



Department
for Business
Innovation & Skills



Department
for Education

Apprenticeship targets for public sector bodies - response form

The consultation is available at: 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

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. Please see the consultation document 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

Comments: [Click here to enter text.](#)

Questions

What is your name? Neeraj Sharma

What is your e-mail address? neeraj.sharma@londoncouncils.gov.uk

What is your job title? Policy Officer

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? London Councils

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

	Respondent type
<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 checked="" 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) Click here to enter text.

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:

[Click here to enter text.](#)

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:

London Councils does not have a view on this question

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

(or Annex 2).

Yes No Not sure

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

London Councils believes that local authority grant maintained schools should be removed from the local authority staff count data and included separately in Annex 2 (more information available in our answer to Q4)

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:

It is London Councils' position that grant maintained local authority schools should not be grouped with local authorities for the purposes of the target. Grant maintained schools should be included separately, like academies, and should be responsible for meeting their own target. The reasons for this are:

- Including grant maintained schools places an unreasonable burden on local authorities who are not responsible for recruitment activities or decisions for schools. For example in co-operative schools, staff are paid using the local authority pay roll but recruitment is a school based decision. It is the responsibility of the school leadership whether that is senior management or the school governing body to make recruitment decisions.
- Including grant maintained schools in the local authority staff data increases the London local authority target by approximately 50 per cent. Meaning a significant proportion of a London borough's target is not connected to organisations they have direct control or procure services from. As a result, it would be more appropriate and realistic to base a public sector figure on local authority staff data that does not include maintained schools.
- The different segments that make up the public sector target will require targeted support to meet their apprenticeship targets. Separating out grant maintained schools from local authorities will allow the government to work in a targeted way with different types of public bodies to generate apprenticeships. The support a school needs to recruit more apprenticeships will be different to the support a local authority needs. This is because of the sector specialisms, size and existing structures.
- Any apprenticeship levy paid by larger schools should not be included in the local authority levy. It should go directly to schools, allowing for the school leadership to take decisions on how the levy should be spent.
- The government's ambition is for every school to have the opportunity to become an academy. Over 55 per cent of secondary schools in London have already become academies, approximately 60 per cent nationally, and the government is seeking for that number to rise further. At the same time, government reductions to the Education Services Grant will impact the type and level of support schools receives from local authorities.

Question 5 (Paragraph 62)

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

[Click here to enter text.](#)

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:

London Councils does not support the use of headcount figures as the basis to set an

apprenticeship target. Headcount is the number of workers being paid by / for by the organisation, rather than the number of jobs/posts. This is not an accurate reflection of staffing structures across organisations, which are likely to employ a number of individuals on a part time basis, reduced hours contract and full time employees.

Recognised apprenticeships are required to meet Government minimum standards. These standards include a duration of at least 12 months and the apprentice is employed for at least 30 hours. Consequently a target based on full-time equivalent (FTE) is more accurate. According to London Councils' analysis, for 2015, the headcount figure for all London boroughs and the City of London Corporation was 2,777 whereas the FTE was 2,457. Data from previous years also shows a clear difference between headcount and FTE:

Year	Headcount	FTE
2011	3372	2905
2012	3132	2744
2013	2977	2611
2014	2903	2563
2015	2777	2457

Without using FTE, a public sector target risks being based on a figure that is not an accurate reflection of the workforce for apprenticeship creation.

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?

London Councils recognises the need for boroughs to keep track of their efforts to meet the apprenticeship target but clarity will be needed on a number of issues. For instance:

- Apprenticeship start definition – it is assumed that each individual apprentice that starts a programme is a new start. However, if an apprentice continues from a level 2 programme to a level 3 programme after the first year, would this be considered a new start the following year? London Councils believes this should count as an additional apprenticeship start. Failure to recognise this risks creating a market of one year only programmes at any level rather than longer career progression apprenticeships.

Additionally, while London boroughs already collate apprenticeship data, refinements to existing systems and the implementation of new systems may be needed provide data in an effective way. This will require resource and lead-in time to ensure any reporting mechanism is in place following the commencement of the yearly apprenticeship target. The consultation sets out requirements on local authorities to provide extra information to government that will not be published such as action plans. Public bodies will have their

plans in place to work towards creating more apprenticeship opportunities. It seems unnecessary to provide an action plan to government that will not be published and it is unclear why such a request will be placed on local authorities.

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:

Due to the reporting period starting in 2017 London Councils is concerned that the government is backloading the responsibility for apprenticeship start generation. This will fail to take into account the apprenticeships generated by London local authorities in the period April 2015 – March 2017. Based on current data this could be in the realm of 2,000 apprenticeships.

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:

London Councils considers the proposed method for calculating the target will result in one that is not based on an accurate count of the local authority workforce for this task. Therefore, it is likely to lead to an unachievably high target that local authorities would struggle to reach in any year following the commencement of the target. The consultation sets out a 2.3 per cent target per year. In London this would equate to 4,674 apprenticeships being created per year. From April 2014 – March 2015 London boroughs recruited 1,050 apprentices. Meeting the 2.3 per cent target therefore represents a 345% increase on London local government's current activity.

London's boroughs are not opposed to setting targets for apprenticeship generation and have been committed to apprenticeship creation for a number of years. London Councils, working with London's boroughs, set a target as early as 2009 to create 2,000 apprenticeships in their direct recruitment and through their supply chains across London by 2012. This London wide target was exceeded and a total of 2,700 apprenticeships were generated over the three year period.

Between 2009 and 2015 a total of 7,126 apprentices have been created by London boroughs. This demonstrates that London's boroughs are very much in favour of increasing the apprenticeship starts and opportunities, have been early adopters of targets in this sector and actively working on this policy area for several years. However, in order to capitalise on the existing activity in the capital, it is important a stretching target is set based on data supported by all.

While these concerns are unlikely to be unique to local government, there are other risks to the system that may undermine the government's ambition to create opportunities that benefit employers, apprentices and the economy. Most notably, targeted groups such as individuals with Special Educational Needs (SEN) or from disadvantaged backgrounds may miss out if bodies simply focus on a target. This is because those with complex needs often require intensive support that can be both expensive to deliver and time consuming. Boroughs have estimated that the unit cost per starter for getting a person into an apprenticeship could cost from £1,500 - £5,400 depending on their level of need. Clients with more complex needs risk being overlooked by bodies in favour of those who are closer to the labour market, and therefore are less resource intensive to support.

London Councils proposes the following changes to the method by which the target will be calculated:

- Local authorities should be allowed to include apprenticeships generated in their supply chains. This is because:
 - Local authorities create and co-fund apprentices in partnership with commercial employers, which should be counted towards local authority targets.
 - A large number of apprenticeships are generated through local authorities supply chains and encouraging and enabling local authorities to count the opportunities generated through this type of activity will be an important source for reaching the government's target. It also reflects that some London boroughs are outsourcing an increasing number of their services.
 - For local authorities, generating apprenticeships through their contracts and purchasing power has a cost and time implication. If they are not able to include these apprentices toward the target total, there is a risk that if they will de-prioritise this way of generating apprenticeships.
 - This is especially important as many local authorities will be reducing their headcount and potentially outsourcing more services.
- The target should be based on FTE data, rather than headcount (see London Councils' response to Q6 for a rationale on why FTE is a better basis for the target than headcount)
- The local authority target should not include school staff. Schools should be responsible for and monitored on their own target (see London Councils' response to Q4 for a rationale on why schools should not be included in the local authority staff data count)

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.

[Click here to enter text.](#)

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 ☒

BIS/16/24/RF