

# Draft Apprenticeships Bill July 2008





## Department for Children, Schools and Families

# Department for Innovation, Universities & Skills

# Draft Apprenticeships Bill

Presented to Parliament by the Secretary of State for Children, Schools and Families and the Secretary of State for Innovation, Universities & Skills by Command of Her Majesty

July 2008

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# **Foreword**

In January 2008, we published 'World Class Apprenticeships', which set out our plans for an ambitious expansion and strengthening of the Apprenticeship Programme.

Apprenticeships have existed for hundreds of years, but over the last decade have seen a resurgence after a period of neglect. Now an apprenticeship offers young people the brightest prospects, and employers a high quality, loyal workforce.

The number of apprenticeship starts has risen from 65,000 in 1996/97 to 180,000 in 2006/07. This has been accompanied by a dramatic improvement in the numbers of people completing apprenticeships, from 40,000 in 2001/02 to 112,000 in 2006/07. Now, for the first time ever, the government plans to give all suitably qualified young people the right to an apprenticeship place. To meet their demand we have set a new ambition that over the next ten years the number of apprenticeships will grow so that 1 in 5 young people start an apprenticeship, with a similarly ambitious increase in the number of adult apprenticeships.

In the coming years we want apprenticeships to be seen alongside university as a great option for young people who want the best jobs, the best careers and the best chance to get on in life. Apprenticeships are key to our strategy to raise the age of participation in education or training for all young people to 17 from 2013 and to 18 from 2015, with high quality vocational training clearly recognised as a mainstream route for young people. Businesses and employers benefit from apprenticeships too, because they need committed young people with good skills. Apprenticeships will help build a workforce fit for the future, and in turn we will all benefit, because this country needs better and more relevant skills to compete in the global economy. Apprenticeships are both a significant benefit to the economy, and a valuable qualification for the individual who trains in this way.

The Queen's speech on 6 November 2007 confirmed that the Government would bring forward apprenticeship legislation; in World Class Apprenticeships we set out what legislation our strategy implies; and this draft Apprenticeships Bill now sets out the proposals for consultation. Following pre-legislative scrutiny and consultation we will take these provisions forward in the Bill about education and skills to be introduced in the next Parliamentary session.

The Bill will, for the first time, place duties on the Learning and Skills Council to secure sufficient and appropriate Apprenticeship places to fulfil the entitlement for each suitably qualified young person who wants one.

It will establish a statutory basis for the Apprenticeships programme, to set out the relationship between different parts of the Apprenticeship system and to ensure employers and apprentices can be confident that an Apprenticeship offers a high quality route to acquiring skills. In doing so, we will ensure that the system is sufficiently flexible not to place additional burdens on employers other than a requirement to enter into an apprenticeship agreement.

The Bill describes the functions of the new National Apprenticeship Service, which will provide new, focused leadership for the Apprenticeship Programme. One particularly important role of the new service will be to expand the reach of the programme into sectors, regions and groups where apprenticeship take up is presently low.

The draft Bill also includes a provision to ensure that young people in schools are fully informed about high quality vocational training opportunities. However, we are also examining whether it is possible to achieve this without changes to primary legislation through other mechanisms such as statutory guidance.

The public consultation on this draft legislation runs until 8 October. We hope that all those with an interest in seeing this country rise to the skills challenge will take the opportunity to respond. In addition, both the Children, Schools and Families and the Innovation, Universities, Science and Skills Select Committees will scrutinise the Draft Apprenticeships Bill.

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Secretary of State for Children, Schools and Families

John Denham

Secretary of State for Innovation, Universities and Skills

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### BILL

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Make provision about apprenticeship certificates; to make provision about the law applying to agreements entered into in relation to apprenticeship certificates; to make provision with respect to functions of the Learning and Skills Council for England and the Secretary of State in relation to apprenticeships; and for connected purposes.

**B** E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

#### Apprenticeship certificates

#### 1 Duty to issue apprenticeship certificates

- The certifying authority must issue a certificate relating to an apprenticeship framework to a person who applies to the authority in the prescribed manner if—
  - (a) it appears to the authority that each of the apprenticeship completion conditions is satisfied, and
  - (b) the person
    - (i) provides the authority with such information and evidence as the authority requires the person to provide, and
    - (ii) pays the applicable fee (see section 5).
- (2) The apprenticeship completion conditions are—
  - (a) that the person has entered into an apprenticeship agreement in connection with the apprenticeship framework;
  - (b) that at the date of that agreement the framework was a recognised apprenticeship framework;
  - (c) that the person has completed a course of training for the principal qualification identified in the framework which took place during a period when the person was working under that agreement;

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Apprenticeships Bill that at the date of the application the person met the requirements (d) specified in the framework for the purpose of the issue of an apprenticeship certificate. In subsection (2)(c) the reference to the apprenticeship agreement mentioned in subsection 5 (2)(a) includes a reference to any apprenticeship agreement which the person subsequently entered into in connection with the same apprenticeship framework; the reference to a course of training for the principal qualification is to be read, in a case where the person has followed two or more courses 10 of training for the principal qualification, as a reference to both or all of 2 Power to issue apprenticeship certificates The certifying authority may issue a certificate relating to an apprenticeship framework to a person who applies to the authority in the prescribed manner 15 it appears to the authority that at the date of the application the person (a) met the requirements specified in the framework for the purpose of the issue of an apprenticeship certificate, the framework is, or has been, a recognised apprenticeship framework, 20 and (c) the person – provides the authority with such information and evidence as the authority requires the person to provide, and pays the applicable fee (see section 5). 25 3 Contents of apprenticeship certificate An apprenticeship certificate must state – the name of the person to whom it is issued ("the qualifying person"), (b) the apprenticeship framework to which it relates, the level of that framework, and 30 (c) the apprenticeship sector to which that framework relates. (d) A certificate issued under section 1 must also state the name of the employer in relation to the apprenticeship agreement under which the qualifying person was working when the condition in section 1(2)(c) was satisfied. A certificate issued under section 2 must also state the name of the person (if 35 any) for whom the qualifying person was working when the qualifying person completed the course of training for the principal qualification identified in the apprenticeship framework to which the certificate relates.

In subsection (3), the reference to the course of training for the principal qualification is to be read, in a case where the person has followed two or more

courses for the principal qualification, as a reference to the last of them to be

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completed.

Apprenticeships Bill 3 Certifying authorities In this Act "the certifying authority", in relation to an apprenticeship certificate of any description, means the person (if any) authorised to issue apprenticeship certificates of that 5 description; if there is no-one within paragraph (a), the person (if any) authorised to (b) issue apprenticeship certificates generally; if there is no-one within paragraph (a) or (b), the Secretary of State. A person authorised to issue apprenticeship certificates must comply with directions given by the Secretary of State, and 10 have regard to guidance issued by the Secretary of State, about the issue of apprenticeship certificates. In this section "authorised" means authorised by an order made by the Secretary of State. 5 Applicable fees 15 An order under section 4 authorising a person to issue apprenticeship certificates may authorise that person to charge a fee for issuing an apprenticeship certificate. In sections 1 and 2, "the applicable fee", in relation to the issue of an 20 apprenticeship certificate, means – in a case in which the certifying authority is the Secretary of State, any fee charged by the Secretary of State for the issue of the certificate; in any other case, any fee charged by the certifying authority, in (b) accordance with an order under section 4, for the issue of the certificate. 6 Supply of copies of apprenticeship certificate 25 (1)The Secretary of State may by regulations make provision about the supply of copies of apprenticeship certificates. (2) The regulations may include provision authorising the certifying authority that has issued an apprenticeship certificate to charge a fee for supplying a copy of the certificate. 30 Apprenticeship frameworks 7 Recognised apprenticeship frameworks "apprenticeship framework" means a specification of (1)In this Act, requirements -35 at a particular level, and in relation to a particular skill, trade or occupation, for the purpose of the issue of apprenticeship certificates. An apprenticeship framework must state – the level of the requirements specified in it;

the apprenticeship sector that includes the skill, trade or occupation in

relation to which the framework specifies requirements.

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Apprenticeships Bill In this Act, "recognised apprenticeship framework" means an apprenticeship (3)framework issued under section 8which has not ceased to have effect as a recognised apprenticeship framework, and from which recognition has not been withdrawn. 5 For the purposes of this Act – an apprenticeship framework is at the level stated in it under subsection (2)(a); an apprenticeship framework relates to the apprenticeship sector stated (b) 10 in it under subsection (2)(b). Issue of apprenticeship frameworks etc An apprenticeship framework may be issued by the Secretary of State. (1) An apprenticeship framework may be issued by the authorised person in the form of a draft submitted to that person. Where a draft of an apprenticeship framework is submitted to the Secretary of 15 State or the authorised person – the person to whom it is submitted ("the issuing authority") may require the person who submitted the draft to provide such information and evidence in connection with the draft as the issuing authority thinks appropriate, and 20 if the issuing authority decides not to issue an apprenticeship framework in the form of the draft, the authority must give reasons for that decision to the person who submitted the draft. A person who issues an apprenticeship framework under this section must, on doing so, determine a period of not more than 5 years beginning with the date 25 of issue of the framework ("the framework issue period") during which the framework is to have effect as a recognised apprenticeship framework. An apprenticeship framework ceases to have effect as a recognised apprenticeship framework at the end of the framework issue period. Recognition of a recognised apprenticeship framework may be withdrawn at 30 any time during the framework issue period by the person who issued the framework, or if the framework was issued under subsection (2) by a person who has ceased to be the authorised person in relation to it, by the Secretary of State. 35 An apprenticeship framework may not be issued under this section unless the person issuing it is satisfied that it meets the requirements specified, for recognised apprenticeship frameworks at its level, by the specification of apprenticeship standards. Where an apprenticeship framework is issued under this section otherwise 40 than by the Secretary of State, the person issuing it must notify the Secretary of State of the issue. A notice under subsection (8) must – be accompanied by a copy of the framework, and state the framework issue period. 45

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(10)	Where recognition of a recognised apprenticeship framework is withdrawn under this section otherwise than by the Secretary of State, the person withdrawing it must notify the Secretary of State of the withdrawal.
(11)	In this section, "the authorised person", in relation to an apprenticeship framework, means the person (if any) authorised under section 9 to issue frameworks of that description.

#### 9 Issue of apprenticeship frameworks etc: authorised persons

- (1) The Secretary of State may by order authorise another person
  - (a) to issue apprenticeship frameworks, or
  - (b) to issue apprenticeship frameworks which relate to a particular apprenticeship sector.
- (2) The power conferred by this section must be exercised so as to secure that, at any time, not more than one person is authorised by an order under this section to issue apprenticeship frameworks which relate to a particular sector.
- (3) A person authorised under this section to issue apprenticeship frameworks must—
  - (a) comply with directions given by the Secretary of State, and
  - (b) have regard to guidance issued by the Secretary of State, about the issue of, and withdrawal of recognition from, apprenticeship frameworks.

#### 10 Publication of apprenticeship framework

- (1) The Secretary of State must, on issuing an apprenticeship framework under section 8, publish—
  - (a) the apprenticeship framework, and
  - (b) a notice stating the framework issue period determined in relation to the framework under section 8(4).
- (2) The Secretary of State must publish
  - (a) any apprenticeship framework of which a copy is received under section 8(9)(a), and
  - (b) any notice received under section 8(8) or (10).

(3) Publication under this section is to be in such manner as the Secretary of State thinks appropriate.

#### Specification of apprenticeship standards

#### 11 Duty to prepare and submit draft specification of apprenticeship standards

- (1) If the Secretary of State so directs, the Learning and Skills Council for England must prepare and submit to the Secretary of State a draft specification of apprenticeship standards.
- (2) In preparing the draft, the Council must consult such persons as appear to it appropriate.
- (3) A direction under subsection (1) may specify the date by which a draft must be submitted to the Secretary of State.

Apprenticeships Bill 6 12 Contents of specification of apprenticeship standards The specification of apprenticeship standards – (1) must specify requirements to be met by recognised apprenticeship frameworks. may specify different requirements in relation to recognised 5 apprenticeship frameworks at different levels, and must, in particular, specify requirements in relation to – recognised apprenticeship frameworks at level 2, and recognised apprenticeship frameworks at level 3. The requirements specified by the specification of apprenticeship standards 10 must include requirements as to apprenticeship certificate requirements, including requirements as to standards of attainment to be required by apprenticeship certificate requirements, and requirements for a recognised apprenticeship framework to— 15 include, as an apprenticeship certificate requirement, the requirement that one or more qualifications be held, and identify that qualification, or one of those qualifications, as the principal qualification in relation to the framework. (3) Requirements as to standards of attainment may be specified by reference, in 20 particular, to descriptions of qualifications or training. In this section, "apprenticeship certificate requirement" means a requirement specified in a recognised apprenticeship framework for the purpose of the issue of apprenticeship certificates relating to that framework. Order bringing specification of apprenticeship standards into effect 13 25 Where a draft specification of apprenticeship standards has been submitted (1)under section 11, the Secretary of State may by order provide that a specification of apprenticeship standards is to have effect – in the form of the draft, or in that form with such modifications as the Secretary of State thinks 30 appropriate. The Secretary of State may not make an order under subsection (1) providing that a specification of apprenticeship standards is to have effect unless satisfied that that specification complies with section 12. The power conferred by subsection (1) is to be exercised so as to secure that 35 only one specification of apprenticeship standards has effect at any time. **14** Modification of specification of apprenticeship standards If the Secretary of State so directs, the Learning and Skills Council for England must prepare and submit to the Secretary of State draft modifications to the specification of apprenticeship standards. 40

A direction under subsection (1) may specify the date by which the draft

modifications must be submitted to the Secretary of State.

(3) Where draft modifications have been submitted under subsection (1), the Secretary of State may by order provide that the specification of apprenticeship standards is to have effect with those modifications.

(4) The Secretary of State may not make an order under subsection (3) providing that the specification of apprenticeship standards is to have effect with modifications unless satisfied that the specification of apprenticeship standards as so modified complies with section 12.

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### 15 Effect on recognised apprenticeship framework of replacement or modification of specification of apprenticeship standards

(1) Subject to subsection (2), a recognised apprenticeship framework does not cease to be a recognised apprenticeship framework if, by virtue of an order under section 13 or 14, it ceases to meet the requirements specified for frameworks at its level by the specification of apprenticeship standards.

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(2) An order under section 13 may provide for an apprenticeship framework which—

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- (a) immediately before the making of the order is a recognised apprenticeship framework, but
- (b) does not meet the requirements specified for frameworks at its level by the specification of apprenticeship standards to which the order gives effect.

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to cease to have effect as a recognised apprenticeship framework.

#### Apprenticeship agreements

#### 16 Meaning of "apprenticeship agreement"

(1) In this Act, "apprenticeship agreement" means an agreement in relation to which each of the conditions in subsection (2) is satisfied.

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- (2) The conditions are—
  - (a) that a person (the "apprentice") undertakes to work for another (the "employer") under the agreement;
  - (b) that -
    - (i) the employer's principal place of business is in England, or

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- (ii) the agreement provides for the apprentice to work for the employer wholly or mainly in England;
- (c) that the agreement is in the prescribed form;
- (d) that the agreement states that it is governed by the law of England and Wales:

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- (e) that the agreement states that it is entered into in connection with a recognised apprenticeship framework.
- (3) The power conferred by subsection (2)(c) may be exercised, in particular—
  - (a) to specify provisions that must be included in an apprenticeship agreement;

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- (b) to specify provisions that must not be included in an apprenticeship agreement;
- (c) to specify all or part of the wording of provisions that must be included in an apprenticeship agreement.

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(4) Subsection (5) applies where – an agreement states that it is entered into in connection with an apprenticeship framework ("the relevant framework"), and at the date of the agreement, the relevant framework has ceased to be a recognised apprenticeship framework. 5 For the purposes of this Act, subsection (2)(e) is to be taken to be satisfied in relation to the agreement if at the date of the agreement, the apprentice has not completed the whole of a course of training for the principal qualification identified in 10 the relevant framework, the apprentice had previously entered into an apprenticeship agreement ("the earlier agreement") which stated that it was entered into in connection with the relevant framework, and at the date of the earlier agreement, the relevant framework was a recognised apprenticeship framework. 15 In subsection (5)(a), the reference to a course of training for the principal qualification is to be read, in a case where the person follows two or more courses of training for the principal qualification, as a reference to both or all of **17** Ineffective provisions in an apprenticeship agreement 20 To the extent that provision included in an apprenticeship agreement conflicts with the prescribed apprenticeship provisions, it has no effect. In this section, the "prescribed apprenticeship provisions", in relation to an apprenticeship agreement, means those provisions – that are included in the agreement, and 25 without the inclusion of which the agreement would not satisfy section 16(2)(c). Variation of an apprenticeship agreement 18 If a variation to an apprenticeship agreement is within subsection (2), it has effect only if, before it was made, the employer complied with the requirement 30 in subsection (3). A variation to an apprenticeship agreement is within this subsection if its nature is such that, were it to take effect, the agreement would cease to be an apprenticeship agreement. The employer must give the apprentice written notice stating that, if the 35 variation takes effect, the agreement will cease to be an apprenticeship agreement. 19 Status of an apprenticeship agreement (1) This section applies for the purposes of any enactment or rule of law. To the extent that it would otherwise be treated as being a contract of 40 apprenticeship, an apprenticeship agreement is to be treated as not being a contract of apprenticeship.

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(3) To the extent that it would not otherwise be treated as being a contract of service, an apprenticeship agreement is to be treated as being a contract of service.

#### 20 Crown servants and Parliamentary staff

- (1) Sections 16 to 19 apply in relation to 5
  - (a) an agreement under which a person undertakes Crown employment,
  - (b) an agreement under which a person undertakes service as a member of the naval, military or air forces of the Crown, and
  - (c) an agreement under which a person undertakes employment as
    - (i) a relevant member of the House of Lords staff, or
    - (ii) a relevant member of the House of Commons staff,

as they apply in relation to any other agreement under which a person undertakes to work for another.

- (2) Subsection (1) is subject to subsection (3) and to any modifications which may be prescribed under subsection (5).
- (3) Section 19(3) does not apply in relation to an apprenticeship agreement that is an agreement within paragraph (a), (b) or (c) of subsection (1).
- (4) Without prejudice to section 24(3), the power conferred by section 16(2)(c) may be exercised, in particular, to make provision in relation to an apprenticeship agreement which is an agreement within any of paragraphs (a), (b) and (c) of subsection (1) that differs from provision made in relation to other apprenticeship agreements.
- (5) The Secretary of State may by regulations provide for any provision of this Act, or of any enactment amended or inserted by this Act, to apply with modifications in relation to—
  - (a) an agreement within paragraph (a), (b) or (c) of subsection (1), or
  - (b) a person working, or proposing to work, under such an agreement.
- (6) In subsection (1)
  - "Crown employment" means employment under or for the purposes of a government department or any officer or body exercising on behalf of the Crown functions conferred by a statutory provision (but does not include service as a member of the naval, military or air forces of the Crown);
  - "relevant member of the House of Commons staff" has the meaning given by section 195(5) of the Employment Rights Act 1996 (c. 18);
  - "relevant member of the House of Lords staff" has the meaning given by section 194(6) of that Act.

Duties of Learning and Skills Council and Secretary of State

#### 21 Availability of apprenticeship places

(1) The Learning and Skills Act 2000 (c. 21) is amended as follows.

(2) After section 3D insert—

"3F	Duty of	Council to	secure availabilit	v of apprei	nticeshin	nlace
3E	Duty of	Council	Secure avamabilii	v oi abbrei	uucesiiib	Diaces

(1) The Council must exercise its functions under sections 2 and 4 in such a way as to secure that apprenticeship places are available in sufficient number and variety for there to be suitable apprenticeship places available for all persons who have elected under section 3F for the apprenticeship scheme.

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- (2) An apprenticeship place is suitable for a person if it is—
  - (a) in one of the two available sectors chosen by the person under section 3F,

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- (b) at the appropriate level, and
- (c) within the person's reasonable travel area.
- (3) In fulfilling its obligation under this section, the Council must have regard to guidance issued by the Secretary of State.

#### 3F Election for apprenticeship scheme

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- (1) A person who—
  - (a) is above compulsory school age,
  - (b) has not attained the age of 19, and
  - (c) satisfies the apprenticeship scheme requirements at level 2 or level 3 (see section 3I),

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may elect for the apprenticeship scheme at that level.

- (2) A person who elects for the apprenticeship scheme must choose two available sectors.
- (3) The Secretary of State must make arrangements for the making of elections and choices of apprenticeship sectors under this section.

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#### 3G Meaning of "apprenticeship place"

- (1) For the purposes of section 3E, "apprenticeship place" means a place consisting of arrangements which—
  - (a) are arrangements for
    - (i) employment, and

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(ii) training or study,

leading to an apprenticeship certificate relating to a recognised apprenticeship framework ("the related framework"), and

- (b) satisfy subsection (2).
- (2) The arrangements must relate to each of the apprenticeship completion conditions specified in section 1(2) of the Apprenticeships Act 2009 for the issue of apprenticeship certificates relating to the related framework and must include, in particular
  - arrangements for employment under an apprenticeship
  - agreement in connection with the related framework,

    (b) arrangements for a course, or courses, of training leading to the principal qualification identified in the related framework, to be
    - provided by —

      (i) a college or other institution, or
      - ii) the employer under the apprenticeship agreement, and

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	(c) in relation to each other qualification specified in the related framework, arrangements for study or training, whether provided by means of a course or otherwise.	
(3)	Any reference to training in subsection (2)(b) or (c) does not include a reference to training provided by an employer to a person while the person is carrying out work for the employer under an apprenticeship agreement.	5
3H	Suitability and availability of apprenticeship places: further provision	
(1)	This section has effect for the purposes of section 3E.	
(2)	An apprenticeship place is in the apprenticeship sector to which the related framework (within the meaning of section 3G(1)) relates.	10
(3)	An apprenticeship place is at the appropriate level—  (a) in the case of a person who satisfies the apprenticeship scheme requirements at level 2, if the related framework is at level 2, and	15
	(b) in the case of a person who satisfies the apprenticeship scheme requirements at level 3, if the related framework is at level 3.	
(4)	An apprenticeship place is within a person's reasonable travel area if the following are within that area —	
	<ul> <li>(a) the place, or principal place, at which the person would be required to work under the apprenticeship agreement to which the arrangements mentioned in section 3G(2)(a) relate, and</li> <li>(b) the place at which tuition or training would be provided under any course of study or training to which the arrangements mentioned in section 3G(2)(b) or (c) relate.</li> </ul>	20 25
(5)	In subsection (4), "reasonable travel area", in relation to a person,	
	<ul> <li>(a) the specified area in which the person lives, and</li> <li>(b) any other area within which it is reasonable for the person's place of work, training or study to be located.</li> </ul>	30
(6)	An apprenticeship place is not available to a person if the person is not eligible for appointment to the employment to which the arrangements mentioned in section $3G(2)(a)$ relate because of failure to meet any published criterion.	
(7)	<ul> <li>In subsection (6), "published criterion" includes any requirement for employment of the kind in question—</li> <li>(a) which is imposed by the employer, and</li> <li>(b) about which information is available to persons proposing to apply for such employment.</li> </ul>	35
3I	Apprenticeship scheme requirements	40
(1)	In order to satisfy the apprenticeship scheme requirements at level 2 a person must—  (a) hold—  (i) a specified level 1 qualification, and  (ii) specified qualifications, at level 1 or above, in functional	45
	skills in English and mathematics,	10

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(b) not satisfy the apprenticeship scheme requirements at level 3, and
(c) not hold an apprenticeship certificate at level 2 or above.
In order to satisfy the apprenticeship scheme requirements at level 3 a person must —  (a) hold —
<ul> <li>(i) a specified level 2 qualification, and</li> <li>(ii) specified qualifications, at level 2, in functional skills in English and mathematics, and</li> <li>(b) not hold an apprenticeship certificate at level 3 or above.</li> </ul>
Apprenticeship scheme requirements: interpretation
This section has effect for the purposes of section 3I.
A reference to a specified qualification is to an external qualification which is specified, or which is of a description specified, in regulations made by the Secretary of State.
In subsection (2), "external qualification" has the meaning given in section 24 of the Education Act 1997.
"Level 1 qualification" means a qualification at the level of attainment (in terms of breadth and depth) which, in the opinion of the Secretary of State, is demonstrated by the General Certificate of Secondary Education in five subjects.
A reference to a qualification in functional skills in English or mathematics at level 1 is to a qualification in that subject at the level of attainment (in terms of depth) which, in the opinion of the Secretary of State, is demonstrated by the General Certificate of Secondary Education in that subject.
"Level 2 qualification" means a qualification at the level of attainment (in terms of breadth and depth) which, in the opinion of the Secretary of State, is demonstrated by the General Certificate of Secondary Education in five subjects, each at Grade C or above.
A reference to a qualification in functional skills in English or mathematics at level 2 is to a qualification in that subject at the level of attainment (in terms of depth) which, in the opinion of the Secretary of State, is demonstrated by the General Certificate of Secondary Education in that subject at Grade C or above.
The Secretary of State may, by order, amend this section so as to substitute a different qualification for a qualification for the time being

(8)Tł referred to in subsection (4), (5), (6) or (7).

#### 3K Suspension of scheme

- The Secretary of State may by order suspend the apprenticeship 40 scheme in a specified area, for a period specified in the order –
  - in relation to a particular apprenticeship sector, or
  - in relation to a particular apprenticeship sector at a particular level.

(2) The period specified in an order under subsection (1) must not exceed 2 years.

(3) An apprenticeship sector is an "available sector", in relation to a person's election under section 3F for the apprenticeship scheme at a particular level, if it is not one in relation to which the apprenticeship scheme is suspended at that level in the specified area in which the person lives.

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#### 3L Power to amend apprenticeship scheme

- (1) The Secretary of State may by order amend
  - (a) the age for the time being specified in section 3F(1)(b);

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- (b) any of the requirements specified in section 3I.
- (2) An order under subsection (1) may include consequential provision (including provision amending any enactment).

#### 3M Specified areas

The Secretary of State must by order specify areas into which England is to be divided for the purposes of the apprenticeship scheme.

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#### 3N Sections 3E to 3M: interpretation

- (1) In sections 3E to 3M
  - "apprenticeship agreement" has the meaning given by section 16 of the Apprenticeships Act 2009;

"apprenticeship certificate" has the meaning given by section 27 of the Apprenticeships Act 2009;

"apprenticeship sector" means a sector specified under section 26 of the Apprenticeships Act 2009;

"available sector" has the meaning given by section 3K;

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- "recognised apprenticeship framework" has the meaning given by section 7 of the Apprenticeships Act 2009;
- "specified area" means an area specified under section 3M.
- (2) References in sections 3E to 3M to
  - (a) the level of a recognised apprenticeship framework, or

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(b) the apprenticeship sector to which a recognised apprenticeship framework relates,

are to be read in accordance with section 7(4) of the Apprenticeships Act 2009."

- (3) In section 2 (education and training for persons aged 16 to 19), in subsection (5)(ba), for "a contract of employment or a contract of apprenticeship" substitute "an apprenticeship agreement (within the meaning of the Apprenticeships Act 2009), a contract of apprenticeship or any other contract of employment".
- (4) In section 3 (education and training for persons aged over 19), in subsection (3)(ba), for "a contract of employment or a contract of apprenticeship" substitute "an apprenticeship agreement (within the meaning of the Apprenticeships Act 2009), a contract of apprenticeship or any other contract of employment".
- (5) In section 4 (encouragement of education and training), after paragraph (a) 45

14	Apprenticeships Bill	
	insert –	
	"(aa) encourage employers to employ individuals under apprenticeship agreements (within the meaning of the Apprenticeships Act 2009);".	
(6)	In section 152(2C) (orders subject to affirmative procedure), after "section" insert "3J(8), 3L or".	5
22	Assistance and support in relation to apprenticeship places	
(1)	The Secretary of State —	
	<ul> <li>(a) must provide or secure the provision of such services as the Secretary of State considers appropriate for assisting persons in England to find apprenticeship places, and</li> </ul>	10
	(b) may provide or secure the provision of other services for encouraging, enabling or assisting the effective participation of persons in England in employment and training provided for by apprenticeship places.	
(2)	The services provided by virtue of subsection (1)(a) may, in particular, be or include—	15
	(a) services provided by means of the publication, whether electronically or otherwise, of information, advice and guidance;	
	(b) facilities for enabling employers to advertise apprenticeship places.	
(3)	In this section, "apprenticeship place" has the same meaning as in section 3E of the Learning and Skills Act 2000 (c. 21) (duty of Learning and Skills Council to secure availability of apprenticeship places) (see section 3G of that Act).	20
(4)	In securing the provision of services under this section the Secretary of State may, in particular, make arrangements with—  (a) the Learning and Skills Council for England,  (b) local authorities, or  (c) other persons,  for the provision of services.	25
(5)	Arrangements under subsection (4) may include provision —	
(0)	<ul> <li>(a) for grants, loans and other kinds of financial assistance to be provided by the Secretary of State (whether or not on conditions);</li> <li>(b) requiring persons with whom arrangements are made — <ul> <li>(i) to comply with directions given by the Secretary of State;</li> <li>(ii) to have regard to guidance issued by the Secretary of State.</li> </ul> </li> </ul>	30
	Careers education in schools	35
23	Careers education	
(1)	Section 43 of the Education Act 1997 (c. 44) (provision of careers education in schools) is amended as follows.	
(2)	After subsection (2B) insert—	
	"(2C) Any consideration for the purposes of subsection (2B) of what advice would promote the best interests of the pupils concerned must include consideration of whether it would be in their best interests, or in the	40

best interests of any of them, to receive advice which relates to apprenticeships."

- (3) In subsection (3)
  - (a) for "subsection (2B)" substitute "subsections (2B) and (2C)", and
  - (b) before "complied" insert "(or are)".

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- (4) In subsection (6), after "this section—" insert—
  - "apprenticeship" includes employment and training leading to the issue of an apprenticeship certificate under the Apprenticeships Act 2009;".

General 10

#### 24 Orders and regulations

- (1) A power of the Secretary of State to make an order or regulations under this Act is exercisable by statutory instrument.
- (2) A statutory instrument containing an order or regulations under this Act, other than an order under section 30, is subject to annulment in pursuance of a resolution of either House of Parliament.

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- (3) A power of the Secretary of State to make an order or regulations under this Act includes power
  - (a) to make different provision for different cases or circumstances;
  - (b) to make provision generally or in relation to specific cases;

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(c) to make such incidental, supplementary, transitional, transitory or saving provision as the Secretary of State thinks appropriate.

#### 25 Directions

A power to give directions under this Act includes power to vary or revoke directions given in previous exercise of the power.

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#### **26** Apprenticeship sectors

- (1) The Secretary of State must by order specify sectors of skill, trade or occupation for the purposes of this Act.
- (2) The sectors specified under subsection (1) must in the opinion of the Secretary of State encompass the full range of skills, trades and occupations.

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#### 27 Interpretation

- (1) In this Act—
  - "apprenticeship agreement" has the meaning given by section 16(1);
  - "apprenticeship certificate" means a certificate issued under section 1 or section 2;

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- "apprenticeship framework" has the meaning given by section 7(1);
- "apprenticeship sector" means a sector specified under section 26.
- "the authorised person", in relation to an apprenticeship framework, has the meaning given by section 8(11);

16 Apprenticeships Bill "the certifying authority", in relation to an apprenticeship certificate of any description, has the meaning given by section 4(1); "prescribed" means prescribed by regulations made by the Secretary of State: "the principal qualification", in relation to a recognised apprenticeship 5 framework, means the qualification identified in the framework as being the principal qualification; "recognised apprenticeship framework" has the meaning given by section 7(3); "the specification of apprenticeship standards" means the specification of 10 apprenticeship standards having effect for the time being by virtue of an order under section 13 or 14. References in this Act – to the level of an apprenticeship framework, or to the apprenticeship sector to which an apprenticeship framework 15 are to be construed in accordance with section 7(4). References in this Act to an employer and an apprentice, in relation to an apprenticeship agreement, are to be construed in accordance with section 16. 28 20 **Financial provisions** Any sums received by the Secretary of State by virtue of this Act are to be paid into the Consolidated Fund. 29 **Extent** This Act extends to England and Wales only. 30 25 Commencement The following provisions of this Act come into force on the day on which it is passed – sections 24 to 29; (a) (b) this section; 30 (c) section 31. The remaining provisions of this Act come into force on such day as the Secretary of State may by order appoint. An order under this section may – make provision generally or for specified purposes only; make different provision for different purposes; 35 contain such transitory and transitional provisions and savings as the Secretary of State thinks appropriate. The Secretary of State must exercise the power conferred by subsection (2) so as to secure that, subject to any provision made by virtue of subsection (3), 40 sections 21 and 22 are in force no later than the day after the day which is the school leaving date for 2013.

#### 31 Short title

This Act may be cited as the Apprenticeships Act 2009.

# **Explanatory Notes**

#### **INTRODUCTION**

- 1. These explanatory notes relate to the Apprenticeships Bill as published in draft on 16 July 2008. They have been prepared jointly by the Department for Innovation, Universities and Skills and the Department for Children, Schools and Families in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.
- 2. The notes need to be read in conjunction with the draft Bill. They are not, and are not meant to be, a comprehensive description of the draft Bill. So where a clause or part of a clause does not seem to require any explanation or comment, none is given.

#### **BACKGROUND**

3. This Bill implements the proposals made in the strategy document *World-class Apprenticeships: Unlocking Talent, Building Skills for All* (DIUS, 2008) and provides the underpinning for the National Apprenticeship Service envisaged in Section 4 of that strategy. The strategy sets out plans for expanding and strengthening the existing apprenticeship programme, an expansion recommended in Lord Leitch's review of skills, *Prosperity for all in the global economy – world class skills* (HM Treasury, 2006.) Another key objective is to provide for the necessary expansion of apprenticeships so that they make a significant contribution to meeting the requirement for all young people to be in education or training by 2015.

#### **SUMMARY**

- 4. The Bill makes provision for:
  - a statutory function to be placed on the Secretary of State to approve the core elements that are to apply to every apprenticeship framework, regardless of career or level (the specification of apprenticeship standards, the 'specification', currently known as the 'blueprint');
  - the opportunity for organisations, such as Sector Skills Councils and employers, to submit Apprenticeship Frameworks (high level curricula for an apprenticeship in a specified career) in draft to authorised persons and to the Secretary of State for issue if they comply with the specification;

- the prescribing by the Secretary of State of model apprenticeship agreements to be entered into between employers and Apprentices;
- the establishment of a national apprenticeship vacancy matching service linking potential apprentices with potential employers. As envisaged in *World-class Apprenticeships: Unlocking Talent, Building Skills for All* this service will enable employers to advertise their apprenticeship vacancies through a national portal. The portal will help people interested in apprenticeships to understand the range and diversity of opportunities that exist for them and where appropriate apply on-line for those opportunities that interest them;
- the securing of sufficient appropriate apprenticeship places to deliver, as envisaged in *World-class Apprenticeships: Unlocking Talent, Building Skills for All*, an apprenticeship place for suitably qualified young people aged 16-18; and
- changes to the Education Act 1997 to ensure that schools provide comprehensive information about apprenticeships, as envisaged in *World-class Apprenticeships: Unlocking Talent, Building Skills for All.* These changes, without seeking to place schools under additional burdens, are intended to ensure that young people are appropriately informed about the opportunities provided by apprenticeships.
- 5. The implementation of the above provisions will involve various agencies and authorities, notably in the first instance the Learning and Skills Council for England (the "LSC"). This is the statutory body charged with the provision of publicly funded education and training to those aged 16 and upwards, including the current apprenticeship programme. The Bill includes provisions which amend the Learning and Skills Act 2000 (c.21) so as to impose duties on the LSC relating to the provision of apprenticeships. Ultimately it will be the proposed National Apprenticeship Service (NAS), initially working under the auspices of the LSC, that will have end-to-end responsibility for the apprenticeship programme.

#### TERRITORIAL EXTENT

6. This Bill extends to England and Wales only. The Bill has been drafted for the purposes of consultation.

#### **COMMENTARY ON CLAUSES**

#### **Apprenticeship certificates (Clauses 1-6)**

7. These clauses establish the conditions that apply for the awarding of certificates to persons who have met the requirements of a recognised apprenticeship framework.

#### Clause 1: Duty to issue apprenticeship certificates

8. Subsection (1) requires a certifying authority to issue an apprenticeship certificate to a person who applies to it as described in that subsection and who satisfies the conditions in subsection (2). The conditions in subsection (2) are that the person has been a party to an apprenticeship agreement (see clause 16) and at the date that agreement was entered into it related to a recognised apprenticeship framework. The certifying authority must be satisfied that while working under the apprenticeship agreement the applicant followed the course of training for the principal qualification identified by the framework and that the applicant has met all the other requirements specified for the award of a certificate.

9. The effect of *subsection* (3) is that a person can be party to a succession of apprenticeship agreements while working towards the principal qualification and/or can take two or more courses of training towards the principal qualification without losing the entitlement to an apprenticeship certificate.

#### Clause 2: Power to issue apprenticeship certificates

10. This clause gives a discretion to the certifying authority to issue a certificate to a person who applies to it who is not within *clause 1*. The intention is that generally a certificate should not be issued to a person who has never entered into an apprenticeship agreement. This clause allows for the possibility of rare and limited circumstances where the certifying authority considers that a person should be issued with a certificate even if they have not entered an apprenticeship agreement.

#### **Clause 4: Certifying authorities**

11. Subsection (1) allows the Secretary of State to authorise a person to act as a certifying authority for apprenticeship certificates of a particular type, to authorise a person to act as the certifying authority generally or to act as the certifying authority. Subsection (2) requires a person authorised under subsection (1) to comply with directions and to have regard to guidance from the Secretary of State about the issue of certificates.

#### Clauses 5 and 6: Applicable fees and supply of copies of apprenticeship certificate

12. Clause 5 makes provision to authorise a fee for an apprenticeship certificate. Clause 6 allows the Secretary of State to make regulations concerning the supply of replacement or copy certificates.

#### **Apprenticeship frameworks (Clauses 7-10)**

13. These clauses of the Bill define and set out the procedures for the issue of apprenticeship frameworks. Apprenticeship frameworks are currently developed and approved by Sector Skills Councils on behalf of the Secretary of State according to the apprenticeships blueprint. The frameworks are high level curricula for an apprenticeship in a specified career. As specified in the 'blueprint' the frameworks typically include an integrated programme which contains a competence element; a knowledge element; transferrable or functional skills; and employment rights and responsibilities. Frameworks require a person to obtain a qualification such as an NVQ at Level 2, 3 or 4 in a particular subject to meet the competence and knowledge elements, as well as functional skills in English and maths.

#### Clause 7: Recognised apprenticeship frameworks

14. Subsection (1) defines an apprenticeship framework. Subsection (2) requires an apprenticeship framework to state the level of the requirements it sets down and the sector to which it relates. It will be possible to have more than one framework within any particular skill or profession provided that each meets the requirements of the specification.

#### Clause 8: Issue of apprenticeship frameworks etc

15. Subsection (1) allows the Secretary of State to issue an apprenticeship framework. Subsection (2) allows an authorised person to issue an apprenticeship framework in the form of a draft framework which has been submitted to it. Subsection (3) permits an authorised person or the Secretary of State to require evidence in support of a draft framework and requires reasons to be given if the decision is taken not to issue a framework in the form of a draft. An apprenticeship framework issued under clause 8 will have effect as a recognised apprenticeship framework for a specified period of up to but not exceeding 5 years (subsection (4)).

- 16. Subsection (6) provides that recognition of an apprenticeship framework can be withdrawn, either by the person who issued the framework, or by the Secretary of State if that person would no longer have authority to issue the framework.
- 17. *Subsection* (7) provides that an apprenticeship framework is not to be issued unless the person issuing it is satisfied that it meets the requirements specified in the specification.

#### Clause 9: Issue of apprenticeship frameworks etc: authorised persons

- 18. Subsection (1) allows the Secretary of State to authorise a person to issue frameworks for a particular sector or to authorise a person to issue them generally. Subsection (2) provides that there is only to be one person apart from the Secretary of State authorised to issue frameworks in a particular sector. Subsection (3) requires a person authorised under subsection (1) to comply with directions and to have regard to guidance from the Secretary of State about the issue and withdrawal of recognition from them.
- 19. Clause 10 requires the Secretary of State to publish frameworks issued under clause 8.

#### Specification of apprenticeship standards (Clauses 11-15)

- 20. These clauses set out requirements to be placed on the LSC to produce a specification of apprenticeship standards to which all frameworks must conform if they are to be issued. The specification could contain for example requirements as to competence and knowledge based elements, transferable skills, employment rights and responsibilities, clear progression routes and minimum off-station learning time.
- 21. Clause 11 allows the Secretary of State to direct that the LSC prepare and submit a draft specification and requires the LSC to consult during its preparation of the draft. Clause 14 allows the Secretary of State to direct the LSC to prepare and submit draft modifications to a specification that has already been brought into effect, and to bring these modifications into effect.

#### Clause 12: Contents of specification of apprenticeship standards

22. This clause sets out the required contents of the specification. Subsection (2) requires the specification to ensure that frameworks identify a principal qualification (which an apprentice must complete the course of training for while party to an Apprenticeship agreement). Subsection (1) provides that the specification must specify requirements in relation to the content of apprenticeship frameworks at level 2 (known as Apprenticeships) and level 3 (known as Advanced Apprenticeships), and that it may provide for the content of frameworks at other levels. For instance, the specification might make provision about the content of frameworks for level 4 apprenticeships (known as Higher Apprenticeships). Paragraph 13 describes the kinds of elements that the specification will require frameworks to contain.

#### Apprenticeship agreements (Clauses 16-20)

23. The apprenticeship agreement will be a contract entered into between the employer and the apprentice and is central to the apprenticeships programme. It should set out both the on-the-job training and the learning away from the workstation that will be delivered; make clear what job role an apprentice will be qualified to hold upon completion; and stipulate the supervision that an apprentice will receive throughout the period of the apprenticeship.

#### Clause 16: Meaning of "apprenticeship agreement"

24. Subsection (2) sets out the conditions which must be satisfied by an apprenticeship agreement. The agreement must be in a form to be prescribed by the Secretary of State. Subsection (3) gives

- the Secretary of State the power to specify provisions which must and must not be included in an apprenticeship agreement. *Subsections* (4) and (5) make provision for the apprentice to enter into a new apprenticeship agreement where, for example, they change employers.
- 25. Clause 17 provides that if terms are included in an apprenticeship agreement which conflict with provisions that the Secretary of State has required to be included in the agreement, those terms have no effect. Clause 18 provides that a variation of an apprenticeship agreement, which would have the effect of it ceasing to be an apprenticeship agreement, shall not have any effect unless the employer provides the apprentice with a written notice that the variation will have that effect.

#### Clause 19: Status of an apprenticeship agreement

26. This clause makes clear that an apprenticeship agreement is not a contract of apprenticeship (as recognised at common law) but is instead to be treated as a contract of service.

#### Clause 20: Crown servants and Parliamentary staff

27. Clause 20 makes particular provision for Crown servants, members of the armed forces and Parliamentary staff. Subsection (5) empowers the Secretary of State to modify the application of the Bill, or of provisions amended or inserted by the Bill, in relation to Crown servants, members of the armed forces, and Parliamentary staff. This power is needed to make the Bill work properly in relation to these classes of person, given their particular circumstances: for instance the fact that they may not have contracts of employment.

#### **Duties of Learning and Skills Council and Secretary of State (Clauses 21-22)**

28. These clauses make provision for a series of new duties incumbent on the LSC and place certain powers and responsibilities upon the Secretary of State to secure the provision of services in connection with the apprenticeships programme.

#### Clause 21: Availability of apprenticeship places

- 29. Subsection (2) inserts ten new sections (3E 3N) into the Learning and Skills Act 2000 (c.21)
- 30. Section 3E places a duty on the LSC to exercise its functions with a view to securing that apprenticeship places are available in sufficient number and variety for there to be suitable places available for suitably qualified people who want one. A place is suitable if it is within one of the two chosen apprenticeship sectors and is within the reasonable travel area of the person who wants it.
- 31. Section 3F provides that a person can elect for the apprenticeship scheme if they are above compulsory school age but have not yet reached their 19<sup>th</sup> birthday and if they satisfy the requirements set out in section 3I. When a person elects for the scheme, they must choose two apprenticeship sectors. The Secretary of State must make arrangements to allow people to make elections.
- 32. Section 3G defines an apprenticeship place for the purposes of section 3E. The result is that the LSC is required to secure the availability of arrangements relating to employment under an apprenticeship agreement and for courses of training or study for each of the qualifications required under recognised frameworks.
- 33. Section 3H makes provision about the suitability and availability of apprenticeship places, including defining when an apprenticeship place is at an appropriate level and a reasonable travel area.

- 34. *Section 3I* sets out the qualifications a person must have to elect for the apprenticeship scheme at level 2 or level 3.
- 35. Section 3J contains definitions for the purposes of section 3I The Secretary of State has the power to amend the definitions which specify levels of qualification by order (subject to the affirmative resolution procedure).
- 36. Section 3K empowers the Secretary of State to suspend the apprenticeship Programme in a specified area, either for a particular sector or for a sector at a particular level for a period not exceeding 2 years.
- 37. Section 3L allows the Secretary of State to amend the age range or the level of qualifications required for people to be allowed to elect for the apprenticeship scheme. Orders under this section are subject to the affirmative resolution procedure.
- 38. Subsections (3), (4) and (5) make consequential amendments to sections 2, 3 and 4 of the Learning and Skills Act to refer to the statutory apprenticeship scheme. The amendment of section 4 requires the LSC to encourage employers to enter into apprenticeship agreements.

#### Clause 22: Assistance and support in relation to apprenticeship places

39. This clause provides the statutory basis for the national apprenticeship vacancy matching service referred to in paragraph 4. *Subsection (1)* places the Secretary of State under a duty to provide or secure the provision of services for assisting people in England to find apprenticeship places and gives the power to provide services to encourage, enable or assist people to participate in the apprenticeship programme. *Subsection (2)* makes clear that these services could include publication, for example, through the internet and other electronic media, and facilities allowing employers to advertise vacancies for apprentices. *Subsection (5)* allows the Secretary of State to provide grants, loans and other financial assistance in the provision of these services and allows the Secretary of State to require that providers of the services should comply with directions and have regard to guidance from the Secretary of State.

#### Clause 23: Careers education

40. This clause amends section 43 of the Education Act 1997 which requires state secondary schools to provide all pupils with a programme of careers education. *Subsection (2)* inserts subsection (2C) into section 43. The effect of the new subsection (2C) is to require the governing body, or proprietor, and head teacher of a secondary school, to ensure that any consideration of what careers advice would be in the best interests of their pupils covers consideration of whether it would be in their best interests to receive advice which relates to apprenticeships. *Subsection (4)* defines apprenticeship, for the purposes of section 43, so as to include both apprenticeships leading to an apprenticeship certificate and traditional contracts of apprenticeship.

#### **General (Clauses 24-31)**

41. The Bill contains general provisions relating to secondary legislation, commencement, extent, short title and other matters.

#### FINANCIAL EFFECTS OF THE BILL

42. The Bill as drafted will not result in public expenditure beyond that already accounted for in Departmental Expenditure Limits.

#### EFFECTS OF THE BILL ON PUBLIC SERVICE MANPOWER

43. The provisions contained within the draft Apprenticeships Bill have no significant effect on public service manpower.

#### SUMMARY OF THE REGULATORY IMPACT ASSESSMENT

- 44. An Impact Assessment (IA) of implementing *World-class Apprenticeships: Unlocking Talent, Building Skills for All (WCA)* has been published alongside the draft Bill. The draft Bill is the underpinning legislation for *World-class Apprenticeships: Unlocking Talent, Building Skills for All.* The IA sets out the impact on Business overall and on Large Employers, Small and Medium Enterprises, the Public Sector and the Third Sector which is almost entirely positive. The evidence presented in the IA indicates there is a net benefit to the economy of £73,000 per apprentice and £105,000 per advanced apprentice. With the projected expansion in apprenticeships and the associated costs of bringing that about we calculate a best estimate net benefit of implementing WCA of £1.9 bn.
- 45. Key non-monetarised benefits identified are:
  - Employer and training provider savings in recruitment through the national vacancy matching service; and
  - Benefits to business of reaching a wider pool of talent through the diversity measures to address inequality and to raise participation of black and minority ethnic and other underrepresented groups.
- 46. The draft Bill places no additional regulatory burdens on employers other than a requirement to enter into an apprenticeship agreement which will be a contract entered into between the employer and the apprentice making explicit the responsibilities of the learner/employee and the training provider/employer (see paragraphs 23-27).
- 47. World-class Apprenticeships: Unlocking Talent, Building Skills for All and the Impact Assessment are available at <a href="https://www.dius.gov.uk">www.dius.gov.uk</a> and <a href="https://www.dius.gov.uk">www.dius.gov.uk</a>

#### **EUROPEAN CONVENTION ON HUMAN RIGHTS**

48. The provisions contained within the draft Apprenticeships Bill are compatible with obligations arising under the European Convention on Human Rights.

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