

Explanatory Memorandum to the Apprenticeships (Designation of Welsh Certifying Authority) Order 2013

This Explanatory Memorandum has been prepared by the Department of Education and Skills and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Apprenticeships (Designation of Welsh Certifying Authority) Order 2013.

Deputy Minister for Skills and Technology

20 May 2013

1. Description

This Order designates the Alliance of Sector Skills Councils as the 'Welsh certifying authority' to issue apprenticeship certificates generally.

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

There are no matters of special interest.

3. Legislative background

This Order is made under section 10(b) of the Apprenticeships, Skills, Children and Learning Act 2009 ("the 2009 Act"). Pursuant to section 262(9) of the 2009 Act this Order is subject to annulment (the negative procedure).

4. Purpose & intended effect of the legislation

In 2008, a network of UK wide Sector Skills Councils (SSCs) was set up to lead the skills and productivity drive in industry or business sectors recognised by employers. All Sector Skills Councils and some Standard Setting Organisations are involved in the development of skills strategies for apprenticeships.

There are currently 18 Sector Skills Councils and a number of Standard Setting Organisations operating in Wales, working actively with the Welsh Government to better identify future skills needs, and this has resulted in a wide range of successful skills development projects.

Not only are Sector Skills Councils involved in encouraging the development of appropriate qualifications to meet employers' needs, but they also provide crucial labour market information to show where needs are greatest. This includes identifying the demand for and content and publication of apprenticeship frameworks and providing successful apprentices with apprenticeship completion certificates.

They bring together employers in their sectors, learning providers, trade unions and professional bodies to work with the Welsh Government to develop the skills that businesses in Wales need.

Each SSC agrees sector priorities and targets, with its employers and partners, to address five key goals, which are to:

- identify and articulate their sector's skills needs, including apprenticeships;
- help develop more responsive provision to meet business needs;
- provide the business case for skills;
- engage employers in skills development;
- influence skills policy.

The *Alliance of Sector Skills Councils* is the umbrella organisation for SSCs in the UK.

There is currently no statutory arrangement in place for the issuing of apprenticeship certificates. Apprentices currently receive a 'completion certificate' issued by the relevant Sector Skills Council or standard setting body on completion of all the component qualifications contained in a non-statutory apprenticeship framework.

The purpose of the legislation is to put apprenticeship certification onto a statutory footing. The role of the Certifying Authority is to issue statutory apprenticeship certificates to apprentices who successfully attain against recognised Welsh frameworks that meet the standards as set out in the Apprenticeships (Specification of Apprenticeship Standards for Wales) Order 2013.

This Order is part of a suite of subordinate legislation that puts the existing government-funded apprenticeship programme onto a statutory footing. The legislation is intended to strengthen the meaning and status of apprenticeships as an employment-based work-based learning option.

5. Consultation

Prior to the Act, some apprenticeship policies and structures, such as the publication of apprenticeship frameworks and arrangements for completion certificates, was a shared responsibility between the respective government departments in England and Wales. The UK government conducted a full public consultation across England and Wales on the Draft Apprenticeships Bill from July to October 2008. There were 69 responses in total from organisations across England and Wales and the overall assessment was positive.

Responses were generally receptive to the legislative proposals with particular reference to the UK Government's aims of promoting apprenticeships as a valuable alternative to conventional qualifications and providing a central mechanism for apprenticeship provision.

Apprentices who meet either the standard completion conditions or the alternative completion conditions and who achieve the attainments set out in a recognised Welsh apprenticeship framework are able to apply to the certifying authority for an apprenticeship certificate. The Order enables the creation of a Certifying Authority specifically for Wales. Further consultation on the need for a certifying authority was not deemed necessary.

6. Regulatory Impact Assessment (RIA)

A RIA has **not been** conducted in relation to this Order because the designation of the Alliance of Sector Skills Councils as the Certifying Authority maintains the same sector organisations to issue certificates.

Currently, individual Sector Skills Councils and relevant standard setting bodies supply apprenticeship completion certificates to apprentices in Wales. The Alliance of Sector Skills Councils already issues statutory apprenticeship certificates to apprentices in England and continues to supply apprenticeship completion certificates in Scotland, using a central web-based certification system to issue apprenticeship certificates. There are a sufficient number of similarities between apprenticeship frameworks across England, Scotland and Wales to support the use of a common database system for the production of apprenticeship certificates. The Alliance already acts as the equivalent English Certifying Authority and operates the system under the title 'Apprentice Certificates England' (ACE). They made a significant investment to adapt the Scottish system 'MA Online' to enable this to happen. A public tender for the equivalent body for Wales was therefore considered to be a nugatory exercise as the cost to the Welsh Government of adapting the system to carry Welsh Apprenticeship certificates would have been far in excess of the £25,000 contribution actually made by the Welsh Government. As a cost comparator, the Alliance recently spent £100k on upgrading Scotland's MA Online into MA Online 2 (current version); and spent £160,000 (partly funded by DBIS in England) to adapt MA Online 2 into ACE. By way of contrast, DfES spent £651,281 over a two year development period to set up the web-based Apprenticeship Matching Service from scratch.

There are benefits to be gained through utilising the current non-statutory system that is already customised to handle recognised apprenticeship frameworks such as non-incurring set-up costs. There are also cross-border benefits in terms of consistency and familiarity for those applying for certification with the same organisation and system operating across England and Wales.

The designation of the Alliance of Sector Skills Council as the Certifying Authority has no impact on the statutory duties (sections 77 -79 GOWA 06) or statutory partners (sections 72-75 GOWA 06).

A full Impact Assessment was published for the Apprenticeships provisions in the ASCL Bill based on the recommendations of World Class Apprenticeships published in 2008.