts. If the target period is 6 months, then 12 apprenticeship starts would be required to show the target has been met.

## 7. Consultation questions

**Question 1: Do you agree that the organisations listed at Annex 2 and public corporations (at least with headcount of 250 or more in England) should be in scope and if not, why?**

**Question 2: Should any organisations listed at Annex 2 (plus public corporations with 250 or more headcount in England) be omitted and if so, which and why?**

**Question 3: Should any organisations that are not listed at Annex 2 be included and if so, which and why?**

(The full list of organisations under consideration can be found at [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html) or Annex 2).

**Question 4: Should certain bodies be grouped together for the purposes of the target and if so, which are these and why?**

**Question 5: Do you have any other comments on the list of organisations?**

**Question 6: Do you agree that headcount is the correct basis for the target and if not, why?**

**Question 7: Do you think there is any further information that should be provided. If yes, what should this information be?**

**Question 8: Do you agree that the target periods set out at paragraph 78 are correct. If not, please state why?**

**Question 9: Do you have any other comments about the contents of this consultation document?**

**Do you have any other comments that might aid the consultation process as a whole?**

## 8. What happens next?

80. The responses made to this consultation will be used to inform drafting of the regulations which will be debated in Parliament following the passage of the Enterprise Bill.
81. We understand the need to give clarity to public bodies. We will publish the Government response to the consultation as soon as possible and within 3 months of the consultation closing. The response will be published and posted to the BIS website.

## Annex 1: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

[www.gov.uk/government/publications/consultation-principles-guidance](http://www.gov.uk/government/publications/consultation-principles-guidance)

### Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Angela Rabess  
BIS Consultation Co-ordinator  
1 Victoria Street  
London  
SW1H 0ET

Tel: 020 7215 1661

Email: [angela.rabess@bis.gsi.gov.uk](mailto:angela.rabess@bis.gsi.gov.uk)

## **Annex 2: List of public bodies potentially in scope**

A spreadsheet listing the organisations is available from the following page:  
[www.gov.uk/government/consultations/public-sector-apprenticeship-targets](http://www.gov.uk/government/consultations/public-sector-apprenticeship-targets).



## Annex 3: Response form

The consultation is available at: [www.gov.uk/government/consultations/public-sector-apprenticeship-targets](http://www.gov.uk/government/consultations/public-sector-apprenticeship-targets).

The closing date for responses is 4 March 2016

Please return completed forms to:

Apprenticeship Targets for Public Sector Bodies Consultation  
Department for Business, Innovation and Skills  
Bay C, Level 2,  
2 St Paul's Place  
125 Norfolk Street  
Sheffield S1 2FJ

Email: [apprenticeshipslegislation@bis.gsi.gov.uk](mailto:apprenticeshipslegislation@bis.gsi.gov.uk)

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (see page 7 for further information).

If you want information, including personal data, that you provide to be treated as confidential, please explain to us below why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we shall take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

I want my response to be treated as confidential

If so, please state why:

## Questions

What is your name?

What is your e-mail address?

What is your job title?

When responding please state whether you are responding as an individual or representing the views of an organisation:

I am responding as an individual

I am responding on behalf of an organisation

If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

What is the name of your organisation?

Please check the box that best describes you as a respondent:

	<b>Respondent type</b>
<input type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)
<input type="checkbox"/>	Small business (10 to 49 staff)
<input type="checkbox"/>	Trade union or staff association
<input type="checkbox"/>	Other (please describe)

**Question 1 (paragraph 62)**

Do you agree that the organisations listed at Annex 2 and public corporations (at least with headcount of 250 or more in England) should be in scope?

Yes                       No                       Not sure

If No, which organisations are these (please list) and state why:

**Question 2 (paragraph 62)**

Should any organisations listed at Annex 2 (plus public corporations with 250 or more headcount in England) be omitted?

Yes                       No                       Not sure

If Yes, which organisations are these (please list) and state why:

**Question 3 (paragraph 62)**

Should any organisations that are not listed in Annex 2 be included? The full list of organisations under consideration can be found at [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html) (or Annex 2).

Yes                       No                       Not sure

If Yes, which organisations are these (please list):

**Question 4 (paragraph 62)**

Should certain bodies be grouped together for the purposes of the target?

Yes

No

Not sure

If Yes, which are these (please list) and state why:

**Question 5 (Paragraph 62)**

Do you have any other comments on the list of organisations?

**Question 6 (Paragraph 69)**

Do you agree that headcount is the correct basis for the target?

Yes

No

Not sure

If No, please give reasons why not:

**Question 7 (Paragraph 74)**

Do you think there is any further information that should be provided?

Yes

No

Not sure

If Yes, what should this information be?

**Question 8 (Paragraph 79)**

Do you agree that the target periods set out at paragraph 78 are correct?

Yes                       No                       Not sure

If No, please give reasons why not:

**Question 9 (Paragraph 79)**

Do you have any other comments about the contents of this consultation document?

Yes                       No                       Not sure

If Yes, please state what:

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply



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