

Preventing misuse of the term ‘apprenticeships’ in relation to unauthorised training

Department for Business, Innovation and skills

RPC rating: validated

Description of proposal

The Government is concerned that the term ‘apprenticeship’ could be used by training providers in relation to courses that do not meet the high standards of a government-funded apprenticeship. The proposal is to prohibit training providers using the term ‘apprentice’ or ‘apprenticeship’ if they are offering courses that do not meet the requirements of a statutory apprenticeship. The proposal would apply to any non-government funded course or training in England. It would not affect employers who would be free to offer any training to their own employees and apprentices.

Impacts of proposal

The Department acknowledges there is little evidence to suggest that misuse of the term ‘apprenticeship’ is widespread and therefore expects the overall impact on business to be minimal. There is no firm information on how many non-government funded providers are using the term ‘apprenticeship’ inappropriately. The Department expects it to be considerably fewer than the number of government-funded providers (780 in 2013/14). The Department has modelled its estimates on a range of between 100 and 1000 non-qualifying providers being affected. These businesses will need to familiarise themselves with the measure and will need to remove the term ‘apprenticeship’ from their company material. This is estimated to cost £0.02 million (midpoint) in total. This is calculated using the following assumptions:

- 1) It involves between one and three hours of staff time.
- 2) An hourly wage rate of between £10.17 and £20.61 (using ASHE data).

The impact assessment discusses whether these businesses might lose custom and associated profit. The Department considers that any such impact would be negligible. This appears to be supported by the consultation where this was not raised as an issue.

The impact assessment states that 780 government-funded training providers might incur familiarisation costs, if only to establish that they do not need to take any action. The Department estimates that, using similar cost assumptions as above, these costs would total £0.02 million.

The Department, therefore, estimates total costs to be £0.04 million. These are one-off transition costs; there are no ongoing costs to business. The equivalent annual net cost to business (EANCB) rounds to £0.00 million.

Quality of submission

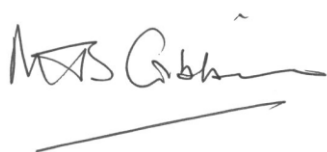
The Department has provided sufficient analysis for the RPC to validate the EANCB figure. The Department has addressed the RPC's comments on the Department's regulatory triage assessment. This includes monetising the above costs and addressing further the potential loss of profit to businesses no longer able to use the term 'apprenticeship'. Although not affecting the EANCB, the Department has also addressed the RPC's comment about possible alternative options.

Initial departmental assessment

Classification	IN
Equivalent annual net cost to business (EANCB)	£0.00 million
Business net present value	£-0.04 million

RPC assessment

Classification	IN
EANCB – RPC validated	£0.00 million
Small and micro business assessment	Not required (fast track low-cost regulation)



Michael Gibbons CBE, Chairman