



SELECT COMMITTEE ON SOCIAL MOBILITY

Oral evidence

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Department for Business, Innovation & Skills and Department for Education – oral evidence (QQ 1–10)

Evidence Session No. 1

Heard in Public

Questions 1 - 10

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Juliet Chua, Director Post-16 and Disadvantage Group, Department for Education, **Peter Clark**, Head of Participation and Careers Unit, Department for Education, **Andrew Battarbee**, Deputy Director, Vocational Education Strategy, Department for Business, Innovation and Skills, and **Oliver Newton**, Head of the Apprenticeship Growth, Strategy and Legislation Team, Department for Education and Department for Business, Innovation and Skills

Q1 The Chairman: Welcome, everybody, to this first evidence session of the Select Committee on Social Mobility. I just remind everybody that this session is being broadcast today and also remind Members, if they do ask a question where they have any possible interest, to declare it before asking the question. I would like to ask the witnesses to introduce themselves. I apologise that the size of the room is such that you do seem a little far away, but can we start with Peter Clark?

Peter Clark: Hello. My name is Peter Clark and I jointly head the Participation and Careers Unit at the Department for Education.

Juliet Chua: Good morning. I am Juliet Chua. I am the director responsible for Post-16 and Disadvantage at the Department for Education.

Oliver Newton: Good morning. I am Oliver Newton. I head the Apprenticeship Growth, Strategy and Legislation Team and I report into the Department for Education and the Department for Business.

Andrew Battarbee: Good morning. My name is Andrew Battarbee. I am Deputy Director for Vocational Education at the Department for Business, Innovation and Skills.

Q2 The Chairman: Thank you very much. You probably do know that we are very interested in the group of young people called the missing middle, those who are not on what we call the royal route to A-levels and higher education but are not classified as not in employment, education or training. It looks as though they could constitute 40% to 50% of our 16 to 19 year-olds, so what assessment has the Government made of this group of people?

Juliet Chua: The Government's aim is that all young people should reach their potential and we have high expectations for the outcome of the whole cohort. We would not recognise the term "missing middle" or a "royal route". Our reforms have sought to raise standards and participation for the cohort as a whole and to address quality and improve outcomes for all young people.

We have seen a sharp increase in the numbers of young people who are staying on in education and training post-16. That has increased over the last 10 years but most recently, with the raising of the participation age, we are seeing that 91% of 16 to 17 year-olds are now in college or training. That is positive because we know that participation post-16 sets you up critically for progression into higher skills, higher education and lifetime employment. There are a number of routes through for young people as they think about what they want to do post-16 and a feature of the system is it does accommodate choice for the young person. If I am 16, I can choose a number of routes. I can go into an apprenticeship or, if I am not quite ready for that, a traineeship or I can stay on in college or school. If I am staying on in college or school, I will move on to a study programme and that programme will be either the A-level route, as you describe, or else it will be a vocational route.

When you describe the missing middle, we would not recognise that as a homogeneous group. We would say that there is a different programme available, depending on a young person's prior attainment and their interests, providing a route either straight into employment at 18 or into a higher skills level or on to higher education. Would it be useful

for me to talk through some specific examples of the sorts of things young people are doing at this age?

The Chairman: Yes.

Juliet Chua: Alison Wolf did a major review for the Department for Education in this area and that laid the groundwork, as we implemented her report in full, for addressing the quality and particularly the purpose of what young people are doing if they stay on to do vocational education in college or school. If I am a young person, I could be doing level 3, such as through a Technical Level, and that means a qualification that sets me up for moving into a specialised role in an occupation or a sector—for example, a tech level in design engineering or mechatronics. Alternatively, I might be doing a level 3 in what we describe as applied general qualifications. Those sorts of qualifications are endorsed by universities, so they can be combined with A-levels and take you into higher education or towards a specific sector. There is a group of young people who will be at level 2 and they may be doing some element of GCSE retakes, acquiring the critical maths and English. Alongside that they will be doing a technical certificate, which is a qualification that will make them ready for a specific sector, a path into employment at that point, or to move up towards a Technical Level later.

The Chairman: Well, that is a very rosy picture. It certainly does not accord with some of the very young people that I know. How many of these young people are there on each level?

Juliet Chua: We capture data around participation and highest study aim. If I work through the cohort as a whole: 415,000 young people aged 16 are doing A-levels or level 3 equivalents. That is 66% of the cohort. If you break that down by A-levels, the A-level track is 50% and then a further 15% are on the level 3 qualifications I described—the applied general qualifications, tech levels or other vocational qualifications. A further 16% of the cohort is on level 2 qualifications - 6% on level 1, 3% on other courses, and 3% on apprenticeships. Then there is 3%, which is the lowest numbers we have recorded, in terms of 16 year olds who are not in education, employment or training.

The Chairman: What are the employment outcomes for the 16 to 24 year-old cohort?

Juliet Chua: We use a number of different sources for looking at the way in which young people are moving into employment. We look at the Labour Force Survey data and we increasingly look at wage returns and destinations data to understand the way in which young people are moving from their choices at 16 into different routes from 18 and

onwards. I will invite my colleague from BIS to say a little bit more about the 18-plus age group destinations, but I will start with the younger age group.

It is worth saying that for the cohort overall, 16 to 24 year-olds, 13% are not in education, employment or training. That is a similar rate to pre-recession, but it is still too high. We know that we want to go much further to bear down on young people who are not in any form of training or employment in this age group. You have received written evidence from my colleagues at DWP who have also provided further information in terms of their support and work with the long-term unemployed of this age group.

Clearly, the Labour Force Survey data give us a picture of where young people are. As I say, we are putting increasing emphasis on destinations data and wage returns. You asked about the comparison between the missing middle and other students. Wage returns data tell us quite a lot—and there is further to develop in this area—about the comparison between different routes. For example, students who do A-levels with STEM get very high returns. The average return on an apprenticeship compared to other forms of qualifications at the same level is higher. The Government's commitment in terms of moving young people into fewer low-quality FE courses and more into apprenticeships is borne out by our desire to grow the apprenticeships programme.

Perhaps I can say a little bit about destinations data, as I know that that is a critical piece for us in terms of work we want to use to inform young people's choices but also to understand exactly the way in which young people are moving through the system and being confident that those routes are delivering quality. In DfE we put emphasis on destinations both after key stage 4 and at key stage 5. This is experimental data. We are still improving them, filling in gaps through the Small Business, Enterprise and Employment Act that was agreed just before the election. That gives us a basis to do further data matching, so we will be able to understand the cohort right across the age range. In DfE, for the key stage 5 data we are already beginning to see a picture of the employment outcomes for young people as they emerge after key stage 5.

The Chairman: Thank you. I think we had better move on. Baroness Blood wanted to ask something. We are tied for time. We have to finish at noon, so I have to keep things moving.

Juliet Chua: Of course.

Baroness Blood: Research has shown that those who get A-levels and move on into employment do very well and those who get level 3 do very well, but there are some young people not capable of either of those. Is there any work being done around those in view of the report that came out yesterday, *Seriously Awkward*, by the Children's Society, where they name a lot of children who are falling through the cracks in the system?

Juliet Chua: Absolutely. As I say, the Government are committed to raising outcomes for all young people with all levels of prior attainment as they move through this age phase. The reforms that we have done, both at key stage 4 and beyond, are about increasing attainment for young people as they move through. We know that increased attainment pre-16 is the strongest determinant of progression on to level 3 and beyond, so the work we have done to strengthen the core curriculum and the core requirements for young people at the younger age group will feed through to increased attainment later.

We are committed to as many young people who are capable of getting to level 3 as possible getting there, but I recognise absolutely what you are saying. There is a group of young people who are not at level 3. We need to make sure that we are delivering for them and we have done a number of things to ensure that. We have implemented the SEN reforms, which provide additional support. We have also used the pupil premium to provide additional support for disadvantaged pupils, both in terms of additional funding and accountability around those outcomes. Then we have strengthened the accountability regime for providers to ensure that it captures outcomes both for level 3 students and for those who are at level 2 and below. So providers are now held to account for outcomes for the whole cohort.

Andrew Battersbee: Perhaps I could pick this up on behalf of BIS as well, because we take over this group when they reach age 18 and 19 and move out of the compulsory education system. The Prime Minister has set an ambition that it should be the norm that young people gravitate to university or to an apprenticeship. For people who are not ready to do that and perhaps will not be ready to do that, it is very important to focus on their learning outcomes. There is value in getting level 3 at an older age after A-levels, but there is also value in getting a qualification at level 2 or getting some basic English and maths qualifications. That is where a great deal of our funding goes, basically on helping the most vulnerable economically and educationally. We also run a community learning programme,

which is targeted at bite-size learning and at helping some of those with difficult problems: mental health, for example. It is an important part of the adult education landscape.

Q3 Baroness Stedman-Scott: I should say that until recently I was the chief executive of Tomorrow's People, which is no longer the case. I am an ambassador for it and the governor of an academy school in Bexhill, so I am just declaring that. I am interested to know what the Government's national strategy is to improve upward social mobility, including skill levels and outcomes for school leavers, particularly in what we are calling the missing middle. What plans do the Government have to improve those outcomes for disadvantaged groups within the 16 to 24 cohort?

Juliet Chua: As I said, the strongest determinant for young people's success in adult life is their prior attainment as they come through, so the Government's strategy for improving social mobility and raising outcomes for this group focuses on both our reform programme for schools and then our reform programme for 16-plus into the skills system.

Pre-16, our focus has been on strong, rigorous core standards and general education for all pupils, including the disadvantaged. Indeed, I would emphasise the importance of high expectation for all pupils, particularly the disadvantaged, as part of that. There have been three strands. First, strengthening the core curriculum, so the shift towards the EBacc as a requirement for all pupils to move towards that core academic general education to set them up well post-16. Second, clear accountability for progress for the whole cohort, so the shift towards the use of measures such as the Progress 8 measure, which stops thinking just about those at the threshold and means that schools will be incentivised and recognised for the work that they do with all pupils. Finally, the work to address structurally where we think pupils are being left behind, so intervention with coasting schools as a way of trying to raise performance and increase outcomes for the whole cohort. I would also point to the reforms specifically to support disadvantaged pupils, so the introduction of the pupil premium as a mechanism for funding following the learner who is disadvantaged as well as support through the SEN reforms.

Post-16, our strategy builds on Alison Wolf's report and addresses both quality and rigour. We have further to go in this area because we know that it is critical to have clear routes through for all young people. As you pointed out, the A-level route is well understood. Alison Wolf challenged the Government to address the long-standing issue of the quality of

vocational qualifications and we have done a lot to filter out some qualifications that had no value to young people. She identified 350,000 young people who were not doing qualifications that were recognised by employers. We have now reduced the number of qualifications to 700 and those are clearly endorsed by employers and universities, so they lead on to a path upwards in terms of social mobility.

I would also point to the emphasis on English and maths as part of the post-16 story because it is critical that young people have English and maths. We know that it is what employers value and sift by for recruitment, so we have strengthened the requirements around that.

Baroness Stedman-Scott: Thank you. If I could just ask another question, which revolves around those young people who teachers know are going to need a lot of help, encouragement and guidance to take advantage of these opportunities. The pupil premium is there for just those purposes. What do you do to check or to measure that it is being used for that purpose?

Juliet Chua: The pupil premium works in two ways. There is the funding, which goes alongside a young person who has received free school meals at any point in the last six years. Then there is the accountability, which essentially holds schools to account for raising the attainment of pupil premium pupils. They report on that through their website and then Ofsted looks very closely at the progress being made by those pupils. The third strand has been our investment in strengthening the use by schools of evidence of what works best, what are the types of interventions that really make a difference. The NAO's recent report on the pupil premium strongly recognised the progress that has been made in the way that schools are engaging with and thinking about what works best for each individual pupil to raise their attainment. There is further to go, but it is an area where we have seen some progress.

Baroness Berridge: I have a supplementary question, partly on vision and partly on data. In terms of the vision within the question to improve upward social mobility, that is quite easy to understand if you are talking about people getting a degree, say in law, and then they progress in the profession and by about their mid-30s you can see that social mobility. What do you understand by social mobility for this cohort in addition to their salary cheque? In terms of the data, do you break down the data? We had some evidence about the fact that in rural areas there are particular issues, which surprised us. Do you break down the data

that you have for this cohort regionally? Also, this cohort will be much greater in the number of black and minority ethnic students. The BME community is very young. Do you break it down as well across the different categories?

Juliet Chua: I will respond in two halves. On your question about social mobility for the non A-level track, as you describe it, the Government are clear that what we want to see is young people being able to progress up to higher skill levels and that the qualifications and the skills and experience they receive set them up well for future employability. This is so that as you move post-16 you have the most choice about the route that you want to pursue and then you acquire, 16 to 19, a programme of study that sets you up well to be able to move into the career of your choice and progress to higher skill levels.

We often talk about social mobility in the context of a disadvantaged pupil becoming a High Court judge. I think we would clearly expect and want to see an equivalent degree of status around the progress of an individual apprentice moving up to higher skill levels. There are some nice examples of apprentices moving through and reaching very senior roles in their organisations—and that has to be their equivalent of high-status social mobility.

Oliver Newton: Indeed, there is a nice statistic that one in five companies in England has a board member who was a former apprentice, so there is a lot of experience right at the top of organisations to make sure that the apprenticeship route works.

Juliet Chua: On your second question about what data we look at, we obviously have participation, attainment and destinations data for this cohort and that is broken down in a number of different ways, including different regions. The destinations data are still experimental and there are a number of unknowns. If you look particularly at key stage 5, 17% of the cohort is still not fully identified. Once we match that with DWP and HMRC data, we will have a much richer picture to be able to fill in gaps and give the sort of analysis that will give us a clear picture for the whole cohort moving through. Participation and attainment data cover the cohort as a whole and you can break them down in lots of different ways to identify different types of performance for different groups.

Baroness Sharp of Guildford: Just very quickly, I must declare a number of interests first. I am a patron of the 157 Group. I am an honorary fellow of the City and Guilds Institute. I am also an honorary fellow of Birkbeck and I chaired a NIACE Commission on Colleges in their Communities a couple of years ago—actually four years ago now. Time passes very quickly.

We know that only 6% of the 16 to 18-year group go into apprenticeships. Of those who go in, many only have a level 2. The total number of apprenticeships of those over 19 going into apprenticeships is what? We move up to a total population of about 12% of people who do apprenticeships in the end and many of them are only at level 2. We know that many of those at level 2 end up in jobs that, if we look at the hourglass economy, are the relatively low-level jobs with relatively low pay. Many of them are outsourced—care assistants and that sort of thing. Who is responsible for training in those circumstances if they are working for, let us say, a subcontractor to a hospital or something like that? Who is responsible for pursuing their training?

Oliver Newton: Within apprenticeships there is a range of training providers involved. Colleges often act as the training provider. The majority of training is done by private training providers. The employer has the opportunity to work with the apprentice and choose the right training provider.

Baroness Sharp of Guildford: If they have finished their apprenticeship, so they have a level 2 apprenticeship and they are working but we want to see pathways, who is responsible? If there is a subcontractor, is it the subcontractor? What if they are self-employed? Many of them are in the zero-hours culture and this sort of thing. They are self-employed. Who is responsible for training in these circumstances?

Juliet Chua: Just to clarify the question, do you mean once they have completed the apprenticeship?

Baroness Sharp of Guildford: We are talking about young people in their early 20s, say, who have completed an apprenticeship at level 2. We know that a level 2 qualification does not lead you anywhere very far. You need to move on from that and it is very important that they do move on. How do we know that they are moving on?

Andrew Battersbee: Shall I have a go at this, because I think it probably falls more within BIS's responsibility? One should be clear that there is value, both in terms of wage and probability of being in employment, in having a qualification at level 2, but certainly one does not want that to be a ceiling for any individual. So far as BIS is concerned, we do invest our funding in the adult cohort at those with the lowest skills needs, so focusing primarily on basic English and maths and on level 2. We also provide full funding for young people up to the age of 24

wanting to take a level 3 qualification for the first time and that is an entitlement those young people currently have.

If people want to do some retraining, we would also co-fund young people to do a level 3 qualification. For those who are older, aged 24 and above, what we now do is make loans available on HE-style terms. There is cost-sharing between the Government and the individual as both are beneficiaries from this. That is the choice that BIS has made in the spending climate of recent years. We are expecting that there will be around £300 million taken up on such loans. This is generally for non-apprenticeship provision. It is for training at a high level.

Baroness Howells of St Davids: Juliet, these disadvantaged groups that you are talking about, in my day they were called SEN children. What part does the careers office play in the skills that these people try out?

Juliet Chua: I think that there a number of different forms of disadvantage that can impact a young person's attainment.

Baroness Howells of St Davids: Just the careers officers.

Juliet Chua: Just for careers officers. We know that for young people having good information and independent and objective advice is important to help them shape their choices as they move into post-16 education and training. Schools and colleges have a statutory responsibility to provide that service to all pupils, including pupils with SEN, so the responsibility sits with the school or college. They will draw in a range of other bodies and organisations to support them to fulfil that duty. There are different profiles of using employers to come in, but there are some specific schemes in addition that help give young people with SEN direct experience of the labour market. Supported internships is a very positive scheme for that group. For the older age group, 18 to 24 year-olds, the National Careers Service is a service available for all 19-plus year-olds and to unemployed 18 year olds and that provides a series of different types of support—a helpline, a website—and is co-located in Jobcentre Plus, so also works with young people who come through from Jobcentre Plus.

Baroness Howells of St Davids: You know that we set up supplementary schools for black children in the days when they were being classed religiously as SEN. One of the things we found the careers office never did is set out the careers and where they lead financially. Let

us take something as simple as gardening. If you say, “If you become a gardener”—you know, all the steps. They do nothing like that. We found that the motivator was the earnings after the apprenticeships and I wonder if that is being dealt with.

Juliet Chua: Absolutely.

Baroness Howells of St Davids: How?

Juliet Chua: Good information about future wage returns and information about what a career involves will help inform a young person’s choice. I think that you are seeing UKCES later on this morning. Their Labour Market Information for All provides detailed information about different returns and that has been picked up and used and turned into some great, interesting websites that engage young people to look at different paths that they can take. I would recommend that the Committee look at a range of different websites like iCould or Plotr. These are all cutting the information in different ways and engaging young people as a result.

Q4 Lord Patel: Mine is a quick question and I am sure you will have a quick answer. It relates to skills funding and, in particular, non-apprenticeship adult skill funding. The Skills Funding Agency suggests that there will be a 24% reduction in funding. There is also likely to be further reduction through the spending review. The spending review and the reduction in funding clearly will have an effect. What do you think the effect will be on colleges of further education and individuals, both 16 to 19 year-olds and 19 to 24 year-olds? What do you think might be the worst-case scenario? What do you think might be least-worst-case scenario? What do you think might be the real scenario?

Andrew Battarbee: Shall I kick off with that one? First of all, it is probably important to say that the 24% figure in the allocation set for 2015-16 represents the largest reduction in agency funding for any single provider and the decision was taken to cap reductions at that point. The funding reduction overall going into the 2015-16 financial year was 11%. I think it is quite important to see this in the context of how funding has changed over the past five years.

Lord Patel: No, wait. You do not agree with the level of funding of 24% but you agree that there is a reduction?

Andrew Battarbee: Absolutely.

Lord Patel: Let us leave that aside and go to the effect it will have rather than explaining to me why we got to that level of funding.

Andrew Battersbee: Okay, fine. It is very much for colleges to respond to these funding changes. What we have done is reduce the funding in ways that reflect the priorities that the Government have set. Over the past five years we have more than doubled the funding that we put into apprenticeships.

Lord Patel: Would you agree that you are not answering my question, which is what effect it will have on 16 to 19-year olds, 19 to 24 year-olds and the colleges for further education?

Juliet Chua: Can I come in?

Lord Patel: Yes.

Juliet Chua: I think it is important to differentiate between pre-19 and post-19 funding. We have been clear that 16 to 19 funding has not been affected, so for 16 to 19 learners in the 2015/16 academic year there are no reductions. What Andrew is talking about is the older age group.

In the context of tackling the deficit, the Government have had to take some difficult decisions. This is clearly tough for colleges and we are seeing some very good examples of colleges grappling with difficult financial decisions, but this is also because we are prioritising apprenticeships in the way that the budget is being used. Given what we know about the returns to apprenticeships, we do want to grow the programme overall. Colleges can also participate and grow their provision to work with employers to support apprenticeships.

Q5 Baroness Berridge: Proposed changes to the child poverty measurement were announced last week. Was there an assessment of any potential impact on social mobility prior to the announcement?

Juliet Chua: The announcement talked about the commitment to bring forward legislation to change the way that we measure child poverty to tackle the root causes. It clearly introduces one of those two strands: an increased focus on educational attainment. The detail of that legislation is going to come forward shortly. I can come back to you with a note about impact assessment. I do not have that information with me today.

Q6 Lord Holmes of Richmond: Good morning. Thank you for coming to see us today. How is labour market information used to make predictions about the labour market and the skills that young people will need in the future?

Juliet Chua: We know that young people, providers, employers and the Government all benefit from good labour market information. It helps inform choice. It helps shape provision, make providers more employer-responsive and inform the design of rigorous, good-quality qualifications. The Government's role has been twofold. One has been to increase employer involvement directly in the design of qualifications and the accreditation and endorsement of them. Employers are best placed to know what they need in terms of the types of skills and requirements of their sectors and occupations. The trailblazer process for apprenticeships is a nice example of where employers essentially picked up the pen and are using what they know about their skills gaps and what they need in terms of their occupational profiles to design the standards for the future.

The second strand is about increasing data in the system overall and you will be talking to UKCES shortly. In DfE we have also been increasing the provision of open data about the provision that is available post-16. This enables developers to come forward and pick up that data and use it in different ways to engage young people.

Peter Clark: It might also be worth mentioning that the National Careers Service also holds local information provided by Local Enterprise Partnerships about the current employment patterns and likely future changes in those localities as another element in the mix.

Q7 Baroness Tyler of Enfield: I declare an interest as co-chair of the All-Party Group on Social Mobility. My question is about qualifications in the labour market. It has already been touched on when you talked about Government's response to Alison Wolf's report. Could you say precisely how the Government take labour market information into account when they are making decisions about changes to qualifications and, indeed, the assessment framework to ensure that those qualifications are relevant to the labour market?

Juliet Chua: I have described our response to Alison Wolf's report in terms of the way that we now recognise qualifications in the performance tables, which is our principal way for holding colleges and schools to account. We only include qualifications in those tables if they have received direct employer or university endorsement, so they have been identified as being directly relevant and having value to those employers. That filtered out large numbers of qualifications that previously had limited, negative or negligible labour-market value. The apprenticeship trailblazer process is another example where essentially we are directly

asking employers to play a role in the design of the qualification framework using their knowledge of the labour market.

Baroness Tyler of Enfield: Could I just follow that quickly? I am interested to know precisely how what you have said happens at regional and local level. We have already had quite a lot of evidence to say how different labour markets are in different parts of the country. We have this issue of the hollowing out of the labour market or the hourglass economy but, at local and regional level, how does that process you describe take place?

Juliet Chua: I will pass to my colleague in BIS to say a little bit more about this, but I would start by saying that the Government welcome the way in which local areas and the devolved city regions are thinking hard about the way in which they use local labour market information to shape their thinking on employment and skills. There are a lot of examples where areas are supplementing national labour market information with local labour market information; doing individual studies; looking at and tracking destinations of individual pupils with certain types of qualifications as they move locally; and thinking about skills gaps and seeking to influence the provision that is available in a place. That is certainly beginning to inform the way in which providers are shaping the offer.

Andrew Battarbee: It is important to say that, for the qualifications as such, they are generally a national product or a national framework so that if you are studying to be a plumber in Manchester, say, you are getting a qualification that will make you mobile throughout the country—indeed, possibly on an EU and wider basis.

In terms of the course mix, what we want to do is, so far as possible, allow providers to respond to what their communities and local labour markets are saying is needed rather than having some sort of central prescription of that coming from a funding agency. The devolution deals in Manchester and other cities commit government to looking at how the adult skills budget supports learning in a way that is co-commissioned between the Government and local government. Outside of those we already make sure that skills-funding allocations take account, for example, of what Local Enterprise Partnerships are saying about what is needed and where shortages are.

Q8 Baroness Sharp of Guildford: Can I question you a little bit about the apprenticeship programme and the ambition to create 3 million apprenticeships? Given that only 6% at the moment of apprentices are taken at 16 to 18 and yet there are many applications from

young people of this age who want now to go into apprenticeships, what are the Government doing to encourage or help these young people get into apprenticeships and to encourage companies to take on more apprenticeships in this way? What are the plans for creating pathways? To what extent are you planning that apprenticeships, both at the 16 to 18 level and above, should be level 3 apprenticeships, which many regard as being the appropriate level to end an apprenticeship, rather than just the level 2 apprenticeships where the majority of apprenticeships at the moment do finish?

Juliet Chua: Perhaps I can say a little bit about the way in which we are growing the apprenticeship programme overall to meet the Government's commitment for the 3 million and then talk specifically about what that might mean for the younger age group. Our strategy for meeting the 3 million is essentially to grow provision across a number of strands. We want to continue the employer reforms we have started. We know that giving employers greater control over the development of apprenticeships and standards means that they will be relevant to their needs. We want to encourage existing employers to offer more apprenticeships and draw new employers into the programme— having the right standards, the right product, is a critical building block of that.

The second is that the public sector needs to pull its weight, so we are bringing forward legislation that will create targets for public bodies to do more to offer apprenticeships. We will continue to ask and to support large employers to do more and also support small employers through our Apprenticeship Grant for Employers, which provides additional support. We will expand higher and degree-level apprenticeships and we are going to continue to increase quality.

At the heart of all of this is a commitment that an apprentice has a job. When we talk about the younger age group it is important that this is about employers offering jobs to the younger age group and we provide a number of things that support that. One is that we fully fund the training of the 16 to 18 year-old age group through their apprenticeship. We also provide additional funding, incentive funding, to employers who employ the younger age group. We have also put in place the traineeship programme, which provides a stronger pathway in. It has been going for a year.

Baroness Sharp of Guildford: Yes, I know about it.

Juliet Chua: For those young people who want to do an apprenticeship but maybe are not quite ready and may have applied and not been successful, the traineeship provides a route in.

Baroness Sharp of Guildford: Can I just question you a little bit more about small and medium-sized enterprises? One of the problems that you have with your employer ownership pilots at the moment is that it is fine for the large companies but many of the small companies feel rather excluded from it—yet if you want to expand the number of apprenticeships it is vital that you get the small and medium-sized companies in. How are you going to be doing that?

Oliver Newton: You are absolutely right; it is really important that we get small companies involved. One of the most powerful messages we find is employers talking to other employers. Around 79% of employers involved in the programme would recommend it and harnessing that is an important part of this. The challenge then is getting people to offer their first apprenticeship, because once they are involved they tend to be very positive about it. The apprenticeship grant for employers is a grant of £1,500 specifically for smaller businesses, so with 50 or fewer employees, and that is designed to do exactly that. It has supported about 150,000 apprenticeship starts over the last three years and we think that has had some very powerful effects in terms of getting people to offer those first apprenticeships.

Baroness Sharp of Guildford: Does that apply to the 19-plus apprenticeships as well as the 16 to 18 apprenticeships?

Oliver Newton: Yes, the apprenticeship grant for employers is for apprentices aged 16-24.

Baroness Berridge: Again, with the university route and Department for Education and BIS, you have fast-track Civil Service entry. Do your departments themselves offer apprenticeships?

Oliver Newton: They do. We have an apprentice in my team at the moment who helped prepare my briefing for today and has been very successful. One of the nice things is that the apprentices are able to apply, without having had a degree of course, for the fast-stream entry. They would end up earlier, effectively, in their career on the same graduate programme, having graduated from their apprenticeship but without having a university degree.

Baroness Berridge: Is that across government departments? Are you looking for the likes of DfID and others to recruit more apprentices?

Oliver Newton: Absolutely, yes. We are doing some work bilaterally with each of the departments now to think about their plans for supporting apprenticeship growth within their departments, within their non-departmental public bodies and then broader in terms of procurement and other routes.

Q9 Baroness Blood: Given that you have just told us all these exciting things for employers who take on apprentices, why is the uptake so low? What does the Government intend to do to try to raise that?

Juliet Chua: We start by talking about apprenticeships, which is obviously a job, as opposed to work experience, which may be alongside a programme of study. We have seen an increase in the proportion of employers who are offering apprenticeships. It has gone from 13% to 15%, which is positive. However, we know that compared internationally to employers in countries with very well-established and highly-regarded apprenticeship schemes, they have a higher proportion of employers. But we also know that employers who have apprenticeships are immensely positive about them. Some 84% of employers will talk about their satisfaction with having apprenticeships and so one of the principal levers for encouraging more employers into the programme is to directly market to them via other employers. We are using our Apprenticeship Ambassador Network and other examples to directly market, to reduce those barriers and the perceptions, and to help sell the business benefits of why an employer would want to take on an apprentice.

Baroness Blood: What in your minds is the difference between an apprenticeship and work experience?

Juliet Chua: There are a number of different forms of work experience. If you think about a younger person in a school, work experience might be contact with an employer: an employer coming into a school and doing an inspirational talk. That is a form of experience of work. That is very different from a work experience placement in the way that either DWP or we would offer e.g. through the traineeships programme. Work experience looks different at different ages but is incredibly important and the evidence bears out that for young people who have had a good work experience it will positively impact.

Baroness Blood: But you do not offer any incentive to an employer for work experience?

Juliet Chua: If we talk about work experience in the context of wider careers and support, we have addressed quite a lot of the concerns that employers had that were barriers to offering work experience. In the last Parliament there were a number of concerns about red tape and bureaucracy that got in the way and we have addressed those. We are using the Careers and Enterprise Company that has been recently established to do more to engage employers locally in offering work experience, both making it easy for them to do so, to work through a local enterprise adviser who will match them up with schools, and also to reach out to those who might previously not have been involved.

Baroness Howells of St Davids: I am going back to the careers again, if I may. You say that the careers information you say is on the internet. I will look it up because I have not. Do you think that there is enough guidance? We are in an age where young people are more concerned about what they will earn. When I said gardening, the careers office could prepare a sheet with the different stages of gardening; in other words where you will work and how much you will earn. Do they do anything like that?

Peter Clark: Perhaps I can say that there is that sort of information available from the National Careers Service, and individual professions will often make that sort of information available about their own routes. I do not know whether gardening particularly does anything like that.¹

Baroness Howells of St Davids: I only use gardening because it is simple.

Peter Clark: Yes. I suppose that there are some professions that might move you through different stages of qualifications. I think that information will be available either from national websites or from some of the professional bodies, for example in engineering.

Juliet Chua: We know that Ofsted has highlighted that the pattern of provision of careers guidance and information in schools has been variable across the country and there is more to do to strengthen it. This is an area that we have seen as a priority for us as a department and the Secretary of State is very committed to seeing further progress in terms of the careers guidance available to all young people across the country. The new Careers and Enterprise Company has been created to sit alongside and support individual schools and colleges in the ways in which they use information and research, the ways in which they

¹ A range of information on gardening as a career, including potential income in different gardening jobs, can in fact be found on the National Careers Service website. See:
<https://nationalcareersservice.direct.gov.uk/advice/planning/jobprofiles/Pages/gardener.aspx>

work with employers locally and nationally and the range of organisations that provide different types of activities that help open up young people's eyes and give them an aspiration and direct information about routes in. This is an area for us as a department where we are very focused on seeing improvement.

Baroness Blood: You are developing it. Thank you.

Baroness Berridge: These are not separate categories necessarily, are they, careers guidance and work experience placements? Somebody being in the workplace, they pick up a lot of guidance by being there. Is there any way we can try to ensure that work experience placements are allocated to people not just through who they know? I do not know if it operates in this category of people, but talking about the law now, it very much operates through networks, so how can we ensure that work experience placements go to children who do not necessarily have the contacts? Just drawing on the question from Lady Blood, there is no incentive, is there, for employers to take on, and it does take quite a lot to organise a good-quality placement for somebody. If you could expand on that it would be useful.

Juliet Chua: For 16 to 19 year-olds, the programme of study that they will complete in school or college will be made up of their substantive qualifications, their English and maths if they need to continue, and work experience is a requirement. Schools and colleges will be going out and helping support the young person identify work experience that will help both contribute towards what they might be thinking about in terms of their qualification and indeed work experience that is relevant to put them on a path to where they want to go. That is built into the requirement for all young people as part of their study programmes, not just those who can get sorted out through a personal connection.

As part of fulfilling the requirement to lay on good-quality study programmes, there is a strong incentive on schools and colleges and it is something that Ofsted has looked at closely to make sure that the provision is being made available.

Q10 Baroness Sharp of Guildford: On careers education, as you will know the 2011 Act shifted the responsibility to schools and colleges to provide for their own young people. It is not just Ofsted which has been critical. It is also the CBI and the Commons Select Committee. A lot of people have been very critical of the way in which schools have not been doing what one hoped they would do in terms of opening up career opportunities

and, in particular, providing this sort of one-to-one support that is sometimes necessary. How far do you feel this company is going to fill these gaps and provide it? Will it provide it across the whole age group? It is almost as important that the 12 year-old knows about careers education as that the 15 and 16 year-old does—and sometimes it is the 18 year-old who needs it as well.

Juliet Chua: Absolutely. We would absolutely agree with you about the importance of good-quality careers education and guidance all the way through and what you need looks different at different ages. What you need looks different at 13 from what you need at 16 or 18. The company's remit is to cover the age range from 12 to 18 and it has four strands of work that it is going to take forward. The first is to promote and invest in research and development of what good looks like: to promote to schools what works; what best quality information and evidence there is about what high-quality provision looks like. It is going to introduce a network of enterprise advisers who will work through the local enterprise partnerships, so will have strong connections into local employers and work with individual schools in that space. It will sponsor an investment fund, which will essentially promote activities in areas where maybe traditionally there has not been quite so much activity. The fourth strand will be about dissemination of information across the system, so much more about making sure all that good data and research are moved across the system.

Baroness Sharp of Guildford: Are you going to be making sure that they also are employing people who are appropriately qualified to a matrix standard, which is the standard?

Peter Clark: The Careers and Enterprise Company will be very much a championing and facilitating body involved in linking up schools and employers, helping share good practice and so on. We do not envisage that it will operate in providing careers guidance directly to young people. No doubt its people will need a wide range of skills and will need to be very effective, but that question about the standards for providing guidance will not apply directly.

The Chairman: Thank you very much for coming before us today. It is great to see your passion and commitment to the subject, but, given that the UK Commission on Employment Skills found that only 10% of employers currently employ an apprentice and that we have about half the proportion of young people going into work experience compared with the

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rest of Europe, you do have an uphill struggle and we wish you all the very best. Thank you very much.

Dr Claire Crawford, Dr Abigail McKnight and Moira McKerracher – oral evidence (QQ 11-17)

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Evidence Session No. 2

Heard in Public

Questions 11 - 17

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Dr Abigail McKnight, Senior Research Fellow at the Centre for Analysis of Social Exclusion, London School of Economics, **Dr Claire Crawford**, Assistant Professor of Economics at the University of Warwick and a Research Fellow at the Institute for Fiscal Studies, and **Moira McKerracher**, Deputy Director, the UK Commission for Employment and Skills

Q11 The Chairman: Thank you very much for coming to give evidence to us today. I am sorry that you are somewhat distant, but we will be able to hear you. Would you like to introduce yourselves before we start?

Moira McKerracher: Good morning, my Lords. I am Moira McKerracher, Deputy Director of the UK Commission for Employment and Skills.

Dr McKnight: Good morning. I am Dr Abigail McKnight from the Centre for Analysis of Social Exclusion at the London School of Economics.

The Chairman: We are awaiting Dr Claire Crawford who we hope will appear pretty soon. I am going to ask you first about trends in social mobility. There are some recent sociological findings that show that there has been a slowing of upward mobility and evidence of increasing downward mobility. What are the factors that influence this mobility for school leavers?

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Dr McKnight: In terms of those studies, of course it is important to be aware that an increasing incidence of downward mobility is not the same as an increasing rate of downward mobility, and it is the case that, because there has been an expansion at the top of the labour market, over the last 20 years there has been what we call greater room at the top. More people were able to move up and, therefore, there is a bigger group who are at risk of downward mobility and, therefore, we should not be alarmed that there is an increase in the incidence of downward mobility.

We might want to unpick that a little bit further to try to understand who is most vulnerable to downward mobility. Is it the children whose parents moved up the social scale in the previous generation who are at greater risk? We do not know. There are some Swedish studies that have looked at that, but I think that might be an interesting avenue that has not been explored yet to try to understand that. In terms of who is most at risk, we do have some ideas because we understand the factors that are most likely to influence upward mobility. These factors have been the same for many years, so there has not been any great change in that. Educational attainment is the key one in terms of increasing the chance of upward mobility. Family support is very important. Labour demand is also very important.

I would add to that the area that is underexplored: the extent to which opportunities are hoarded by the middle classes. Those parents and children from more advantaged backgrounds absolutely limit the extent of upward mobility for children who are very able but who are unable to take advantage of that ability. Of course, recruitment practices I would add to that list. These are all very well-known factors and I do not think that there is any evidence that there has been any change in any of those factors over time.

The Chairman: Thank you very much. I am pleased that we can now welcome Dr Claire Crawford.

Dr Crawford: I apologise for being late.

The Chairman: Thank you for coming today.

Lord Patel: I have a short supplementary to that, which is: what would be your comment about the teaching of employability and the need for life skills as far as children are concerned?

Dr McKnight: What would be my comment on the—?

Lord Patel: The impact that the teaching of employability and life skills will have.

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Dr McKnight: That is critical and, again, that has been the same now for generations. It is very important in terms of the employability of young people. We might worry about young people who are reaching the labour market at a time when there is high unemployment because there are studies that prove there are scarring effects of that, not just for those who experience unemployment but for the whole cohort. We can see from cohort studies now that young people today are in a worse position than cohorts who entered the labour market previously. Probably for the first time in generations we are seeing young people's outlook being lower than previous generations, and that is a cause for concern. Your point about employability is absolutely the key to social mobility.

Lord Patel: Do you think the teaching of employability is being taught?

Dr McKnight: Not necessarily. I hesitate a little bit there because I am not sure that schools are necessarily—schools concentrate on education and we can ask a lot of them in terms of not just doing their bit in terms of education but preparing children for the labour market, for further education and for higher education. I think that the skill sets are somewhat different and I am not sure that we have mastered that combination of skill sets within schools, or how much you can expect schools to do that. Parents are very good at doing that. That is where I think children from disadvantaged families can miss out and we might want to think about how we can make up for that shortfall that exists for them. It is a very good point.

The Chairman: Could you tell us whether life skills education makes a difference? I am conscious that up until 2010, for quite a few years, life skills education had A-level equivalence. That was abandoned in 2010 on the election of a new Government. Is there any evidence that life skills education did make a difference?

Dr McKnight: I have not seen any evidence, but that does not mean to say that it does not exist, because I am not an expert on that. If it is taught well, one would assume that it would make a difference, but I have not seen any evidence on that.

Baroness Stedman-Scott: Have you seen any great practice, in terms of employability skills being taught, that has made such a significant difference? Where would we find that?

Dr McKnight: I have not seen any evidence. Again, that does not mean to say that the evidence is not out there. I do not think that we have mastered that. I have not seen any evidence, but, as I say, that is not an area where I have great expertise and it might be there. Again, I would stress that there needs to be a separation between education and work

preparation and how much we ask our schools to do both—how successfully they achieve this I am not sure.

Baroness Blood: I am fascinated. Is there any evidence to show that where you live makes a difference to whether you are moving on? In the area I work in there might be second, third and fourth generation unemployment. It is almost a culture, so young people do not look beyond that. Is there evidence that that cycle is being broken?

Dr McKnight: Of generational unemployment?

Baroness Blood: Yes.

Dr McKnight: There is some evidence that Lindsey Macmillan has worked on that shows it is much smaller than you might think from reading the press. There is a very small group of people where unemployment seems to be running through generations and there are reasons, such as very low levels of labour demand where they live, that can explain that. I am not sure if there is strong evidence that there is an attitudinal predisposition to unemployment in young people. I would be cautious about thinking that.

Lord Farmer: You have mentioned family support as being important and also disadvantaged children from poor families. We are looking at this from the point of view of the educational system, but is there some policy that can work with strengthening families with the educational system? The educational system seems to work sometimes with a disregard to family, but if we sorted the families out it might certainly prevent downward mobility and help upward mobility if it was working together with schools and colleges.

Dr McKnight: Yes. We can see the very positive aspects of what families do to try to help their children, which should be encouraged and not prevented. We know that families are very good at supporting their children with homework, making decisions, preparing for exams and raising aspirations, and schools can be very good about engaging parents on all of those levels. Of course, if the child does not have that support at home, involving the family and allowing the family to play a key role in the success of the children disadvantages those children who do not have access to that.

I would say things like homework need to be thought through very carefully so that they do not disadvantage children who do not have that support at home. I think we could be much cleverer about how homework is set, for example. I would not say get rid of homework, because it plays an important role in engaging the family, but perhaps we should support the

parents so that they can work with their children through it so that we do not disadvantage those children who do not have access to that extra support.

There are critical things in terms of school processes and systems. I think that we need to look a bit more carefully at the impact of expanding school choice on children. It is very good if expanding choice allows parents to look at schools, to try to raise standards by choosing schools that are better performing and putting demand pressures on the schools to improve. But, of course, for those families who do not exercise choice or who maybe are not able to exercise choice, it is a much worse system for them than if that system did not exist. How schools could try to help work with parents where children do not have the advantage of their parents helping them through school choice is an area that we do need to look at.

That does not solve the problem completely. We know that disadvantaged children are more likely to be in low-performing schools, but we know that disadvantaged children in high-performing schools do not perform as well as more advantaged children. It is not the solution in itself and I do not think there is one solution across the board that would work. There are incremental gains that could be made in all of these areas.

Q12 Baroness Sharp of Guildford: There has been a lot of emphasis recently on developing outcome measures. How are successful outcome measures measured for the 16 to 24 year-old cohort? How robust are the figures that are produced? How do the outcomes for disadvantaged groups compare with other groups?

Dr McKnight: There is a range of different measures you might use to assess good transition into the labour market, and probably 16 to 21 is the hardest group to measure before they have all entered the labour market, because some are out in education, some are in training and some have short spells of unemployment. Of course, we are increasing the education leaving age—although I have some concerns about that.

Baroness Sharp of Guildford: A lot of them go into short-term employment and then move on.

Dr McKnight: Some do successfully go into short-term employment and move on, although we know that short-term employment in itself might be a risk factor for a less successful entry. I have concerns about the increasing use of self-employment among young people. I know that the OECD is much more positive about entrepreneurship among young people. I would be much more hesitant about the type of self-employment—personal trainers, van

drivers, window cleaners—and whether this is entrepreneurship or very precarious employment for young people.

In terms of outcome measures, we would want to look certainly at employment post-21. We would want to look at trajectories, at whether they are on an upward trajectory, and whether they are continuing to accumulate skills. I think that we should be looking beyond the labour market at increasing independence from family, and also social and emotional skills are important.

The Chairman: We want to point out that we are very keen to hear from our other two witnesses. If you want to chip in, please do so.

Baroness Sharp of Guildford: You did not answer the second part of the question. Do we see any difference between the advantaged and disadvantaged groups here?

Dr McKnight: I could reel off a list of facts and figures, but we know that on all of those metrics, children from disadvantaged backgrounds do worse. They are less likely to have successful outcomes across all of the metrics and the problems, in terms of the paths to those outcomes, widen from when children are very young. If you take children of equal ability, say, at age five, we know that the trajectories widen; that children of low cognitive skill ability at age five are much more likely to go on and have highly successful careers than children from less advantaged backgrounds—and we understand some of the reasons why that is the case.

Lord Patel: It is an odd question to ask, but it intrigues me; you said that you were concerned about self-employment of children. What age group of children would you be concerned about? Why would you be concerned, apart from the two examples you gave, about self-employment?

Dr McKnight: First, that there is a growth in self-employment in the UK. That can be a very positive thing, but there are probably two groups within self-employment. One is the group of entrepreneurs who go on to be highly successful and go on to be the employers of the future. There is another group where it represents very precarious employment. It is the ultimate zero-hours contract; your income and your work are very dependent on labour demand as well as your own effort.

We are seeing cases of what we might call false self-employment. This is where they are effectively employees. They are working for an employer but, for convenience in terms of tax and in terms of employment protection, it is beneficial to the employer to recruit and

engage young people in those types of jobs. For example, at many of the gyms you might go to, the personal trainers there are all effectively self-employed. There are some concerns about what that means for the young person.

Moira McKerracher: I was going to add just a couple of points from a slightly different perspective on what factors in particular in the UK might be influencing downward social mobility, coming at it from the work perspective. In general, I would just make three points. Our research is telling us that experience of the workplace is fundamental; I know that you have been discussing this earlier. Internationally, countries that have better labour market outcomes for young people are better at providing access to experience of the workplace. That can include work experience, but not just that. It is about part-time jobs for young people who are still in education and also apprenticeships.

Also, employers in the UK value work experience, yet not many offer it. Two-thirds say that work experience is a critical or significant factor when they are recruiting, yet under one-third offer some form of work placement or experience to unemployed people, schoolchildren or college students. They say work experience is a more crucial factor to them than even vocational or academic qualifications and it seems to go hand-in-hand with these life skills that we were talking about earlier.

Finally, one other factor that makes the UK stand out among what we would want to see as our competitors is that the workplace pathway into higher-skilled work—and that is where the jobs growth is, the higher-skilled work; so the workplace pathway as opposed to the traditional academic university pathway—traditionally helped a lot of young people from poorer backgrounds to build up to professional careers. The UK comparatively has had a poor record in this pathway in formal apprenticeships, and the disappearance of those pathways since the 1980s could well have contributed to this route towards upward mobility being closed off. I think that it is starting to come back again. Both government and employers are starting to rediscover the value of this workplace apprenticeship pathway, but these three things might help explain some of the downward trajectory.

Dr Crawford: I was just going to add that, in terms of outcomes for this group, I know that we are focusing quite a lot on the labour market in this session, but education and qualifications are going to be a key part of the story in terms of successful outcomes. My expertise is on the more traditional routes, I guess, but in terms of university access we see very large differences—about a 35 percentage point difference—in terms of the richest 20%

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and the poorest 20%, for example. Also, access to wider qualifications and education, the types of qualifications that young people are taking, the types of institutions that they are going to, are all going to contribute to successful labour market outcomes.

Baroness Blood: Lord Farmer asked about family. How important do you think early years development—the likes of Sure Start, Home Start, those types of programmes—are vital to the kind of family we are talking about?

Dr Crawford: The evidence suggests that early interventions and focusing on the early years is very important, but that is not to say that investments later on are not important too. The academic evidence would suggest that interventions are going to be most effective if they are followed up over time. We cannot just intervene early and then expect the job to be done and leave people to progress through the system. Evidence from the US in particular, and also emerging from our Sure Start programme, suggests that gaps that seem to have been rectified by some early interventions do then seem to widen again once people go into school, perhaps because they are accessing lower-quality schools or perhaps because the families are not able to continue to support their children's development over time.

In addition, I would just add to what Abigail was saying about the contribution of families and schools to children's outcomes. Schools obviously have a critical role to play in children's educational development, but the evidence suggests that the extent to which they are able to explain the differences between children from richer and poorer backgrounds is perhaps not as big as you might think. There is still a big role for families to play, and that is families not only from the perspective of support with homework and so on, but even just in terms of the income that they might have or whether they are in work—or the extent to which they might be able to put their child into childcare, for example, if we believe that childcare is having a positive effect on children. That family element is a critical part of the story. Of course, the big question is: how can we improve the environments that families are able to provide? I do not think that we have very strong evidence on that, I am afraid.

Q13 Lord Farmer: The economy is changing structurally. We saw that this week; employment in the manufacturing and industrial sector is going down and in the service sector is going up. How are these changes to the economy and the changing labour market affecting the expected outcomes for young people? At the same time, what does the growth in low-paid work and increased automation of jobs mean for upward mobility? I would imagine that it makes it more difficult.

Moira McKerracher: Yes, you are right. There are a number of things going on in the labour market that are impacting particularly on young people, and these are structural changes: not just a feature of the recession but things that have been going on for quite some time now, with the changing shape of the labour market—what is being called the hourglass shape, where we are losing some of these middle-skill jobs. These middle-ranking jobs traditionally acted as a kind of stepping stone, allowing those in the lower-ranking jobs where, if youngsters are going into work, they tend to go into these entry-level jobs and if they were going to progress they could step up and progress through the middle; use the rungs of the ladder, if you like. So they are disappearing. That vital rung in the middle to get into these higher-skilled, higher-paying jobs, which are a growth area in the UK, has shrunk. This growth in high-skill jobs is good news for the UK and good news for the economy, but you cannot just pluck a young person out of school and expect them to access one of these jobs. Even a new graduate takes a bit of training—so that is a long-term plan and we need to grow both the academic route in and the work-based pathway. Again, with the growth in the economy employers are starting to feel the pinch because they are risking being constrained on being able to grow because they cannot get the right skilled labour at the moment and they have to go abroad for it. Yes, they are making plans to improve the talent pipeline now, but that will take some time to come through. Again, competition for entry-level jobs was a big feature in the economy and, traditionally, that is where young people have cut their teeth. Also, there are fewer opportunities for lower-skilled workers to progress. Traditionally, they get the least training. Even if a youngster gets into one of these jobs, they tend to be the ones in whom employers invest least for training purposes.

Then you have the extra factor, which we touched upon earlier, in terms of work experience, but in recruitment patterns. The most popular method of recruitment among UK employers is word-of-mouth recruitment and, of course, if you have networks and contacts that helps, but young people are less likely to, perhaps particularly young people whose families do not have these valuable networks and contacts. All these factors together are beginning to have an impact.

Baroness Berridge: The little that I understand of these changes is that it is going to be a massive change in the sense that we could see jobs such as ophthalmology being done by your iPad—you are no longer going to need them. Those are not just jobs that you step up from. That is the job where you reach the level and think, “Hey, great, I’ve arrived”. These

changes are huge at a time when you say that young people are not optimistic and yet we also have, within this cohort, the beginning of the huge transition into the job market of our black and minority ethnic population who traditionally, or when we look at employers at the moment, are not often that well connected in these networks you talk about. Is anybody doing any work around this population? We are beginning to see the change in the percentage of young people coming through from a black and minority ethnic background.

Moira McKerracher: The sample sizes are quite small. We are able to cut some of our data. Our emphasis tends to be on what employers are doing. We take it from that side of the question, rather than the individual side, and we look at their recruitment patterns, their training investment and so on. We can look at sector, size and locality but, in terms of getting good data on that, I do not think that we would claim to have it.

Dr McKnight: Just a few points about the recession. One is that young people always fare badly in recessions and that is because they are labour market entrants. What we saw in this recession, which is very different from previous recessions, was falling real wages—and that meant that employment stayed up. It was fairly resilient over the recession. That labour hoarding, though, probably had greater consequences for young people or labour market entrants, so we think that this recession might be different in that regard.

While I do acknowledge that there are big structural changes going on in the labour market, this recession is fairly unique in terms of recent recessions where there was not any large-scale industrial restructuring. We did not have a big collapse in the manufacturing sector or the mining sector as we had in previous recessions. That is quite interesting and probably explains why older workers fared quite well in this recession. When you have large-scale industrial restructuring, skills become redundant and older workers suffer quite badly from that. This recession was different in that regard. Older workers have stayed, and in fact they are working into retirement now. IFS has done some research on how older workers' employment rates stayed up very well in this recession.

In terms of low-paid work, I have not seen statistics that show there has been an increase in employment rates for low-paid workers. It is fairly stable at about one-fifth: about 22% are in low-paid work. It does depend on how you might measure it, but that, internationally, is a very high rate of low-wage employment. The UK does stand out across the OECD as a country where there are very high rates of low-wage employment, even if that is a very stable level. The national minimum wage has proved to be very effective at removing

extreme low pay but has done little to affect this overall low-wage employment rate, so it is of concern.

On Moira's point about the hollowing out of the labour market or the hourglass, in a sense the shape of that occupational distribution is probably of less concern than whether there are ladders that exist across different points.

Baroness Stedman-Scott: Can I just take you back to the point you made about employers—that in order to grow their business the skilled people are not there to do it and it forces them to look elsewhere? Is there any evidence that employers are stepping up to the mark to take responsibility for that? Is there any good practice?

Moira McKerracher: There is quite a lot. Across all the questions you have been asking I have been thinking about the good practice we have seen. If you take one of the sectors that is impacted by the skills shortage and retirement cliff edge that many of its workers are facing, if you take the energy and utility sectors—power, gas, water, waste management—part of our job is to galvanise employers to step up to the mark, invest more in training and adopt a youth policy across the spectrum. One of the things that we did in partnership with government was to incentivise the set-up of industrial partnerships in growth areas of the economy, in line with the Government's industrial approach.

One of these partnerships is the Energy and Efficiency Partnership. The power companies have been paying top dollar—or “top sterling” if you like—for overhead line workers, just as an example. They are taking them from all over the world. They cannot get enough of them, yet a power apprenticeship, according to our analysis, is the best-paying apprenticeship you can get. We have done some analysis of where apprenticeship frameworks take you in terms of pay and progression and it is quite surprising when you see the results of that. It does not always equate to the level 3 or level 2, incidentally.

These employers are often competitors: the energy companies, the waste management companies and the water companies. Often they are competing against each other but the one good example we are seeing now is that at boardroom level, at the chief executive level—and that is only one sector—companies are coming together around the skills issue because they recognise that for UK plc this is a sector problem. They are all being hit by it: the big companies, the asset owners and the small suppliers. So they are coming together to try to address it both from the pipeline perspective, so trying to attract more people into their industry right from school, through work experience, through traineeships,

apprenticeships and school leaver programmes, but also, importantly, in the workplace; so upskilling people to try to counteract this cliff edge of the retirement of experienced people. So we are seeing companies step up.

We talked about incentives earlier on: are there any incentives for companies to do work experience and to do good things like that? Some of the companies are now getting together collectively in networks. One good example is the Movement to Work programme that Marks and Spencer originally led, but many big and smaller companies are in there as partners now. One example that they use is: in order to be a gold supplier with Marks and Spencer now you have to participate in the Movement to Work programme, which is basically a framework for offering unemployed young people a good-quality work experience placement with some training. So we are starting to see action because there is a very real need there and there is nothing better than a real need to galvanise some action.

Q14 Baroness Blood: We have discussed this and it is just a quick question. Given that 66% of employers say work experience is critical in their recruitment, have you any suggestions as to how we might make employers take that up more? There is a very low rate of work experience.

Moira McKerracher: Yes, there are many ways. The collective approach works. It could be done at a sector level, but work experience is probably better tackled in local networks. There is a bit of push and pull here. Sometimes you can set an objective on the supply side that every school, for example, should be connected with at least one business to enhance its careers education programmes and build the life skills and work skills that people need. From the business side, we have seen that in collectives sometimes big companies in certain areas can work as anchor companies. They can provide the kind of resource, the kind of framework, the how-to-do that small companies do not always have. They can set an example. They can pull in local suppliers or it could be through the Chamber or the local enterprise partnership. It is raising the importance of this at local level and getting partnerships together. We talked about outcomes agreements. In some countries this is what is happening. In Scotland, for example, the colleges, employers and local authorities are coming together, and colleges are increasingly being measured on these outcomes agreements. Part of that is moving their people into employment and building better relationships with employers.

Dr Claire Crawford, Dr Abigail McKnight and Moira McKerracher – oral evidence (QQ 11-17)

There is a range of things that can be done, but I think it is best tackled at the local level, building partnerships there, and there is no reason why every school in the country cannot be connected. Charities have a big role to play here as well. There are some excellent brokerage schemes going on. The Business in the Community has business class, and there are career academies. They are providing this brokerage service between businesses and schools, giving them a framework to work to, giving them support and guidance and help, and that seems to be crucial, particularly for small businesses to engage.

Dr Crawford: I agree with everything that Moira said. One thing I would say is that it is important that the schemes are open to all. A lot of businesses have informal work experience opportunities that are obviously often given to the friends or family of the people who are employed there, which is perhaps not going to do a lot to help us with social mobility. As Moira said, partnerships between schools and businesses, particularly with disadvantaged schools perhaps, might be a good way to help that.

Baroness Sharp of Guildford: In the light of what you have been saying, is what is happening with the local enterprise partnerships being successful?

Moira McKerracher: I think it is early days. There are 39 LEPs; 39 steps is the simple way I always remember it. Clearly in some areas they are combining forces with the local authority and the ones that we have noticed seem to be motoring ahead the most are the ones that are building on quite solid foundations, frankly, and existing partnerships. There are a lot of issues, like this school/business connectivity, that I think can only be solved at the local level; the one-size national approach probably will not suit all. You have some rural areas where they do not have the wealth of private employers or big companies on their doorstep, so they might have to think differently about using their local hospital or the local authority departments themselves or the local university, whatever it may be. That is their anchor company and that will have to be the provider of the important linkage. So probably it is a mixed picture at the moment.

Q15 Baroness Stedman-Scott: I understand that there has been a report from the UK Commission for Employment and Skills and the Association of Colleges that proposes that leadership is needed at a local level to link skills and provision with employer demand. Can the Government do anything to facilitate this leadership?

Moira McKerracher: I think that it can. For example, colleges are driven by two things: the funding method and the inspection regime. They have to have that front of mind or they do

not survive. It is interesting. We wait to see how much funding might be devolved to local areas to have control over. Also, I think the DfE official earlier mentioned Ofsted, which is an important player in this. I think that these kinds of government agencies need to make sure they are measuring the right things, measuring broad outcomes. I think that the Government's role is to set the framework against which local players will work and will be accountable. They should allow the flexibility for local areas to tune their priorities and their actions to local needs, but within a framework against which they are measured. I think that probably Government's role is that enabling role.

Baroness Stedman-Scott: If we take the Government setting the framework and the real action coming locally, have you seen any local leadership that has wowed you, where you have thought, "God, we should have this everywhere"?

Moira McKerracher: There are lots of great examples. Part of the challenge is getting that good practice out there. We tend to do that with businesses, for example. It is about spreading the good practice, and that works very well on a business-to-business basis. Our commissioners represent large and small businesses, as well as trade unions, the third sector and experts from further and higher education. They very much go out and about and talk about what good employers are doing and best practice partnerships and so on and that is very effective.

Baroness Stedman-Scott: Do you publish good practice case studies?

Moira McKerracher: We do lots of that. We have a youth policy in the commission; we try to practise what we preach. We did one recently and the title was invented by a young intern. It is called *Not Just Making Tea*. It is about work experience and it is trying to show employers, "Look, this is not just about a two-week placement in the summer". Not everyone can offer that and that is not what every young person needs. There is a whole mix of things. It gave good examples about what large and small employers were doing in partnership in their local communities. We do a lot of that to inspire people and to make them say, "Well, I could try that in my local area". It seems to be a very effective way of working.

Q16 Baroness Tyler of Enfield: My question is a very broad one, so it is designed to give you free rein in some senses. I wondered what factors you feel should be taken into account by the Government, or indeed other policymakers, when they are developing

policies to improve social mobility for more disadvantaged groups, particularly school leavers—which is, of course, the focus of this inquiry?

Dr McKnight: I will start on the point that I mentioned earlier on, about the issue of educational opportunity hoarding by more advantaged families. I think that this is underexplored. We do not know enough about it. We need to try to break down those barriers, to try to mimic in less advantaged households what children are getting from advantaged families. That is very important.

We know that children from more advantaged families are hoarding opportunities in good-performing schools, in grammar schools. We have less influence over entrance to private schools.

On the subject of schools, there are processes and practices about homework. I have mentioned school choice. I have concerns about how teaching assistants are used in schools, how they are deployed in schools, particularly in terms of helping children with maths. I would much rather see qualified maths teachers helping children who are struggling most with maths. We know that maths is a key predictor of later labour market success. I would like to see the badge of honour removed, “I am not good at maths. Numbers are not my thing”. I would like to see that removed from things to be proud of, and I think that maths could be taught much more excitingly at school, much more creatively, not by teaching assistants but by qualified teachers who inspire children. We could do more in terms of active labour market programmes for young people.

We have not talked about that very much, but there are clearly issues there that could be dealt with a lot better for young people and in terms of inequalities in adult education. Parents’ education is critical to the success of their children’s education. We have very wide levels of inequality in education in the adult population. We are very poor at trying to reduce those inequalities in adult education. We do not know how to do it very successfully, but that clearly is key to helping children.

Dr Crawford: I am going to start with a boring conceptual point, which you may have covered earlier in the session—apologies if you did. I think we do talk about social mobility quite a lot without being very precise about what we mean and the different definitions can mean very different policy solutions or options. Do we mean across generations or within

generations? Do we mean absolute or relative mobility? You can have a situation where everyone was getting richer, for example, but you do not have any changes in where people are in the income distribution. That would be the absolute versus relative point.

We have also seen in the academic literature very different pictures in terms of what is happening to social mobility in the UK depending on whether you look at occupations: whether people are moving to higher social classes compared to their parents, versus if you look at income, for example. From the sociological literature, I know that you have discussed the report about upward and downward mobility, but, generally, their perspective is that overall mobility has not been changing very much. Whereas from the economics literature, which tends to look more at income, we see what appears to be a weakening of social mobility—intergenerational income mobility, I should say, to be clear. What will work is going to depend on who we want to affect and in which ways. For example, you may have more success at getting people to move upwards from the middle to the top rather than from the bottom to the middle. That could lead to an increase in social mobility, but whether that is what we are trying to get to at the heart of the question is something for you all to consider.

In terms of things to take into account, Abigail gave a very good summary. Education and skills are at the heart of it. We see very large differences in education and skills, which widen as children get older. That is not to say that schools are not doing anything to reduce the gaps. We could see even greater widening in the absence of what schools are doing. We should think about access to schools and information about subject choices, for example. We were talking about the demand for high-skilled graduates and yet we do see a proportion of graduates in non-graduate jobs. So there is clearly some mismatch going on and getting to the heart of where that mismatch arises from may be useful, whether that is subjects or whether it is institutions, and whether we need to encourage good-quality schools or universities to be growing and trying to shrink those that are doing less well. They are all big questions to which I do not have any very good solutions, I am afraid.

Lord Farmer: This is a small area, but if you are looking at the most disadvantaged children, obviously they often come from a broken family background. I believe that the Government are providing more and more boarding facilities at schools. That does have the effect of lifting the children out of a very poor background into a more stable background, which

would give them a better chance of a good start in life. Is that factor taken into account in any of the thinking towards upward social mobility?

Dr Crawford: I must confess that I do not know the evidence around the boarding issue. What I would say is that, in relation to what we call widening participation policies more generally—and what I mean by that is encouraging disadvantaged children to access universities, for example—people who work with young people in those areas often talk about young people feeling like a fish out of water in the sense that they go to an institution that is very different to what they are used to at home and maybe do not quite feel like they fit in there, but when they go home they have had such a change in experience that they also do not quite fit in there. So it is important to bear in mind the young person's perspective and how they are feeling and whether they are benefiting from the opportunity when we think about those types of policies.

Q17 Baroness Berridge: I think I get, like Question Time, the last wrap-up here. What is the one key suggestion you would make, perhaps as a suggestion, to this Committee, to improve upward mobility and the outcomes and opportunities? I think it is agreed that there are informal networks. You have the BBC, which I think has closed it down completely for work experience. You have to apply centrally and no one can offer. What would be your practical suggestion? I am sorry, I cannot resist asking you, Ms McKerracher: how much are overhead cable people now paid? What is that salary range?

Moira McKerracher: You want to train?

Baroness Berridge: Yes, in case we are reformed.

Moira McKerracher: I think it can vary. Not immediately, but three years after an apprenticeship, a skilled worker can command £70,000 to £80,000. They are importing them from overseas. You see, they work not only on the power lines but on the railway lines as well. There is a lot of work there.

Shall I kick off quickly with my suggestion? From our perspective and looking very much at the labour market and thinking about how the UK is different in terms of the opportunities that young people here have compared to other similar countries, my one thing would be streamlining and improving the vocational pathway for young people. That is the big difference. We have about 50% or so going through the traditional academic route, but for the other 50% the pathways are not clear. They are not easy to navigate and you cannot always guarantee that they will lead to a good outcome. Yes, that means apprenticeships,

but also, as the Lord Chairman said earlier, at the moment we need to build that demand among employers for apprenticeships. We do not have enough of them.

What are the others doing? What they are doing is they are going to college or they are in school doing vocational programmes, so you must make sure that these vocational programmes count just as much as the apprenticeships do. They should be based on a similar occupational standard. They should be aiming for the same target as the work-based route so that progression routes and the chance to cross over are built in. Now that we have our young people staying on longer in education and training, until 18, those two extra years need to count. There is a big statistic here: over 90% of 19 year-olds who are on a level 2 apprenticeship already have a level 2 qualification—so they are almost repeating. We need to make that 16 to 18 period count in terms of the vocational courses that young people are doing. They must, in some way, relate to the standard that is set by industry for what a skilled worker should be.

In terms of aspiration, we know that if you do not have the networks and contacts you probably cannot even imagine the range of jobs and professions that are out there and available to you, but, almost by necessity, earning money, getting into a company, building up, you begin to see. You are buoyed along by the workplace and the opportunities there to learn and progress. You are almost steered by some work network to fulfil your potential, and that is a pathway that has been weakened and we have lost a bit. We do not compare well with other countries in it, so if I was to wish for one thing it would be that.

Dr McKnight: It is not a very exciting response, but we should not think that there is a magic bullet to this. Small, incremental gains are going to be the way to go. There is not one policy change, otherwise we would know what it was and we could do it—or the ones that exist are unpalatable politically; such as large scale redistribution or abolition of private schools, which I do not think the Committee is going to be putting forward. I suppose as an economist you would expect me to say that we need to improve numeracy skills. The UK is particularly bad in terms of the gap in numeracy skills between rich and poor children. In OECD measures, we come out particularly badly in numeracy and problem-solving skills and I think how maths is taught right from primary education through secondary education could be improved a lot. Improving numeracy skills will improve confidence among young people and we should remove this badge of honour, “I do not do numbers”.

Dr Crawford: I would say that we need to watch out for what is happening to the further education sector. I am not an expert on the further education sector. I am sure you will get much more informed opinion from experts in that area, but my work looks across education spending from early years to university, for example, and looks at outcomes across that range. We have seen in recent years protection for schools funding, for example, and probably over the course of this Parliament in terms of schools spending again up to the age of 19, but only in schools. We have seen university funding increase as a result of the reforms that took place in 2012. By contrast, further education has seen very big falls and that is the sector that is going to be catering for the people that I think your Committee is most concerned about, who are those who are not following the traditional academic track and going to university.

It seems likely that the further education sector will continue to experience at least very tight funding settlements, if not falls. I am sure that the further education sector is doing its utmost to ensure that the quality of the provision does not fall, but when you are seeing cuts of 30%, for example, to date and possibly further over the course of the next Parliament, you can expect at least some change in the quality of education that is being offered. That is just something to watch out for. Also on that line I would say that there is a whole host of vocational qualifications that we know have very different returns. Ensuring that young people who are not following the academic route are channelled into the types of apprenticeships and occupations that Moira has been talking about, which do see the big returns, will be important.

The Chairman: I want to thank all three of you for coming today to share your expertise with us. It has been very useful. Thank you very much. I must say that you have made me think about not being good at numbers being a badge of honour. It is extraordinary how often you see that, even in adverts that are supposed to be slightly frivolous, particularly about women. They are worried about their wrinkles but not worried about not being very good at maths. Thank you.

The Rt. Hon Nick Clegg MP – Oral evidence (QQ 18-27)

Evidence Session No. 3

Heard in Public

Questions 18 - 27

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witness

Rt Hon Mr Nick Clegg MP, former Deputy Prime Minister

Q18 The Chairman: Good morning, everybody. Welcome to this second evidence session of the Select Committee on Social Mobility in the transition from school to work. Our witness today is the right honourable Nick Clegg MP. This session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. As Mr Clegg knows, a verbatim transcript will be taken of his evidence and will be put on the parliamentary website. A few days after this evidence session, you will be sent a copy of the transcript to check for accuracy and we would be very grateful if you could advise us of any corrections as soon as possible. If after the session you wish to amplify or clarify any points you make during evidence or have any additional points to make, you are welcome to submit supplementary written evidence to us. Would you like to make a very brief introductory statement?

Mr Clegg: Yes. I do not quite know how very brief I am going to be able to keep it, given my enthusiasm for the subject. If I may just stretch, with your indulgence, Chair, the parameters of “very brief” a little bit to make a few remarks, that may help the Committee in its deliberations, because it is an immensely important and complex subject. I remember my

interest in it, other than the obvious interest that we all share in living in a country where people can get ahead regardless of the circumstances of their birth, was initially provoked by a study from the Sutton Trust many years ago now that suggested that a bright but poor child was overtaken in the classroom by about the age of six or seven by a less bright but more affluent child and thereafter the gap tended to widen. At the time I was quite frustrated by the then Government's tendency to focus everything on a snapshot statistical emphasis on whether someone was marginally above or marginally below an income line, and so when the coalition Government was formed five years ago I made sure that it was in the coalition agreement that it was agreed to be the central social policy of the last Government. A number of things then ensued, which I think are very relevant to your deliberations. We set up a bevy of institutional innovations to maintain institutional focus on this. I led from the Cabinet Office in the centre on the issue. We created the independent Social Mobility and Child Poverty Commission. We created a board to look at the statistical underpinnings of this quite statistically debated area of public policy. We created the Education Endowment Foundation and, most importantly, established a cross-government strategy in April 2011 to set out what our broad-ranging areas of policy intervention would be. There is a problem, which is that almost everything bears on social mobility, from mental health to housing, from higher education to nursery and from parenting skills to what kids do in the summer between going to primary school and secondary school. As a Government or, indeed, as a Select Committee, it is quite difficult to choose the interventions that make the biggest difference.

What we ended up doing was focusing on the following areas. First, we shifted huge amounts of resources and emphasis to early years intervention. Much as we made controversial savings at one end of the educational cycle in higher education, we poured extra resources into expanding the universal pre-school support for all three year-olds and four year-olds; giving two year-olds from the poorest families 15 hours of free pre-school support for the first time; the early years pupil premium, which is starting as of April this year; and the pupil premium itself, a huge innovation that is funnelling a lot of extra money into the education of poorer kids, particularly in primary schools. That was the early years thing. Secondly, we focused on the transition from one stage of life to the next. How do you make a child ready for school? How do you make sure a child then goes from primary school to secondary school successfully? And—the focus of your Committee's deliberations—how

do you make sure that a child leaving the education system has sufficient help to find different ways forward? Thirdly and finally, we focused on working with employers, in both the public and the private sector. When I arrived in Whitehall, I was staggered to find that Whitehall internships were still governed by who you knew rather than what you knew. We focused on clearing that up and making sure that big businesses in particular did more to introduce more meritocratic procedures.

We can perhaps dwell on this in a minute, but quite a lot of that, even in these early days of this Government, is unfortunately starting to be undone, with the funding pressures in education and the air-brushing out of income in poverty and so on. Just to finish, what I would hope you might be able to do in this Committee is to work out what this Government can do to re-establish a long-term approach to social mobility. Thank you.

Q19 The Chairman: Thank you very much. The Social Mobility and Child Poverty Commission found that “our young people leave school unprepared for work”. You have given us some idea of your definition of social mobility and the wellsprings that relate to it, but what factors do you think influence social mobility for school leavers?

Mr Clegg: As I say, all the evidence suggests that what any public authority does at the end of the education cycle is more often than not tackling the patterns of inequality of opportunity rather than dealing with the source of the problem. I think I am right in saying that when the last Government published the social mobility strategy in April 2011 there was a very striking statistic—I do not quite know how they produced this—that suggested that the ability of a two month-old baby is unaffected by the circumstances of their birth, yet within a year or two the circumstances of their birth start very quickly impinging on their ability to express their talents most fully. The emphasis on the early years remains, in my view, by far the most important engine to promote social mobility of any possible intervention one can make.

The Chairman: I think that was why the Government before were so keen on Sure Start.

Q20 Baroness Berridge: What challenges did you face in implementing an overall strategy for social mobility? What consideration was given to what is termed the “missing middle” in that strategy?

Mr Clegg: It was one of the think tanks—Demos or someone—that came up with the phrase “missing middle”. It is just one part of the overall jigsaw of the problem, really. As I say, I strongly suspect that the plight of the missing middle—in other words, those who are

neither NEET nor going into higher education and so on—will have taken shape well before they are even thinking about what they might do after they leave school. Let me give you a very specific example where I think there is a real policy challenge right now to address that. At the point of the Budget in March of this year, the Prime Minister and I discussed whether the coalition Government should take a major initiative to expand pre-school support from where it was already for two year-olds, three year-olds and four year-olds. The Conservatives said they wanted, as they have now agreed, to expand the early years provided to three year-olds and four year-olds of working parents only. In a sense, one would like to give goodies to everybody, but since resources are scarce, using £350 million to only provide an expanded pre-school support offer to families who by definition are in work and therefore better off than those who are not and not bringing it down the age scale to the two year-olds and even one year-olds, where all the evidence shows you can have the most dramatic effect, does not seem to me to be a sensible use of scarce resources. It is quite important that we look carefully at how those early interventions are designed.

Q21 Baroness Blood: Thank you very much, Mr Clegg. Early years is my big forte; I do a lot of work back in Northern Ireland on it. You are quite right about the statistics. My opinion is children are only equal the day they are born; after that, it all goes haywire. The question I would like to ask you is: what exactly has been done to help the most disadvantaged in this cohort?

Mr Clegg: The most dramatic thing was the introduction for the first time ever of an entitlement to first the 20% poorest families and then doubled to the 40% poorest families to provision, supported by the state, of 15 hours of pre-school support to those two year-olds. That had never happened before. The emphasis has always traditionally been on childcare rather than on education—Michael Wilshaw gave a speech on this earlier this week, which was spot on—and it has tended to focus on three year-olds and four year-olds rather than younger children. One of the things we need to start doing is asking ourselves whether we can start earlier, particularly for those families in greatest need. At the moment the new Government's policy is to throw that in reverse by focusing on the better-off families and only three year-olds and four year-olds.

Baroness Blood: Taking your point about the 15 hours of childcare and all that—I accept all that—I work with families who would not access that; they would not go anywhere near it. How do we work with that group of people?

Mr Clegg: This is a huge problem. That is one of the reasons why the take-up of the two year-olds offer appears to be as patchy as it is—you are by definition trying to encourage families who are least inclined to take up the entitlement or even be aware of it to do so. That is a real dilemma and I do not think there is any blanket solution. Some local authorities, and some childcare and early years settings, I have discovered are much better at reaching out to families in their communities than others. Some work with jobcentres, Sure Start centres, children’s centres, schools and other networks—churches and voluntary groups—to get the word out, but there is a real information gap, by definition, when you are trying to encourage families who are in greatest need to take up an entitlement of which they were previously not aware.

Lord Farmer: You say the problems start in the early years, which I can understand, but we as a Committee are studying the transition from school to work. You are going to have disadvantaged people, as you said earlier, at that stage. That is what we are here studying: how we can help them. Talking about early years does not really help us, I do not think. What can be done to help the most disadvantaged at that stage, where they are leaving school and going into work?

Mr Clegg: A range of things. There is the perennial British problem of this almost unspoken snobbery in favour of academic qualifications rather than vocational qualifications, which sets us apart compared to some other competitive economies, particularly in Europe. We need to boost apprenticeships; to support—rather than, as I fear will now happen in the coming years, financially undermine—further education colleges; and to make sure employers have faith in vocational qualifications, which is, thankfully, happening as employers become more involved in the design of those qualifications. This is something that I sought to address through some work I commissioned from Sir Jeremy Heywood, the Cabinet Secretary, a couple of years ago: just as a youngster who is leaving school and going to university has a fairly clear set of choices to make through the UCAS system and so on, a youngster who is leaving school and thinking of pursuing a non-university route is confronted by a spaghetti junction of acronyms, schemes, qualifications and institutions. If we can simplify that dramatically into what I would call a UCAS-style online offer to youngsters such that the choices they make, if they are not going to go to university, are as simply explained to them as they are for youngsters going to university, that would make a dramatic difference.

Lord Holmes of Richmond: On that point, it seems to me, though it would seem burdensome, that it would make sense to put a responsibility on the last institution that somebody was at—be that at the end of their school time, be it at the end of their A-levels at school; whatever it is—until that young person has gone to the next stage, when that responsibility moves on to that institution, so people do not go into the NEET section, but also to significantly advantage the middle.

Mr Clegg: One of the ulterior motives, if you like, of introducing destination data into the measures by which schools are judged is precisely to give schools an incentive to care about what happens to pupils once they leave school. That is probably a bit of a slow-burn incentive, but what we should see over time is that the more that destination data is used to measure the success or failure of a school, the more parents ask about destination data and the more schools will take an interest in what happens to a youngster after they have left school. That hopefully will make quite a considerable difference. Careers advice is crucial in this. The last Government had a pretty mixed record, frankly. It was right to replace the old, failed Connexions system, but we then allowed two or three fallow years to ensue, when nothing was effectively put in the place of the Connexions network. Now there is really good statutory guidance; there is a duty on schools to provide meaningful information and careers advice and guidance to children from Year 8 onwards. There is a new body that has been established to discharge that duty. Hopefully we can see the careers advice and guidance regime prove to be more effective than it has been in the past.

Earl of Kinnoull: I was very interested in your point that I have noted down as “the school-to-work system is over-complex”. You folded the careers advice into that, which happen to be the two top notes that I wrote before the meeting. I just wondered whether, with all your international experience, you felt there was another country—or maybe more than one country—that had got a very good approach to this area, where, as I think we have all noted in previous sessions, these are issues.

Mr Clegg: My slightly unscientific hunch is that—and you can see this in Scandinavia, in the Netherlands to a slightly different extent and in Germany, although they have got quite profound problems right now—where you have countries that have an established tradition that provides equality of esteem to academic and non-academic forms of education, that is almost a cultural shift that has a dramatic effect on the esteem and aspirations of children. In the blaze of controversy around the reform of higher education, I tried very hard to make

sure—and it appears to have been proved to be the case subsequently—that youngsters can go to university regardless of their family background, though I have to say that the latest change, which you may have noticed, from this Government of changing grants to poorer kids into loans is a very dangerous departure from that. Notwithstanding that, as higher education expands and expands and expands, and does so, hopefully, on an ever more meritocratic basis, the more we can provide the same political focus on how to encourage youngsters to pursue vocational routes in a way that gives them just as much esteem and is recognised just as fully in society—that is probably the biggest breakthrough of all. It is the elusive one. We have been talking about this as a country—it is as old as the hills—but we are still not there.

Baroness Berridge: Just to follow up your comment about the parity of esteem between academic choices and non-academic choices, one of the focuses of the last Government was on the importance of role models—seeing people further down. In the academic stream, you promote a young person from a disadvantaged background who, say, went on to do law and is now a High Court judge. Was anything done under the last Government to promote the role models—that you make a non-academic choice and do an apprenticeship and you end up, say, on the board of directors, or you end up as an MP but you were a firefighter? Was anything done regarding that esteem of role models that was promoted by the last Government?

Mr Clegg: There are a number of schemes that are increasingly aimed at getting into schools and speaking to youngsters, particularly in their early-to-mid teens, when they are still making decisions about their futures. The Speakers for Schools programme was actively backed by the Government and I assume and hope it still is. My wife is very involved in something called Inspiring Women, which is all about getting professional women who have got to the top of their tree through a variety of routes to speak to girls, in particular when they are in their mid-teens. There has been a significant expansion of that. Again, it is a little bit patchy. It is a slightly voluntary area of work. One thing I would emphasise—I say this with some insight from what happens in my neck of the woods in South Yorkshire—is that the more universities become involved in supporting the expansion of apprenticeships and vocational qualifications, the better. I know, for instance, many years ago, when I first spoke to the two universities in Sheffield—the University of Sheffield and Sheffield Hallam University—about this, they appeared slightly nonplussed: “Why should the academic

community have anything to do with the expansion of apprenticeships?” Now, if you go to the Advanced Manufacturing Research Centre just outside Rotherham, there is a huge apprenticeship training centre there that is backed by the university. That makes a very dramatic difference. If you can get the HE and FE sectors to be increasingly not interchangeable but working hand in glove with each other, that will have a very powerful effect.

Q22 Baroness Tyler of Enfield: You acknowledged in your opening statement that social mobility is a complex area and it is often difficult to measure what is happening: it depends what you are measuring and different bits of research tell you rather different things. I wondered which policies you felt were the most successful in helping to improve social mobility for school leavers in your time in government and perhaps which were less successful. I wonder if you could particularly focus on that 11-to-16 age cohort—because we have talked about early years and we have talked a bit about the transition—both in and outside of school.

Mr Clegg: Careers advice and guidance is essential. As I alluded to earlier, it was slightly one or two steps back and one or two steps forward. I will not go into all the gory details, but there was quite a profound disagreement. I feel that careers advice and guidance are an integral part of how you get someone work-ready. Just as much as early years and pre-school support is all about getting a child ready before they even hang up their coat on their first day at primary school, careers advice and guidance in schools seem to me to be essential in order to make sure that youngsters are work-ready. These transitions, by the way, are crucial. All the academic literature shows that kids from more disadvantaged backgrounds, even if they excel at school, sometimes get knocked back by these leaps that you need to make in life. It is one of the reasons why I used some pupil premium money to try to pilot summer schools in the summer between primary school and secondary school for kids from the most disadvantaged backgrounds. There is quite a lot of evidence—it is still emerging—that if a youngster from particularly a disadvantaged background gets to secondary school and already feels familiar with that secondary school, feels comfortable and feels supported during that long summer break, it gives them the head start they otherwise might not have. As I say, there was a bit of a stand-off with respect to careers advice and guidance between people like me who felt it needed to be an integral part of the system and, as I am sure he would admit himself, Michael Gove, who at the time felt that it

really did not have any role in how you design an education system. We finally overcame that after a two-year or three-year lacuna and the statutory duty and the guidance that now exist are really pretty good. We just need to make sure that they are properly put into practice. Nicky Morgan has been admirable in her determination to see this through. It is slightly early days; as I say, we missed a bit of a beat, but hopefully now you will see that that will make a material difference. That is massively important.

Then, as I say—I will not repeat myself—it is about the simplification of the choices. I remember asking an official to put down on a piece of paper for me what the choices are that are available to a 16 year-old, or now a 17 year-old or 18 year-old, who is leaving education or training if they are not going to go to university. It is a blizzard of impenetrable acronyms and institutions. You need a PhD just to be able to interpret them, let alone to make informed choices.

The Chairman: You are certainly right about transitions. The first school for pregnant schoolgirls after the raising of the school leaving age was in my old constituency. I remember once speaking to the head teacher about whether there was one single factor that affected those girls in what eventually happened to them. She said it had nothing, in her view, to do with background; it was that in their heads they did not make the transition from primary school to secondary school, and that that transition was so important.

Q23 Baroness Sharp of Guildford: Picking up on this issue of transitions, the responsibility for skills during the period of the coalition was split, in some senses. The 16 to 18 year-olds were with the Department for Education, but, equally, skills and the training for apprenticeships and so forth were very much the responsibility of BIS. Do you think that the split, which was inherited from the changes made by the Labour Government to accommodate Peter Mandelson—he was given both the universities and the skills brief—inhibited some of the measures that you would like to have seen carried through?

Mr Clegg: My own view—others may differ—is that if the political will is there, it does not really matter which department deals with what. Whitehall, I discovered, is a highly Balkanised place anyway, and it will remain so. However much you change the deckchairs, you are always going to have departments and you are always going to have these slightly baronial rivalries between them. What does make a massive difference is a centrally driven, clearly expressed ambition from the top that all of government need to devote themselves to X or Y or Z aim. We had that in the last coalition Government. It was clearly understood

around the Cabinet table that, even though it was very much in a sense my initiative, it was none the less a shared endeavour across the coalition that the principal social policy aim was social mobility. That was a brave thing to do, because social mobility is something where you only really see whether your policies succeed or not over a long time span. You get no political reward from it, because you cannot prove within a Parliament that you fixed it. It takes a generation to fix some of these deep-seated problems we are talking about here, so you have got to stick with them.

That is why I am, frankly, very disappointed indeed, given that consistency is so important over time in order to really shift the dial on social mobility, by what the Government have done in the space of a few short weeks, whether it is clipping the wings of Alan Milburn's mobility commission; whether it is taking £12 billion away from the working poor and giving tax breaks to property millionaires; or whether it is airbrushing out income poverty as a factor from how we measure these things. What I would regard as more important in Whitehall about what happens to that age group—this comes, perhaps, to you point—is not whether it is this department or that department that is in charge of policies, but whether we are going to have a consistent approach to the resourcing of policy in those areas. In my view, there is just no remote hope for this Government to ring-fence foreign aid, pensions, pensioner benefits, the NHS and now all of defence and then spend hundreds of millions of pounds on tax breaks for people who, frankly, are not very needy, having gone into government with a manifesto commitment to only protect schools spending to keep up with increased numbers, not to keep up with prices. That will have a very detrimental effect on funding for the FE sector, which is under huge pressure already, and will most definitely undermine the pupil premium. I safely predict that, while the pupil premium will be rhetorically protected, what you will see is that the baseline funding on which it is supposed to be an additional slug of money will be steadily eroded. That will have a material effect on social mobility, because we know that these interventions—a properly supported FE sector, to give an alternative route to youngsters going ahead, and the pupil premium—are having an effect on boosting social mobility. It is very sad that they seem to be undermined already at such an early stage.

Baroness Sharp of Guildford: Even under the coalition, the FE sector was cut back more than the schools sector.

Mr Clegg: Yes. That is right. One of the reasons behind the agonisingly controversial and spectacularly unpopular changes to higher education was at the time precisely to make sure that the Treasury did not take a bigger axe to FE. I personally intervened at the time of the comprehensive spending review in 2010 to make sure that baseline funding for schools was protected, because you cannot preach social mobility on the one hand and then take money away from baseline schools funding. We did protect schools funding and schools funding does need to be protected not only to keep up with the increased numbers of pupils in the schools system but also to keep pace with inflation. If you do not do the latter then it is a real-terms cut.

Baroness Howells of St Davids: Mr Clegg, just looking at me, coming from a grandfather who was enslaved, you would imagine that social mobility has worked in some ways in the Caribbean and places like that. I read your speech to Sutton and I found it was all about class. Do you not see an inherent link between a lack of social mobility and racial inequality—and also for looked-after children? Do you not see that? I have not heard anything about these people with real needs in society. The community itself has tried to help after school and at weekends. I have not seen anything in what I have read about what you have said. Is that a problem for you?

Mr Clegg: It all is. Of course it is. Any form of inter-generational disadvantage has economic aspects, cultural aspects and maybe aspects related to particular communities as well, and it is very complicated. If you look at the measurement of educational achievement, for instance, in the Indian communities in Britain, it is quite different from other communities. There are some quite difficult questions to grapple with. Why do there seem to be different patterns of educational achievement, or perhaps even emphasis on educational aspirations, in some communities as opposed to others? It is a very delicate area to tread, and I am not pretending that I am necessarily well equipped to do so. Is it a facet of all of this? Yes, of course it is. As I said at the outset, almost every aspect of public life in one way or another touches on social mobility, which, to strip the jargon away, is just a simple dream of living in a society where people live out their aspirations and do as well as they can based on their talents and their application rather than who their mum or dad is or where they were born. Of course that has aspects related to the inequality of opportunity across communities in the United Kingdom.

Q24 Baroness Stedman-Scott: From everything you have seen—I know you have visited lots of projects, et cetera—what structural changes could and should be made to government to best serve young people in the transition from school to work?

Mr Clegg: What structural changes in Whitehall?

Baroness Stedman-Scott: To government, yes.

Mr Clegg: As I say, my own view is there is no surrogate for the exercise of leadership from the top. Let me give you a very good example. I think I am right in saying, but I stand to be corrected, that the Prime Minister has signed up to the very good campaign—I have forgotten what it is called now—to end illiteracy by 2025. It just beggars belief that one in five youngsters is still not reaching level 4b at key stage 2, which is the benchmark for literacy, in this day and age. But you have to will the means, not just declare affection for the ends, to do that. What would make the most amount of difference of all would be if the Chancellor and the Prime Minister, instead of taking some of the steps that they are now taking—undermining the funding basis for schools and for FE colleges; redefining how poverty is defined; misplaced use of resources in early years—were to restate that if we really are going to have a country where no one is illiterate by 2025 you have to take some quite big steps to get there. Whitehall, in my experience, responds quite well if there is a very simple and powerfully expressed objective that all the different facets of Whitehall then have to work towards. That is what is lacking at the moment.

Baroness Stedman-Scott: Do you think, then, that if there was a powerful campaign or an objective it could be consistently applied in all spheres of government?

Mr Clegg: Yes, it can be, but you need to stick with it. I will give you another example. I hope it is a useful example. I spent a lot of time in government encouraging different departments across government to understand that the very profound issue related to mental health across British society is not just something for the Department of Health; it is also something for the Department for Education and for the DWP, and how Jobcentre Plus deals with people who have got mental health problems and how teachers recognise youngsters with mental health problems are just as important—if not more so—than what clinicians believe in a mental health trust. You can get there, but you have to plug away at it and you have to be consistent. You have to send out a consistent message of leadership that that is one of the key aims that all departments should pursue.

Q25 Earl of Kinnoull: I wonder if I could focus in on the business side here and in particular the youth contract and the social mobility business compact, which were two things that came in on your watch. Do you think they are successes? How would you improve them today?

Mr Clegg: One bit of the youth contract was not successful. For those who are not familiar, the youth contract was something that we developed and I announced back in 2011 or 2012 when the tail of youth unemployment was still going up before it subsequently came down in the wake of the 2008 crash. The main components of it were threefold. The first was an expansion of apprenticeships for youngsters and a financial incentive to employers to offer those apprenticeships. That has been successful. The second component was a wage subsidy of £1,500—a direct bung to employers. If they had to choose between a younger potential employee and an older potential employee they would be given £1,500 to choose the former. That did not work. That just did not work at all. It did not work probably, with the benefit of hindsight, because if you are employer who is prepared to spend the money and the effort on employing somebody you are not necessarily going to be swayed by a one-off £1,500 bung. The bit that was spectacularly successful was the work experience scheme. I forget the figures. I can get them for you if you like; I am sure the Committee clerk could find them. It was a massive expansion of work experience, which has proved to be a devastatingly successful stepping stone for youngsters who otherwise are sitting at home feeling that they are isolated, sending out lots of CVs, never getting a reply and feeling increasingly demoralised and cut off. Just getting out and spending some time in a work environment, even for a few weeks, had a much more dramatic effect on their subsequent employability and ability to find jobs than I had anticipated at the time. That was successful. The social mobility business compact has been very successful in certain sectors. If you look at some of the services sectors, like accountancy, law and finance—quite a lot of the London-based ones—a lot of big players have now signed up to the social mobility compact. It means that they advertise for work experience and internships on a much more meritocratic basis than was the case in the past. We have a bit of an issue now to spread it into other sectors, to smaller businesses and beyond London. I know that the Social Mobility Foundation, which is an excellent organisation, is doing a lot to do that. It needs to get out of the services sector and out of London.

The Chairman: We will now move on to child poverty. As the widow of the person who established the relative deprivation participation standard, I am very interested in this.

Q26 Baroness Blood: On 1 July, Iain Duncan Smith of DWP announced that the Government were going to bring forward new legislation to remove the existing measures. What impact do you think the recent changes will have to child poverty measures? How will the changes affect the working of the Social Mobility and Child Poverty Commission?

Mr Clegg: It is a very retrograde step. The Government are clipping the wings of Alan Milburn's commission and changing the goalposts because they are embarrassed by the measure that they are bound to fail on in terms of the income aspects of child poverty. The interesting thing is the pendulum has swung completely the other way. I always thought the great flaw of the Labour Government pre-2010 was that they took a very narrow statistical snapshot view of progress, basically saying if you could nudge a few people above a particular income line then all was well, which is self-evidently not the case. You can nudge people above a certain income line through transfers of tax credits and so on, but it does not necessarily mean you are boosting their life chances to then get ahead and fulfil their potential and aspirations. Now we have gone completely to the other extreme, and this Government are seeking to somehow pretend that income poverty has no bearing at all on social mobility. Of course it does. It is ludicrous to pretend otherwise. In government, as you may remember, we had a long and at the end, I am afraid, fruitless debate between the two coalition parties. David Laws, on my behalf, had devised with academics and experts and others three additional measures, on relative poverty, entrenched poverty and life chances of poor children, to add on to the measures that were already there in order to provide a richer statistical picture. We did not get agreement on that and now, of course, all of that has been swept aside. Never mind additional measures; some of the existing measures have been scrapped. If I was the Social Mobility and Child Poverty Commission, I would feel pretty sore that, having been set up to measure progress against a certain set of measurements, I was now being told I was not supposed to aim for measures that help to alleviate income poverty.

Q27 Lord Patel: You clearly, Mr Clegg, have a great passion for the subject of social mobility and you obviously care about it. Also, you must have had some frustrations during your time in government at not being able to move some policies and legislation that may have helped move the whole thing forward. You know that sometimes Select Committees

write good reports after inquiries and make recommendations but, when you get the response from the Government, you get a fudged response. But now and again you get one or two recommendations that cannot be fudged. So, what might be the two recommendations you might like to see from us that cannot be fudged and would really change the whole environment about improving upward mobility, employment and opportunities for school leavers?

Mr Clegg: First, there is no getting away from it: if you financially undermine, in the way that this Government are and will, the existing provisions, like the pupil premium, like the early years pupil premium—like the kinds of things we put in place that we know from early evidence are having a positive effect—that will, as night follows day, mean that what modest progress we have made over the last few years will be arrested or thrown into reverse. As I said earlier, it is no good just talking about the ends; you have got to will the means as well. The early years pupil premium and the pupil premium in particular are major financial innovations—£2.5 billion of additional funding on top of a protected schools budget. If you change that edifice financially, I just do not think you have got the means to shift the dial in the schools system. That is point one.

I sense a slight frustration that I keep going back to early years. I know you want the other end, but I am afraid I am adamant in my view that if you do not get the early years right it almost does not matter what you do at the other end because the kids will already be condemned to a particular pathway that it is very difficult to shift them from. I really would urge the Government to rethink the decision they took for purely political purposes. When I discussed this with the Conservatives in coalition I said, “Come on; let us together in the March Budget use this shared will to do more on early years and childcare to build on what we are doing for the poorest families—the two year-old entitlement and so on”. I was told no, the Conservatives wanted to instead spend the £350 million on the less needy families only for three year-olds and four year-olds because it was a good way of trumping Labour Party policy. One-upmanship between the Labour Party and the Conservatives should not usurp good policy. Perhaps that was another good example of where the Conservatives were rather better than I was at politics but worse at policy, and I was better at policy and worse at the politics.

Lord Patel: We will put that down as a recommendation.

The Rt. Hon Nick Clegg MP – Oral evidence (QQ 18-27)

Mr Clegg: No, that is all, as they say, history. I would urge you to invite the Government, in addition to what I have said about the core financial settlement for colleges and schools, the pupil premium and so on, also to revisit—they have time to do that—their plans on early years, because it is not a sensible use of very scarce resources.

The Chairman: Mr Clegg, thank you very much. You have enabled us to keep absolutely to time, for which I am very grateful.

Mr Clegg: Sorry I went over at the beginning. My enthusiasm is such that I cannot restrain myself, but good luck.

The Chairman: There is nothing wrong with enthusiasm. Thank you.

Professor Andy Green, Professor Paul Gregg and Professor Ken Roberts – oral evidence (QQ 28-37)

Professor Andy Green, Professor Paul Gregg and Professor Ken Roberts – oral evidence (QQ 28-37)

Evidence Session No. 4

Heard in Public

Questions 28 - 37

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Professor Andy Green, Director, ESRC Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES), Institute of Education, University College London,

Professor Paul Gregg, Professor of Economic and Social Policy and Director of the Centre for Analysis and Social Policy, University of Bath, and **Professor Ken Roberts**, Professor of Sociology, University of Liverpool

Q28 The Chairman: Welcome to the second evidence session this morning of the Select Committee on Social Mobility in the transition from school to work. We are joined today by three eminent academics. I did say in a session we held previously that I did not know what the collective noun was for a group of professors, but whatever it is we are very pleased you are here this morning. I would just emphasise that this session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and it will be put on the parliamentary website, but subsequently, a few days after this evidence session, you will be sent a copy of the transcript to check it for accuracy, and we would be very grateful if

you could advise us of any corrections as quickly as possible. Finally, if after the session you wish to clarify or amplify any points that you have made during your evidence or you have any additional points to make, you are very welcome to submit supplementary written evidence to us. To start with, perhaps you could individually introduce yourselves before we move on to the questioning.

Professor Gregg: I am Professor Paul Gregg from the University of Bath. I am also a commissioner on the Child Poverty and Social Mobility Commission, which I just heard Nick Clegg talking about.

Professor Green: I am Andy Green, professor of comparative social science at UCL Institute of Education and director of the Centre for Learning and Life Chances.

Professor Roberts: Ken Roberts, professor of sociology at the University of Liverpool and researcher on young people's entry into employment since the 1960s.

Q29 The Chairman: Thank you very much. If I may start, could you tell us how you see the structural changes to the economy and the changing labour market affecting choices and employment outcomes for young people? You are very welcome to supplement each other's answers as you wish.

Professor Gregg: Young people are very susceptible to recessions, or to the economic cycle; their employment is very cyclical. When the last major recession hit, that prompted quite a lot of young people to stay in education longer because of the deteriorating opportunities within the labour market. At the same time we had the raising of the participation age, which is still working through. Those two things together substantially boosted educational participation. Whilst the economy is clearly recovering and employment is growing quite rapidly, young people still have an unemployment rate about four times that of adults aged 25-plus. We remain in a situation where young people's transitions from education into work are slow and erratic and where substantial groups have significant periods of time out of the labour market—NEET or what have you—before successfully making any kind of transition.

The labour market is also, in terms of its employment creation, being somewhat bipolar. We have strong employment growth at the top end of the distribution, particularly in research and professional type jobs, and we have strongish growth in the relatively low-qualified sectors, but a hole in the middle. In fact, it is a bit like the Nike whoosh, apparently, these days; rather than a U shape it goes down and rises rapidly like the Nike symbol. That means

that graduate opportunities are growing quite rapidly but the number of graduates is also growing quite rapidly. Those two populations, if you like, are growing simultaneously, although there is a problem with those who graduated during the more depressed years; they tended not to move into the graduate labour market as richly because of the blockage in opportunities. Young people's transition from their first jobs up the career hierarchies has also been blocked in this period, which means that a lot of people have been held back, if you like, by the lack of stepping-stone opportunities into the more progressive, affluent parts of the wage distribution. That is probably not going to be the case for the next arrival of young people, because of the improvement in the labour market. A cohort was blocked, but the next cohort will enter a much better circumstance and we will see much more progression. That would be my expectation.

Professor Roberts: I will not repeat what Paul has said, but looking back over a generation to when the parents of present-day 16 year-olds were 16, in 1985 there were no GCSEs; there were O-levels and CSEs. The careers service still offered careers advice probably over two years up to the age of 16, and there were still jobs, so employment, although diminishing, was still an option. At the time teachers and careers officers would see three broad routes ahead for young people at 16. One was A-levels. That was for the academic kids who did O-levels. Then there was full-time education involving other courses for young people who performed relatively weakly at O-levels or had done quite well at CSEs. Then there were training schemes. There was that hierarchy and training schemes were at the bottom. There were also some jobs, and pretty well any job was considered better than a training scheme, which was the one-year youth training scheme in 1985.

For the middle group, who were doing other types of education, it would depend on the job, but for those who could do A-levels and progress to university, that was probably what they would do, except that some of the jobs that were still available were traditional apprenticeships, which gave you opportunities to train and get qualifications that would take you to a professional level. I think you want us to discuss why that is no longer the case and what has happened to that middle group. There have been two other changes. The route ahead has become much longer—the time when you can expect to find a job in which you might build a long-term career has gone further and further ahead—and from the point of view of young people, all the steps that you can take have become more risky, partly because the routes have become much more complicated. It is impossible to say, "If you

take this step, this is where you will end up”. Young people now, as in 1985, are not bothered about what it was like in the past. The present is always the normal. Young people, no matter how far back you go, have always wanted to do the best they can for themselves in the world as they find it. Some have wanted to change the world, but even so, assuming that the world does not change, they have also decided to take the steps that seem best for themselves. Comparisons with the past they probably do not know, and if you tell them they do not care. People like us make comparisons over time, but young people, whether today or in 1985, never have. They want to know what the opportunities are right now.

Q30 Lord Holmes of Richmond: Good afternoon. The “missing middle” makes up between 40% and 50% of 16 to 19 year-olds. What particular challenges do you see for this group in accessing good-quality employment?

Professor Green: It is necessary first of all to clarify what this “missing middle” is. To me the different pathways through this transition period clearly involve one fairly distinct group, and that is the 43%-odd, as you know, who are going down the A-level track. Part of the middle is the 20%-odd who do a technical level 3 vocational qualification. Then you have this 20% or so who are doing level 1 or level 2 qualifications, a small number who are doing apprenticeships and a certain number who are NEET—of 17 year-olds it is about 8% now. The NEET category is continually overlapping—going in and out—with the level 1 and level 2 category, so to me it does not make much sense to treat them separately. Really you are talking about a vulnerable group, which is the group that are not getting a full level 3 qualification. That to me would include some of the people who are getting the less prestigious, less recognised level 3 qualifications, but most people who are doing a level 3 vocational qualification have reasonably good chances.

The vulnerable group are the people who are not getting a full level 3 qualification—who are getting the level 1s and the level 2s and various other qualifications that DfE cannot even identify and people they cannot track. There is a group here of about 35% who are distinctly vulnerable. We have looked at the recent OECD Survey of Adult Skills data and tried to compute what proportion of the English cohort of 25s to 29s do not have a full level 3 qualification. By that I mean, taking the OECD’s definitions, a level 3, which is “A”—academic—or “B” or “C” long—which means courses of two years or more, so substantially level 3. We found that about 30% of those 25 to 29 year-olds did not have that full level 3

qualification. This is the group that I would define as vulnerable. It is a rather larger group than is sometimes identified.

Just to make the comparison explicit with some other countries, on that definition we had the largest proportion of young people in that age bracket who did not have a full level 3 qualification across all the 24 countries whose data we had in that survey. It is quite a worrying situation in England. We only have the data for England and Northern Ireland. Northern Ireland did rather better on this; the figures are more like 20% who do not have a full level 3 qualification. The problem for those who do not have a recognised level 3 qualification in our context is that many of the qualifications that we have at level 1 and level 2 are not worth very much on the labour market. They are not even understood very well. Many of the people in that category who are taking only those qualifications have relatively low levels of literacy and numeracy. I would add that because they have been in and out of different programmes—they have dropped in, they have dropped out, they have gone into NEET, they have come back, they have switched around an awful lot—they do not have a very clear sense of purpose or of what they are aiming at, and certainly do not have a very clear sense of professional identity. We interviewed 100 young people aged 20 to 22 and there were quite a few of them who had gone through this route—the level 1 and level 2 qualifications—and there was not a single person of the ones we interviewed who could name their qualification. What they were doing had no identity for them.

Professor Gregg: I totally agree with Andy there, but I just want to add one point. Compared to many other countries we do not have a system of progression through those levels, so you do not see people starting at level 2 and then progressing to level 3, and you do not see people at level 3 going on to level 4 and level 5 very often, or at least not within a continuous stream of study. We have a series of trains that are going to different destinations and then people get off; it is relatively rare for them to see further progression. That is one of the big things I would like to draw out as a problem: we do not have systems of onward progression for young people to go through levels 2, 3, 4 and 5 and onwards.

Professor Roberts: Compared with nearly every other European country, Britain's labour market is unregulated by law. With the exception of some occupations in medicine and law, there is no legal requirement that says, "You must have this qualification to be employed". Regulation has been between professional associations, trade unions and employers. They created what you now call the middle route by creating courses—City & Guilds, national

certificates—that were routes into professions and into middle-level skilled types of employment. If you go back to the mid-20th century, less than 5% of young people went to university, roughly 40% went along what you would now call the middle route, and the rest got nothing after age 15. Since the 1970s, most professions have been “graduatised”, so the route into professions now is through A-levels and higher education and the middle routes into them have been closed off. Occupations where entry was regulated by trade unions have declined in numbers, and where the industries and occupations still exist the trade unions have become weaker. This weakens what you now call the middle route. It has never really been the middle. At one time it was middle and upper middle. Now it is middle and everybody who is not NEET. The problem is that it is no longer possible to say, “If you get this qualification, that will qualify you to do that job”. Whether it does or not you just do not know. This is the nature of the labour market in Britain. If you look at most other European countries, there are firmer links between types of training, education, qualifications and employment. In Britain there are not, so a lot of young people, as you have said, get a qualification and cannot remember what it was. It is not worth the paper. The problem in the bottom group in Britain is that it is a great disadvantage to lack basic skills of literacy and numeracy. Somehow Britain now has a higher proportion of graduates entering the labour force than pretty well every other European country, but we also have more young people who lack basic skills. That is quite a remarkable performance. The reason is because it is demotivating from age 12 to age 16 to be aiming for a D. It means that you have failed. If you allow so many young people to be in that situation, they will be demotivated and they just will not learn. Enabling them to catch up after 16 will assist them if they get basic skills. It is the basic skills that matter. It is not a C. It is the wrong age to get it. This is the problem for our young people now who are going along this middle route: there are no guaranteed destinations for them and there is this great danger that you drop down into the bottom. This is because, as Paul has said, the occupational structure has become hourglass shaped. There are fewer positions in the middle, and there is the danger that you drop down into a position from which there are no ladders. You might find one, but possibly you do not and you become trapped at the bottom.

Baroness Berridge: On a point of clarification, Professor Green, when you talk about achieving a level 3 qualification, by what age do you mean: 24, or 18 or 19?

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Professor Green: The proportion I gave you was based on the sample of 25 to 29 year-olds in the Survey of Adult Skills. It is what they have accumulated by their age within that age range.

Baroness Berridge: So that would really be the predictor. You want somebody by the time they have reached their mid-20s to be at that level 3 qualification level, and that is the indicator that you are really pointing to.

Professor Green: It is one way of measuring it, because we have the data across countries to make the comparison. It would seem reasonable to say that what is most important is that somebody reaches that level by the point at which they are entering the labour market or soon after they have entered the labour market, so it seems a reasonable point to take, yes.

Lord Patel: One of the things that it is suggested contributes to opportunities for upward movement is this so-called “opportunity hoarding”. Do you have a comment on what opportunity hoarding might be? If it is real, what can you do to remove it? It was said by one of our witnesses in evidence, Dr Abigail McKnight.

Professor Green: I listened to that earlier session and remember that discussion. Our education systems are about positional advantage now. Every parent and student is looking to do as well as they can, and the value of their education depends to a large extent on how well they do relative to others. There is an issue about systems that put a very high stress on choice, because it makes an awful lot of different strategies available to families at different points in the career of their children to get an advantage by making savvy choices and so on and so forth. I think your earlier speakers referred to this hoarding of advantages; it is basically people trying to make the best they can within the system. The more choices you give people in a system like ours, in some ways the more opportunity you allow for that kind of competitive behaviour within the system.

Professor Gregg: In our labour market, university attendance is the big access point that more affluent families try to get their kids to achieve, and it is worth a lot even if they are not that bright. However, as a country, compared to the more egalitarian in terms of social mobility, even amongst those with the same levels of qualifications—not with university qualifications or not below university qualifications—those coming from more affluent families succeed in the labour market more. There is evidence that people going to the same university and achieving the same degree and the same degree class come from more affluent families and are more likely to go into the professions early in their careers. For

those who do not go to university but come from more affluence, there is still a massive relative wage gain from coming from a more affluent family even if you do not attend university compared to peers with the same levels of qualifications. That is what I interpret as your opportunity hoarding. There is a lot going on that is not the education system. The education system is really important, but it is not just there; there is a lot beyond that where affluent families are more successful in advancing their children. We do not know too much about how it is achieved. We may think it is about language and communication skills. It may be regional accents, if you like. It may also be about social networks and getting your kids, through contacts and so on, into better careers and so on. In, say, the Nordic countries, getting to university matters a lot, but for those who get there it does not matter what your background is once you have made it, and if you do not go to university it does not matter what your background when it comes to your future earnings capacity. For given education, it is pretty well equal. Here, for given education where you come from is still a massive social gradient.

Q31 Baroness Blood: Thinking about the bottom group that you were talking about there, are there any active labour market policies that could be put to specifically to help that type of young person?

Professor Roberts: Yes. The great success since the 1990s has been apprenticeships, partly because traditional apprenticeships never died out. They were introduced as a logo for government-supported training in 1994. Apprenticeships are successful in terms of young people moving upwards and improving their earning capacity. It is not entirely the government scheme that did it, because apprenticeships were always there, but has now become a government brand name and the Government now promote them. If you can get more apprenticeships, this is good for these young people in the middle group, but they need to be real apprenticeships. The danger is that you trash the brand by applying the label to all types of training. From 1994, the number of apprenticeships was governed by the number of employers who wished to recruit and retain. The danger of saying, “We will have 3 million by 2020” is that the label becomes meaningless, like being a youth trainee. If we can get more genuine apprenticeships, this was very good for these young people.

Baroness Blood: How does a young person get into an apprenticeship if they lack basic skills? You said that for some of these young people numeracy and literacy is a big problem. They are not going to be considered for an apprenticeship.

Professor Roberts: The problem is that there is a shortage of apprenticeships. I know this is anecdotal, but I have a grand-daughter who has just done A-levels and I wanted to point out that there are opportunities other than university, so I went on the national apprenticeship website and looked at the apprenticeships that were available in the Merseyside region, where we are from, at advanced and higher levels. What were the alternatives to university for her? The number of apprenticeships available at those levels on Merseyside was nil. The problem is that there are not enough. If at the local level or any level you can get more employers to create these routes again—it is a matter of recreating routes that were there in earlier generations—this is the best labour market policy that will help those young people.

Professor Green: I still think it would be right to say that even with an excess of apprentice places available there would be quite a lot of young people whose literacy skills and numeracy skills are not good enough to get the benefit out of a high-quality apprenticeship scheme. We know that we have a very long tail of low-skilled young people. Something like 25% of people in their early 20s score at the lowest level—one or below—again on the six-level scale of the OECD, when the average is 19% across the OECD. We have an exceptionally large number of people who have very low levels of skill, particularly in numeracy. One of the reasons for that is quite likely to be that until very recently—things are beginning to change now—there has been no mandatory element of learning English and maths in the further education and training curriculum. For a lot of people it has just not been there. We are quite unique in that respect. Almost every other country I can think of has a mandatory element of dedicated, classroom-based teaching of the national language and maths by teachers qualified to teach those subjects, and the young people at the end of their upper-secondary courses are assessed on those subjects, and since they are grouped awards, typically they will not get the award unless they have reached a certain standard. We just have not placed a very great emphasis on that until now in the vocational provision post-16. That needs to change, and it is beginning to change now.

Baroness Blood: These young people are in the education system for 11 years, from five to 16. What is missing that means that they come out at 16 and do not have numeracy and literacy skills?

Professor Gregg: There is a lot to be said here.

The Chairman: But no time to say it.

Professor Gregg: We are running short of time to say it. It is generally kids from more deprived families and deprived backgrounds who are not achieving these kinds of qualifications. London is a standout success in the improvement in educational attainment of poor kids. Birmingham and Manchester have also moved quite a long distance. All the evidence was that this was occurring in primary schools. Nick Clegg talked earlier about early years and stuff. That is probably overcooking it, but you certainly need to be getting there before secondary schools. London's success is definitely happening in primary schools—in improving basic literacy and numeracy at those early ages to allow later learning. But it does not stop at 16. Andy is dead right: we have two big opportunities running now, which we need to build on. The first is this raising of the school participation age, which is now pushing up to 18 next year, which is enabling lots of young people to re-sit GCSEs, but we also need, as Andy says, to make sure that for those who are going into continued further education study, as opposed to A-levels, there are continued maths and literacy components within that.

The second is the traineeships programme that the Government are developing, which could be argued to be almost a pre-apprenticeship. It is taking those who do not have the kinds of qualifications necessary for entry. We are probably not talking about the very bottom but about the people who are sort of there but not quite, who can be pushed forward through that kind of programme. Crucially—I would emphasise this—we need the kinds of progression routes that we talked about at the beginning. The traineeships need to be clearly linked to progressing on to an apprenticeship and recognised routes for doing so, rather than, in a sense, a side line that people go along and do not come back from.

Q32 Earl of Kinnoull: I would like to go back to something that Professor Gregg was saying a moment ago and probe that a bit by asking the same question I asked of Mr Clegg. Considering the UK and its post-16 arrangements and your knowledge of the OECD countries, where do you put us roughly in the league table? Naming specific countries, who are you envious of and why?

Professor Roberts: If you ask, “Who has the best transition arrangements?”, everybody who does comparisons of transition regimes would say Germany. Agreed? I think so. I would also add that the communist countries of eastern Europe had decent transition regimes, because they copied Germany. You are either going to say that you do not want the context that made these regimes possible—communism—or we will decide that we are not Germany and

we cannot do it. There are two systems that can broadly work. One is the continental system, best exemplified by Germany, where you divide young people into different tracks from age 10 in Germany but let us say 14—that is the most common age across Europe—and you give them all an appropriate curriculum on which they can succeed, so you do not have these young people aiming for a D; they are all aiming for a qualification that they can get. It would be very good if we could move to this. This is not reinventing the 11-plus, by the way; it is going to a continental system. Or you can do it the American way, which is what we are moving towards, where you keep all young people on the same broad highway, and we talk about levels 1, 2 and 3 and some get there quicker than others. If you want to do that—I think we might well—you need to lower standards. I am not trying to get elected, but the benchmark has to be set at a level that pretty well all can attain. Some might leap ahead, but the benchmark of what they are aiming for in America is graduating high school. That is the basic attainment for getting into college, which nowadays two-thirds do. If you graduate high school, the bands play at the end of the year and everybody celebrates. Admittedly, 10% to 15% of young Americans drop out. They have a bottom end and it is concentrated among their ethnic minorities in the inner cities, so I do not want to say it is perfect, but both ways are better than the British way. We are especially bad—not a model to mimic.

Professor Green: I do not think that exhausts the best examples from across the world. Probably we would all agree that countries with dual systems of apprenticeships, such as Austria, Switzerland and Germany, have the best success rates in having smooth transitions into work and high youth employment rates and so on and so forth, and, according to our research, they also manage to reduce skills inequality during that phase more than most other countries, which is quite interesting, starting from quite a high baseline. But there are other models within OECD countries, and within European OECD countries, where the upper-secondary systems work quite well. These are countries that have highly structured, relatively standardised, school-based academic and vocational education, either in separated tracks, as is more typical, or sometimes, in some of the Nordic countries, in more comprehensive systems. This includes some of the central and eastern European countries. Some of these countries are relatively successful in getting young people into work afterwards, and several of the Nordic countries have low youth unemployment rates as well. A number of countries are rather successful in reducing skills gaps during this phase.

You have to ask what it is about certain countries that are able to achieve this with a school-based system, because a lot of countries with school-based systems are not very good at this. What I would say about the more successful countries, which would include countries like Norway and perhaps Finland, some of the central and eastern European countries that are rather good at this, and some of the east Asian countries that have rather effective upper-secondary education and training systems, is that they have fairly standardised systems, but the vast majority of young people do three-year courses that are either academically inclined or vocationally inclined. They have relatively intensive provision: three years in which about 30 hours a week on average are spent in classroom instruction, compared with the 15 hours or so which a typical full-time student in further education in Britain gets. They have relatively simple, slim-lined and transparent qualification systems—not nearly as many and as complex a system of qualifications as we have—and the qualifications tend to be better understood. The structure of the systems, being more standardised, develop more normative expectations of all students. That would be my understanding of why they get higher graduation rates at upper-secondary: they have people staying on longer than we do and they get more people getting a proper level 3 qualification, which is really the necessary passport into the labour market now.

It is a different option from the apprenticeship option, which is arguably the best but is very hard to copy with our labour market conditions, but it is an option that works pretty well in several countries in getting young people into work and raising standards of literacy and numeracy and so on amongst the lowest-skilled. It is a different option for us, but there are exemplars of where this works.

Professor Gregg: I would like to add two things to that conversation. The first is that Switzerland and some other countries more recently—Belgium and Holland are moving in this direction—are moving away from the idea that you go into a track and you are on an apprenticeship route or a university route, but the apprenticeships can lead on to university and that is a recognised route towards university. It is not, “You are going here”. Germany still tends to be, “You are going this far”, and it is hard to go much further, but lots of other countries are trying to move away from that and are recognising that an apprenticeship-type route is a successful equivalent route into university to A-levels in this country.

The second point I wanted to make is to think about what the ingredients are in these models that work rather than just talking about the countries. What the apprenticeship

route offers is a combination of improving functional skills, a recognised qualification, an experience of working with employers or being in an employment relationship, which employers value, and a system of contacts and networks with which you can find employment if that employer does not keep you on. That is a basket of what this kind of route offers. If we are thinking about it, we might try to think of what ingredients we can get from that basket within our kinds of systems—the traineeships or what have you. Rather than saying, “Let us follow Germany”, we could say, “This is the basket that we need to put together”. You need the qualification but you also need improvements in functional skills—literacy and numeracy—alongside it, and you need that work experience or employer experience. Employers will tell you again and again how they find young people difficult to manage. They are just not socialised in the world of work, in a sense, when they first arrive and employers find it difficult. Apprenticeships break all that open and establish the contacts, the networks and the experiences that employers value. We should be looking at how we build those experiences for young people.

Q33 Baroness Sharp of Guildford: Picking up on that particular point, do the panel think that if we had we implemented the Tomlinson report, we might have moved in that direction? Should we be thinking of that broader type of curriculum for our young people? Can I also take up this question? We have a cohort of youngish people who, quite frankly, do not have the qualifications that they require to be successful in the labour market. I believe that I am right in saying that the LLAKES research has indicated that in other countries these inequalities can be mitigated by further learning. How far do you think that in this country the system of being able to develop your skills through your 20s is sufficient? Should we be looking to that as well? Should we be looking to improve the ability of young people in their 20s—and 30s, for that matter—to supplement their qualifications?

Professor Green: It is always important. The UK has always done relatively well in adult training and adult continuing education, and that tradition goes on. It has suffered under cuts and so on to some extent, but relatively speaking we have quite a good record on adult training and adult continuing education. When we made this analysis recently of the OECD data from the Survey of Adult Skills and found that skills amongst adults in England are more unequally distributed than in most other countries, excepting a few other English-speaking countries, we looked at whether the adult learning could be contributing to those rather

high relative levels of skills inequality. We could not find any evidence of that at all. Nor did it have anything to do with differences between age groups, which might explain it, or with the skills of adult migrants. Our conclusion was that the relatively high levels of inequality, both of opportunity and of outcomes in literacy and numeracy skills in England and Northern Ireland, which was also in the survey, are largely a result of very unequal outputs relatively from the education systems over the last 50 years. These inequalities relative to other countries are greatest in numeracy and greatest amongst younger people. In numeracy, for people around 25 years old, we had the widest distribution in scores of any country, and the influence of social background on achievement was also one of the worst of any country. This is quite an exceptional thing about some English-speaking countries, particularly England and the US. Other countries in the UK are not much better in this respect, but they are not all in the survey. It would appear that the upper-secondary systems exacerbate this. There were some countries in our survey that seemed to reduce skills gaps during the upper-secondary period between years 15 and 25, say. These were the countries with dual-system apprenticeships, interestingly, from quite a high baseline, but they managed to reduce social gaps in skills and the width of the distribution of skills. Some of the central and eastern European countries, east Asian countries and Nordic countries that had these relatively standardised, highly universalised, school-based upper-secondary systems were doing this as well.

Baroness Sharp of Guildford: The question I was asking was whether our adult training systems can mitigate the inequalities that emerge out of the schools system.

Professor Green: They can and they do.

Baroness Sharp of Guildford: We have seen a substantial drop in the number of adults participating in adult education in this country.

Professor Gregg: I think Andy's point—and I think it is right—is that our big weakness is among people aged 16 to 25. The gaps widen massively within that period in the UK compared to most other countries. Beyond that, the investments are generally fairly low and infrequent. Yes, there are people who come back and do Open University—I was one of those second-chance people—but it is relatively rare. We are trying to emphasise that 16 to 25 is the crucial period that we are not getting right.

Professor Roberts: On the Tomlinson report, I would say yes and yes to your questions. We should have done it in 2005 and we should still do it now.

Baroness Sharp of Guildford: The problem of demotivation that you identified is one that we have been grappling with for a very long time. In many senses, Tomlinson was set up to try to do something about that.

Professor Roberts: Yes, exactly. We should make something of our strengths. I do not think you can regulate the British system in the manner in which other countries can, but it is incredibly flexible and people can learn new things at any time in life, as I know. People can learn at any age. It is important that they get basic skills when they are young. Just look at the number of apprenticeships that have been created for adult workers. I do not complain about this. If you have a demand for labour from employers, they will recruit and they will train, and people can learn skills and pick up qualifications at any age, and they will do it; they will be motivated if the opportunities are there. We do have this problem with the structure of the labour market, where there are a lot of jobs that are low-level, low-skilled and low-paid, in which training is minimal. If you could go back to genuine full employment, the same thing would happen to these jobs as happened to the dead-end jobs of the 1930s after the Second World War. You have to create more attractive opportunities, including opportunities to get on, in order to hire young people. But I calculate that we are about 8 million jobs away from that at the moment and it will be very difficult to get back to it.

Q34 Baroness Berridge: Can I just pull you back to a comment you made about the social networks and work contacts of apprenticeships? You have identified for us the two groups: one who get the level 3 qualifications and one who do not. Is it just the lack of qualifications that is affecting this group and their social mobility beyond that? We have heard a lot about social networks in terms of law, the professions, internships and so on. Have you identified this factor for these two groups as well in terms of their progression?

Professor Gregg: Yes. Work experiences are valuable and valued by employers. If they are looking to hire, if they see people who have work experience, that is valuable. If they can see a good reference from another employer, particularly if they know them, that is worth acres compared even to GCSEs. It is really valuable. You start to know who the employers are as well. If you are working in an area in an apprenticeship, you know who is recruiting those kinds of skills and so on and so forth. It is not peculiar to apprenticeships; it is just that work experiences are valuable for young people in the labour market. The transition is difficult and it is valuable to be able to give signals that are positive to employers. Employers like listening to other employers' signals rather than those from schools, which they do not

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necessarily think of as being particularly strong signals, other than some recognised qualifications. Other routes through which you can give work experiences to young people alongside functional skills and qualifications are valuable. That is, in a sense, what we need to be thinking about here.

Baroness Berridge: Are these open, or is it a matter of the informal networks that give you the contact?

Professor Gregg: A lot of it is informal, yes.

Baroness Berridge: Is that a problem?

Professor Gregg: Yes, it is. Knowing people is how you get round it. If you work in an organisation, you have not just family networks but work-colleague networks. The people you are working with are people who have already done it. The people who have made transitions themselves can put in words for you and so on and so forth. That is why it is very hard for kids who are trying to find work in depressed labour markets where they do not have those experiences to put on show when lots of other people—older people—have.

Baroness Howells of St Davids: Listening to what all of you have said, it seems to me that we are blaming the students rather than the people who are supposed to educate them. I just wonder whether I am misinterpreting you or whether there is something in the teaching. From poorer countries, less money and less availability, lots of kids do make it and do take the jobs. I just wonder what is happening with the teaching in the schools. Do they have too low expectations? What is going on?

Professor Roberts: I do not know what is going on in London exactly, but a lot depends on the opportunities in the labour market. There is London, which is buoyant. If you are in Liverpool, it is different. If you are in a quite small town in the north-east it is different again. How motivated young people are very much depends on the opportunities that they can see ahead. I would just add in relation to work experience that we used to have a careers service that could organise it for everybody until they were 18.

Professor Green: Young people are more inclined to stay on at school for longer than ever before and they are more inclined to chase qualifications. It would be very hard to say that this generation of young people going through their transitions now were not motivated and keen. On the whole they are an exemplary generation.

Baroness Howells of St Davids: It is the routes in that I am interested in. You do not build up the networks that you talked about if parents and friends do not have them. I just wonder

how the school is helping that. How are the careers services—whoever they are at the moment—doing? I feel that a lot of it is about the young person's lack of interest.

Professor Green: There is a lot of research that points to the importance of networks, trust and local communities, which is generally called social capital, in helping people to get jobs. There is an awful lot of evidence for that. In some areas these networks that used to exist I think we have to agree are breaking down to some extent. In some rather poorer communities, networks of influence among skilled workers where those labour markets are hollowing out to some extent are probably not as good for a lot of young people as they might have been 20 or 30 years ago. That is probably another disadvantage that they face—some more than others—in addition to all the problems of the poor labour market situation, the appalling housing situation and all these other obstacles.

Professor Gregg: Again, lots more could be added there. The first thing is that there are parts of the country where things are improving and have improved a lot, and that says that it can be done. London, Birmingham and Manchester have moved, so we have models, in a sense, of things that have made big improvements in educational attainment for deprived kids.

The second point I would like to add is that schools are focused on qualifications, not on the employment opportunities that follow afterwards. They have no interest in that. It is not part of their *raison d'être*. The careers service point has been made already. There is a lot more that we could do to try to make schools think more about employment, not just qualifications. We have league tables for loads of stuff. We can have league tables for employment rates of people beyond school. The employer-educational linkages are almost non-existent in this country. My daughter has just done a week's work experience, and that is all she will encounter, typically, until she leaves university, if she goes there. Young people are not working Saturday jobs at 16 and 17. It has gone right through the floor. The level of work experience that kids have by the time they are 18 is vanishing before our eyes. The schools not being focused on it, the kids not getting it via other routes and the employers not being involved with schools all just sounds as though we are missing something here, which is not about the kids' ambitions or abilities or whatever but about the blockages or the lack of connections and experiences for young people.

Lord Farmer: Just picking up on that, there has been some noise about having too high standards and lowering standards. We have too many graduates, and they are having to

borrow money to pay for their further education. There was a headmistress of a girls' school here—a very high one—saying that her girls were thinking of going straight to work at 18. This whole area could be growing. That is what we are studying here: this transition from school to work. What would you say are the main elements of a successful transition system for school leavers into the workplace? Could these be embedded in the UK system? What would you recommend? What would the potential challenges be of implementing such a system?

Professor Roberts: For the middle group?

Lord Farmer: Yes. We are talking about leaving school at 18 and going into work.

Professor Roberts: Implement Tomlinson. Have a route through education where these young people can succeed. At the other end, get more apprenticeships and get employers involved in recruiting and training young people. In between, have work experience and a careers service that can advise young people and guide them through this. That will work in Britain. We cannot be exactly like Germany or anywhere else, but those are the three things that I would do in Britain. It will not work for everybody, but it will be better than it is now.

Professor Gregg: I have already talked about that basket of what you are trying to put on the table, so I will not repeat it. It is apprenticeships and we should be looking at traineeships as offering that basket of experiences to young people. The additional point is that we should be pushing aggressively for the return of non-graduate routes. Most accountants used to be non-graduate A-level kind of people studying, and it has disappeared. In early-years child education, we have a system where you have to have a person who is a graduate trained teacher parachuted in and there is no route of working through, so you can be at level 2 or level 3 as a young person going into childcare but you cannot go up higher unless you go off to university. There is no non-graduate route. There is a huge range of potential professions and higher-level jobs where we could rebuild non-graduate entry or, as I said, apprenticeships that lead on to going to university so there is more than one route. It is not just university to profession but you have two other routes: you can do the non-graduate route or you can do an apprenticeship and then into university as a recognised route. If we can build those other two routes, they will work a lot better for the young people in the sense you do not have the first round of educational success. They will work for people to get there a bit later.

Q35 Baroness Sharp of Guildford: You have talked about Manchester and Birmingham and so forth, but how far do you feel that working at the regional level and picking up, for example, the local enterprise partnerships and integrating the schools and colleges to a much greater extent into their local communities through such things would be a successful route?

Professor Gregg: Absolutely central. We have local authorities who are responsible for knowing where the kids are, even though they do not half the time. The schools do not know where the kids have gone on to. We have no tracking system, unless you are doing A-levels and university, so that somebody knows where the kid is and, if they are disappearing, that there can be interventions of the kind that Baroness Stedman-Scott does with her organisation to try to bring them back. You need a system that brings the employers and the schools closer together and to offer the traineeships and the careers service. I would strongly advocate something along the lines of a local transition partnership of schools, the local authority, employers and the FE sector, who know where the kids are and work with them, track them and nag them if they are disappearing, and making sense of the complexity of the system. We need something akin to a UCAS system—a clearing system—to go into non-graduate type qualifications. “This is the range of qualifications and places. This is how you apply for them”—something that works along the lines of what UCAS does successfully for the graduate routes, available locally.

Baroness Sharp of Guildford: One of the problems that we face with the LEPs is that they cover sometimes enormous areas. There is one that covers the whole of Kent and Sussex, for example. I live in Guildford and we fall right at the edge of the M3 LEP, but there is very little, really, that links us in Guildford with Basingstoke, Southampton and so forth. How far are the LEPs local enough? You have the metropolitan communities, which work, but when you are outside the metropolitan communities you need perhaps a variable centre of the community. LEPs are not always necessarily the right organisation.

Professor Gregg: I genuinely do not know what the right level of geography is.

Professor Roberts: Look at what employers are doing: Ernst & Young, British Airways. Investment bank JP Morgan has halved its intake of graduates and replaced them with apprentices, which it takes at 18. These are people who could have gone to university. They get applicants from all over the country; they do stretch out. This is one of the strengths of our system. Employers now, because university is expensive and risky, find that they can

Professor Andy Green, Professor Paul Gregg and Professor Ken Roberts – oral evidence (QQ 28-37)

recruit very well qualified 18 year-olds, and they are going to do it. This is one thing that will happen. Government does not instruct them to do it. Schools are very successful at the moment at plugging into universities, but they also need plugging into employers locally, regionally and nationally. Again, it was helpful when we had a careers service to help them.

Baroness Stedman-Scott: We have got the message.

Q36 Baroness Tyler of Enfield: We have already covered some of the aspects of the question I had wanted to ask, which was about the factors that government should take into account when coming up with policies to improve social mobility and particularly employment opportunities for school leavers. If you have anything to add there, please do, but you have already given us your ingredients and everything.

Then, just to introduce a slightly different element, I would like to focus on whether you think that the Government, as some people have suggested, also need to address directly some of the factors that limit downwards mobility. There is this issue of there being only so much room at the top. I know it is a very contentious issue. Do you have any thoughts about whether policy should actively intervene in that?

Professor Green: It is right to curtail the rampant spread of internships and so on that are based purely on networks and so on, because this is the kind of extra-educational channel through which advantage is exercised in getting better positions. The idea that you can only get into certain professions, as in the media, through internships for which you will not be paid and which only those who have wealthy parents can access is appalling for social mobility. I do not quite know how you tackle that, but it is clearly not a good development that this way into work is spreading like wildfire and becoming a new avenue for the perpetuation of advantage through generations. That needs to be tackled, I would say.

Professor Roberts: I do not think that there is much you can do to change what we would call the rate of relative social mobility. How do you prevent parents doing all that they can for their own children? Sometimes new regimes come to power and shoot the existing elite. That works, for one generation. How do you change social mobility? None of us who study it knows. It does not change much whatever you do. The basic problem is that parents who can do so will pass on whatever advantages they can. Incidentally, in the middle of the class structure, the self-employed are a group with a surprisingly high degree of intergenerational continuity. How can you stop that? You cannot stop that, can you?

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Baroness Tyler of Enfield: I recognise that other countries have very different labour market structures, different systems and all that, but are you aware of any attempts in other countries to do anything about the downward mobility as well as the upward mobility?

Professor Roberts: China had a good record in the 1960s.

Professor Gregg: The answer is essentially no. We and the US are some of the worst countries, so in a sense we have the problem. Other countries do not have the problem to the same degree, so they do not perceive it essentially as a priority to address. Brazil and some other Latin American countries do. Just to push it the other way, you cannot, in a sense, stop the parents trying to use what advantages they can, but you can talk to the employers about their recruitment practices—internships and other kinds of things—and get them to recognise an issue. We at the commission are encouraging professions to look at the social background of their recruits and at the universities that they are recruiting from to open the door wider and to know and be aware of what they are doing. To be slightly controversial, the Civil Service needs to do the same, particularly at the fast-stream level. The university entry route into the fast stream of the Civil Service is incredibly narrow. All the kids come in with 2:1s from decent universities, but social background is still kicking massively. These kinds of things need to be exposed and recognised and thought given to how to deal with it. As has been said, lots of employers are thinking about it and then trying to offer non-graduate routes as an alternative, or pre-courses, pre-training exposures and open internships that are based not on networks but on competition. If you get employers to engage with it, think about it and recognise what they are doing, often without thinking or subliminally, then you can get some change.

Q37 The Chairman: Finally, could I have a one-sentence response from each of you to this question? Given that we are looking to improve upwards mobility, employment outcomes and opportunities for school leavers, what one key suggestion would you make that would advance the cause? You might just want to say “implement Tomlinson”.

Professor Roberts: I have three, but of those—

The Chairman: Okay, give us three.

Professor Roberts: I would say Tomlinson has to be the first. You have to start at the younger end. If I can only have one, it is Tomlinson.

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Professor Green: Find the funding for the expansion of high-quality apprenticeships. Alison Wolf's proposal for a new training levy on companies is one way in which you might achieve an expansion of high-quality apprenticeships rather than the mixed bag we have now.

Professor Roberts: That is my number two.

Professor Gregg: Yes, plus we need to bring a coherence to the non-A-level post-16 route. Apprenticeships are part of that, but there just is a lack of coherence to it. The Government have lots of initiatives but they do not yet have a coherent structure in which to place those initiatives.

Lord Holmes of Richmond: Was that your number three?

Professor Roberts: No. Number three was careers guidance.

Professor Gregg: Which includes careers guidance.

The Chairman: Thank you very much. This has been a very interesting session and very useful to us. I will draw the session to a close giving you our thanks.

Demos, Centre for Social Justice, and Institute for Public Policy Research – oral evidence (QQ 38-45)

Demos, Centre for Social Justice, and Institute for Public Policy Research – oral evidence (QQ 38-45)

Evidence Session No. 5

Heard in Public

Questions 38 - 45

Members present

Baroness Corston (Chairman)
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Tyler of Enfield

Examination of Witnesses

Ralph Scott, Senior Researcher, Demos, **Alex Burghart**, Director of Policy, Centre for Social Justice, and **Spencer Thompson**, Senior Economic Analyst, Institute for Public Policy Research

Q38 The Chairman: Good morning, and welcome to this evidence session held by the Select Committee on Social Mobility on the transition from school to work. This session is open to the public, as you know. A webcast of the session will go out live and is subsequently accessible via the parliamentary website, so no doubt in a quiet moment over the summer we will be able to see it. A verbatim transcript will be taken of your evidence and put on the parliamentary website. A few days subsequent to this session, you will be sent a copy of the transcript and we ask you to check it for accuracy, as soon as possible, so that we can implement any corrections. If, after the session, you on reflection wish to amplify or clarify any points you make, you are perfectly welcome to do so by giving us supplementary written evidence. If you would just like to introduce your names and the organisations that you support, that would be very helpful.

Spencer Thompson: I am Spencer Thompson and I work for the Institute for Public Policy Research.

Ralph Scott: I am Ralph Scott, a senior researcher at the think tank Demos.

Alex Burghart: I am Alex Burghart. I am the director of policy at the Centre for Social Justice.

The Chairman: Thank you very much. As you know, we are looking at social mobility, but we are particularly interested in one cohort of people who are referred to as “the missing middle”. We know that there is a group of young people who go through what is often called “the royal route”, A-levels and university—higher education. There are others who are not in employment, education or training, but up to 50% of the cohort is not really accounted for. We would like to know what work you have done about improving outcomes for these young people.

Alex Burghart: Thanks very much for having me here this morning. The Centre for Social Justice, as you know, has spent 11 years looking at the root causes of poverty and pathways out of poverty, of which obviously education and employment are two of the most important, so we really value the work that your Committee is doing.

We would see the missing middle in a slightly different way from yourselves. We have about half of the A-level-age cohort doing A-levels, which you describe as the royal route, and at the other end you have about 5% of young people of that age who are not in employment, education or training. In the middle, you then have young people who are doing vocational qualifications of various levels. We would say that many of them are not missing: we know where they are, we know what they are studying. We know, in the case of many qualifications, that they are likely to lead to positive employment outcomes. The young people who are actually missing are the young people who are in the NEET category, often children who have been in care, who have completely fallen out of the system. We literally do not know where they are. That is a group that my organisation has been extremely concerned about over the years. I understand that that is not the subject you are interested in, but it is something that I want to bring to your attention.

We also have about 16% of young people of this age who are doing level 3 qualifications. These are pretty well tried and tested at getting young people into employment, so we would encourage you to focus on is the 16% who are focusing on level 2 qualifications and the 6% who are on level 1 qualifications. For them, we know that the pathway into employment can be slightly harder. This is still a very simplistic model. There are plenty of young people who do A-levels who will find that they do not get very good grades and will struggle to progress. Plenty of young people who do level 2 qualifications will go on to do quite well. I understand that we are simplifying for the sake of convenience.

Much as I am loathe to praise the work of another think tank, I know that Demos in 2011 wrote a good paper that looked at just this question, identifying the fact that the previous Labour Administration had focused very heavily on getting young people into university, but the other half had fallen into a bit of a policy vacuum. Policy abhors a vacuum, so since then policy has flowed into this area and we have seen an increased focus on vocational education, obviously with Alison Wolf's review, which you will all be aware of, which has successfully whittled down the number of vocational qualifications available to leave just those who are most acceptable to employers. We feel that that has strengthened the sector. We have also seen the introduction of a small but important number of university technical colleges, which have been pioneered by Lord Baker, in an attempt to create a high-standards, high-qualification route from education into employment as a genuine alternative to university. We would like to see that programme expanded. We have seen a dramatic increase in the number of apprenticeships: 2 million in the last Parliament and the promise of 3 million in this Parliament. Obviously it is very important that those apprenticeships lead to work and are of sufficiently high quality to do so. Policy has formed for the group that you are concerned about; we want to make sure that these ideas are built on to make sure that they form a genuine pathway into employment.

Q39 The Chairman: One of the things that we are particularly concerned about is that under-19s applied for 57% of advertised apprenticeships up until 2014 and were given 27% of them. This is the focus of our attention. Thank you.

Ralph Scott: Thanks also for inviting me to give evidence today on behalf of Demos. I would just like to pick up on the paper that Alex mentioned, which in large part shares your analysis of the missing middle, although we did not call them "the missing middle"; we called "the forgotten half", because there was this existing idea of 50% of young people going to university. The question is what happens to this other 50% in terms of social mobility or just labour market outcomes.

That report set out to look at how well the education system was equipping these young people, and in the analysis we identified five premiums: above-average wage returns that match certain skills or attributes that are provided by the education system. One is well known, the graduate premium, which has recently been estimated for a first or 2:1 degree to be around £200,000 over the course of a life's earnings.

The other four that we identified are those that can be inculcated through the education system, even in young people who are not going through the university route. The first is the literacy and numeracy premium. We and others did an analysis of the British Cohort Study, which we drew on in putting the report together. We identified that good numeracy skills at the age of 10 were associated with 8.2% higher earnings at the age of 30. Good reading skills at the age of 10 were identified with an extra 3.5% of earnings at the age of 30. This is analysis by Jo Blanden. That demonstrates the importance of literacy and numeracy. We know that the UK has been falling back in the PISA rankings since they were first done. The UK is around 26th in maths and 23rd in reading, from a much higher level. But the Government have rightly been focusing on improving literacy and numeracy throughout the education system and are starting to see some success, in terms of young people's levels of literacy and numeracy, on the social mobility indicators which the Government now monitor. The second is the character premium, and this is an area that we have talked about a lot as an organisation. This is important, and there has been a lot of focus in policy and analysis over the last couple of years—members of the Committee will have led some of it and will be familiar with other parts of it—on the importance of things like application, self-regulation, self-direction, grit, empathy, communication skills, and all these kinds of things, to labour market outcomes. They are often described as non-academic skills. That is another way of thinking about them. The definitional debate is very live and you can get bogged down in it, but essentially there are these skills and they matter. There is lots of analysis that demonstrates this. Another example, again, is from a British Cohort Study analysis, which found that better application at the age of 10 was associated with 9% higher earnings at the age of 30. There is lots of analysis from the US. Professor James Heckman has shown the impact of these skills as well. There is also a suggestion that this matters more for disadvantaged children, so better application at the age of 10 is associated with a child from a deprived background having 14% higher earnings at the age of 30. That is also quite interesting and plays into the social mobility answer that you want to get to.

The third—I will try to be brief with the next two—is the technical premium, which is possessing a technical skill or expertise that accrues income. Alex is right to point out that the analysis finds that it [the premium] does not tend to accrue to level 1 or level 2 qualifications. Only at levels 3 and 4 do you start to see a wage premium. Again, the Cohort Study analysis found that men gain a 7% premium in earnings on completing level 3

apprenticeships, which rises to 14% if they also complete a higher national certificate, which is at level 4. Some analysis showed that the level 1 and level 2 NVQs actually had a negative wage premium, so doing them actually made your earnings worse than not doing them. Lots of those NVQs are no longer available for young people to pursue, but that is something to look at.

The final premium that we identified is the work premium: experience of work. That can be through good-quality careers advice or work experience, which schools have a statutory duty to provide. It can also be through pursuing part-time work. The Education and Employers Taskforce has found that, on being followed up, young adults who could recall high levels of employer contacts throughout their education experience were 20% less likely to be NEETs at the end of school and 18% more likely to earn more. There are lots of ways in which schools or young people can gain experience of the workplace, but that is really important for ensuring that they go on to have positive labour market outcomes. I will finish there for now.

The Chairman: Thank you. I think some of us call the character premium “life skills”, but it amounts to the same. Spencer Thompson, would you like to add something?

Spencer Thompson: Yes. Thanks again. As the others said, thanks for inviting me to speak to your Committee. It is a very important area and it is very good that you are looking at it. IPPR has done a series of research projects about this issue. We have looked at several areas. We have looked at how the labour market has changed and the impact that has on the type of skills and capabilities that young people need when they are transitioning into the labour market. We have looked at upper secondary education and how that could change, again to better support the transition into the labour market, and we have looked at the welfare system and how that interacts with young people’s experience and can help to support them moving into the labour market.

As Alex said, and I completely agree, it is important to distinguish between the different sub-groups within the population that you are talking about. For example, as has been mentioned by Alex and Ralph, the difference between different levels of qualifications has an impact on the employment and wage outcomes of young people studying for those qualifications. Also, that should be reflected in the support that they get in the welfare system. We have argued that the priority for back-to-work support for young people should vary depending on where they are on their journey to gain qualifications. For those without

basic skills that should be the first priority—getting them basic qualifications in literacy and numeracy. For those with a level 3 qualification, on the other hand, their priority should be finding a job and a career path as soon as possible. Those in between should be on learning and qualifications that are very much tied to the labour market and have a clear route through which they can do those qualifications to get a job and a career.

On education, we published a paper earlier this year on 14-to-19 education, as opposed to 16-to-19 education, as that is the relevant age range through which people should be transitioning from education into the labour market. There is something of an artificial distinction, we believe, at the age of 16, which means that people who might benefit from a more structured course of learning at an earlier age are having to make a decision at 16 and then decide where they would like to go. That could be done earlier, we believe.

Sixteen-to-19 education outside A-levels is definitely a very complicated picture, especially when compared to higher education. It is not clearly understood by learners; it is not clearly understood by their families or by employers. In many cases, as has been remarked upon by reports such as the Alison Wolf review, it is poorly linked to the labour market. Partly that is about the incentive space in the system for how complications are supplied and which qualifications are supplied. Definitely something that we feel the Committee should be looking into is how qualifications in 16-to-19 further education are linked to specific jobs that may be growing in demand from employers or may be poorly served currently by the landscape of provision.

It is also worth the Committee thinking about how schools interact with learners' choices. We have argued that schools should be engaged with other education institutions in the local areas, so that they can provide the best advice to their students and the best options for where they should be going and which courses they should be taking, even if they are not necessarily the ones being provided by the school where they do their GCSEs, say.

This links to another point that we have made, which is that measurement and how we measure outcomes from education is very important. We have argued that we should be measuring outcomes at 18 and that this should apply even to students who have switched institutions at 16, as it would give an incentive to those schools to be pointing them towards the best qualifications for their needs and their goals. As Ralph mentioned, experience of work while you are still at school is extremely important and it has declined a lot over the last few decades. The employment rate of teenagers has halved since the 1990s, which has

an understandable impact on labour market outcomes to young people when they leave school. A few hypotheses have been raised about why this might be the case—an increasing emphasis in the system on achieving academically may have shifted people’s goals away from getting, say, a Saturday job or a job in the holidays—but it is definitely very important. If linked with learning through programmes like traineeships and apprenticeships, it is very important.

As I mentioned, we have argued in several papers that the welfare system is fairly poorly equipped to support young people, especially those who have just left school. It has a very “work first” approach to supporting young people into work, but, as I mentioned earlier, that is not necessarily what some young people need. They need to achieve a baseline of qualifications and they need to be linked to qualifications that have a clear progression route into work and into a career. I hope to talk more about these, but I will leave it there.

Q40 Baroness Sharp of Guildford: Can I raise with you the issue of what difference raising the participation age is going to make to the choices that are on offer to our young people? I am very glad that all of you have stressed that other vocational qualifications, other than apprenticeships, have some value, because it is important that we should understand this. Given that only 6% of young people of this age group go into apprenticeships, and indeed that has been falling rather than rising over the last few years, it is very important that the range of options available should be there and that people should understand that there needs to be progression. Do you feel that we are achieving this through raising the participation age? Do you see this as a route by which we can actually encourage these young people to move forward?

Alex Burghart: The key issue is obviously the quality of the provision that is available. As I understand it, the Government will not enforce the new leaving age, and consequently we are still in a position where we must encourage young people to take up good-quality offers in order that they can use them to get into work. To go back to something Spencer mentioned, we feel it is extremely important that young people making those choices at 16 have a good idea of the quality of course and quality of institution they are moving into.

We have been very impressed by the early destinations data that have been produced by the Department for Business, Innovation and Skills. Were that to be widely available, for example for young people choosing FE courses or choosing apprenticeships, and you saw that this institution and this course tended to lead to employment in a particular sector, it

would both empower young people and institutions to provide and promote those courses that are productive.

A very good example was given to me by a civil servant in BIS a few years ago, who said, “What would you say if your son wanted to study computer games at the University of Derby?”. I paused and he said, “Well, you would be wrong to pause, because 95% of people who do that course end up with a job in the sector a year after they leave. It is an excellent degree”. If you have that sort of level of detail available for young people at 16, it could be part of a genuine revolution in how we both choose and provide courses at that age.

Ralph Scott: The first question to ask in response to that is: will raising the participation age actually result in more young people staying on in full-time education? As Alex has pointed out, it will not be fully compulsory. Neither young people nor employers will face penalties. There are various routes that young people can choose to take post-16. The initial evidence shows that more young people are staying on up to the age of 18, and there is also the lowest level of NEETs in that age group on record, which shows that young people are staying on, but participation actually increased more between 2001 and 2009, so it is not clear that that is actually linked to this change in policy.

Another point that I would make is to reiterate this question about what they will be doing and where they will be doing it. We know that in the last couple of days there has been a lot of news on what is happening in the FE sector and colleges under threat. The question is: where will the places be for young people to pursue their education between the ages of 16 to 18? It is potentially promising. Some analysis done by the LSE shows that for each additional year of schooling, young people in the UK will earn 13% more, so staying on in school can improve outcomes, but it is just about the quality of what you are doing. In that time, enabling young people to re-sit GCSEs in these core skills, or even the new core maths qualification that some colleges are undertaking, are things that will essentially enable to access those premiums that I talked about in response to the first question.

Spencer Thompson: I would just add that there is a danger in raising the participation age without substantially improving the quality of the course on offer. You will end up warehousing some young people, who could be better served by taking on a traineeship or an apprenticeship, et cetera. Maybe they stayed on at an institution that they are familiar with. That is the one thing that needs to be closely looked at.

Baroness Sharp of Guildford: This is of course staying on in education or training. As you rightly said, a traineeship fulfils the bill here.

Spencer Thompson: I would completely agree with that. As Alex said, it is whether young people have been provided with enough information about the various options available to them.

Baroness Morris of Yardley: This is just a supplementary. I agree with the analysis and I am sure that more information for young people will mean that they make more effective decisions. Just putting the information out there, as we all know from previous experience, does not mean that the right people look at the information and then make a sensible decision. I want to ask about the very word “apprenticeship”. I know that there was an announcement about being clear about what an apprenticeship is, in terms of a year and a day, but I worry. You have used the word “apprenticeship” a lot, and I think Baroness Sharp was the first to use the word “traineeship” in our discussion so far. I just wondered what you thought about my concern that the danger is almost that at 16 you either go to A-levels or you go on an apprenticeship. It is really a simple message and it sounds like a good choice, but we know that the quality of apprenticeships can vary so much.

Do we overuse the word “apprenticeship”, because it has connotations of quality, leading to jobs, worthy achievement and success? You do not hear, “It was a bad apprenticeship”. You might fail, but the word “apprenticeship” is wrapped around a feeling of something that is good, and we do not really have another word for things that are not good between 16 and 18. Very succinctly, which I have not been, for which I apologise, do we need to be more careful about how we use that word “apprenticeship” in helping children to make good decisions?

Spencer Thompson: I would say that there is definitely a gap between what people think when they hear the word “apprenticeship” and what actually is currently being provided in apprenticeships. Most people, when you ask them what they think an apprenticeship is, would definitely say that it is something that young people do, that it probably lasts more than a year and is high quality, et cetera. Obviously, as we know, a significant number of recent apprenticeships have gone to the 25-and-overs. That is not necessarily a problem, but it does perhaps lead to some confusion about what an apprenticeship is and who it is for. We would see traineeships as the precursor to either an apprenticeship or moving into employment. That is their function for young people, but I completely take that point.

Ralph Scott: One thing I would mention on apprenticeships is that the Government are trying to rapidly increase quantity over the next five years, an ambition that should be applauded, and at the same time increase quality and ensure that they are much more closely linked to the needs of employers. Following on from the recommendations of the Richard review, Richard understood apprenticeships as training for mastery of a particular occupation, training you for a particular job, and an apprenticeship is a job at the same time. Other European countries pursue apprenticeships later in life. A traineeship model for 16 to 18 year-olds may be the way to go.

Alex Burghart: Very briefly, I think we should probably do more to mark out the level 3 apprenticeships, the gold-plated apprenticeships, from the rest. On your point about information, which I accept, it is also important to acknowledge that some of the people who will get to use this new information are teachers, careers advisers and parents. It just emboldens the system.

Baroness Morris of Yardley: It is not a bad thing, but it does not guarantee success.

Earl of Kinnoull: I wonder, Lord Chairman, whether I might ask my supplementary a bit later, because it might fit in better in a later question.

Baroness Howells of St Davids: Can I ask a supplementary? You would not be surprised to know that I am interested in the education of black children in schools. Lately, my case book has been showing that for the two you pointed out—you did not say black ones, but children who are looked after—the schools themselves do not have an appreciation for their ability to go on. In fact, one letter pointed out to me that the teacher said, “You cannot expect these children who you are looking after to do as well as yours”, which was quite a blow to the people who were looking after them. I just wonder if you can help me and tell me about any research that you have done that shows that black children are getting a good slice of the pie, are taking it up, and are experiencing the effects of racism in this. That is a major thing in keeping children back.

Alex Burghart: They are very interesting points. I do not know enough to answer your third question, but over the past years, as I am sure you will be aware, black children on free school meals, particularly black boys, have seen a noticeable improvement in their GCSE levels and have now overtaken white children on free school meals. Some of the interventions that we have seen in the system are starting to bear fruit, although there is

also a big question about how you improve the education of white children on free school meals.

One of the things that we have looked at a number of times is the quality of education for children in care. We have certainly seen some very interesting movements around virtual heads, where you have someone outside school who gets to provide advice and support. Something we are very concerned about is the number of times children in care move school during the year, often during crucial exam years, and this fits into a broader issue of stability for young people in care, which will take us off the topic of today's discussion but I would be very happy to come and talk to you about.

Ralph Scott: Just in response to that, I would echo the recent evidence on young black people on free school meals overtaking white working-class boys. Often that is how it is described. It is often due to school quality. If you look at where ethnic minorities tend to live, the school quality in London has improved radically over the last 30 years. I would point the Committee towards the evidence that we have published in the *Integration Hub*. We have a whole chapter dedicated to evidence in education, which will answer some of your questions.

Baroness Howells of St Davids: It does, except that what did not come out is that the black community, which would be the third generation, are spending lots of money supporting their children in Saturday and Sunday schools. I just wonder if that is the reason for this happening, because people do not realise, unless you are in the community, how much money is spent to get extra help. The Government used to subscribe to the supplementary schools but no longer do so, and that has been a big burden for these people. Thank you anyway for what you have to say.

Spencer Thompson: It is a very important point. We have not done any research on this particular issue, but it is definitely something that we are interested in.

Q41 Lord Holmes of Richmond: Good morning. Research shows that skills inequalities in school leavers may be mitigated by further learning. How do you think the post-16 system in the UK fares in reducing skills inequalities compared to other countries?

Ralph Scott: The short answer is not very well. In order to get close to an answer to this, we have looked at the OECD's Survey of Adult Skills. England has approximately 7% engaged in short-cycle professional training among adults between the ages of 18 and 65, which is post-secondary vocational and can be provided by a range of providers. That is how they

define it anyway. England has 7%, the US has 26%, and Germany and France have around 20% engaged in this form of learning post-18 in the workplace.

We published a report on this a while ago, but there is a well-known phenomenon in the UK, which the OECD evidence backs up, which is the skills paradox. Essentially those who are the most skilled within the labour market are those who are still improving their skills, whereas those with the least skills are those who are not receiving any training whatsoever. That is a real flaw in our system.

The one recommendation that we examined in the Commission on Apprenticeships that we hosted last year was to look at the role of employers in lifelong learning and the corporate governance of that. In countries such as Germany, which has more of a social partnership model, employees may be represented on decision-making boards, are more engaged with the long-term future of the business and are more likely to ask for training and support in that way to improve productivity, because they want the business to be successful, than just negotiate for higher wages. That is a recommendation that we have made on corporate governance in order to improve training for adult learners.

Q42 Lord Farmer: First, I should declare an interest in that I have actually been a long-term supporter of the Centre for Social Justice. My part-time parliamentary adviser is Dr Samantha Callan, who is also an assistant director of the Centre for Social Justice. My question is: what are the main elements of a successful transition system for school leavers going into the workplace? I should mention that this workplace experience, which we have heard in earlier meetings, is very successful, but we do not seem to have a system for it. That does seem to be a great benefit. We also have not really heard much about family participation, which seems to be a very big element in upward mobility. Is there a way to encourage that and strengthen the system?

Spencer Thompson: On the transition system more generally for school leavers, one thing that we have researched extensively is the gap between the number of people who leave education and the number of people who actually get support to get into work. Around 40% of young NEETs are not claiming any out-of-work benefit. That is not necessarily a problem, but it does mean that they are not linked in with the systems of support that come with claiming jobseeker's allowance. For that reason, we would argue that you need to bring more people who are NEETs into a system of support for linking young people up, who are

having trouble finding work, with opportunities, be they a traineeship, an apprenticeship or into a job.

This touches on a point I made earlier, which is that the current system, if more people were to be included, is not well designed to do that task, because it is very much focused on getting someone into a job as quickly as possible and needs to take more of a holistic view of each young person and what they need themselves in order to move into work, and move into sustained work, whether that is basic qualifications or a qualification that is very much linked to a particular career path.

Alex Burghart: We have been very interested, in our work in transition, in whether you can build some form of formal transition mechanism between learning and employment. In a report that we published last year, called *The Journey to Work*, we proposed a youth offer, whereby your search for work, if you were not going to university, would begin while you were at school. There would be a UCAS-style system, which would allow you to apply for jobs, traineeships, apprenticeships and whatever else was on, but this process would begin before you left the school gates. A number of young people we spoke to felt they had fallen off something of a cliff in support from school, until they bumped into the job centre. That was a very inefficient way of managing things.

Your point about families, Lord Farmer, is extremely important. We know that if you are a young man and your father is out of work, you are 25% more likely to become unemployed on leaving school. Parental employment is a huge dimension in this, but so too is support for parents to give support to young people. That can be done through schools, but we believe that it could also be done through transforming children's centres into family hubs, which took care of the family in a much broader sense than the children's centres currently do.

Ralph Scott: Just to call back to *The Forgotten Half* report that I mentioned earlier: in that report, in order to access the premiums, we recommended that the school-to-work transition model should include a number of elements. The first is ensuring that those core literacy and numeracy skills are there, and that can be through consolidation or intensive learning before they leave full-time education. The Government are taking action on that.

A second element that we identified was vocationalised academic learning. It is worth looking at. The model of UTCs has been mentioned already. The Studio Schools 14-to-19 model is another model that encourages academic learning but also includes a vocational

component and is engaging young people with local employers and with the labour market through learning the curriculum.

It is also worth thinking a bit about the curriculum and qualifications. Qualifications reform is probably off the table for a while, because we have been through quite a lot recently, but I know that the Tomlinson report is brought up a lot in this context. I would also draw your attention to the national baccalaureate, which is being trialled by a headmaster at Highbury Grove School called Tom Sherrington. It is worth having a look at that, because that school is trying to put a policy into practice in its own setting. There is the National Baccalaureate Trust, which I would draw your attention to in terms of vocationalised academic learning. The national baccalaureate would include an academic component, but also a long-term project, a volunteering component and a vocational component.

Activities that build character in schools could include extracurricular activity, community-based learning, service learning and all these kinds of aspects in delivering a curriculum, and finally high-quality work experience and advice, information and guidance. It has been brought up before, but there is a question about how successful the post-Connexions approach is and to what extent the provision of independent careers advice to young people is working. In 2012, an Ofsted report was quite damning about the approach that schools were taking. I do not know if anyone has looked at it in more detail recently, but we have made a recommendation in the Commission on Apprenticeships that we hosted that there should be a high-quality public sector competitor. Schools are now encouraged to bring in private providers of careers advice and they can bring in a lot of expertise, but you can drive up quality by having a public sector competitor. We have seen that in the health service, for example. That is one recommendation that we have made about ensuring that careers advice is there. We are also very keen on destination data. It is worth looking at what the DfE and BIS are doing in combination to link up the data from the national pupil database with earnings data later in life. That will be a very interesting data set, because it will tell you 10 years out of school how successful either a particular school or qualification is. That will really help people to make informed choices.

Q43 Lord Patel: My question is about guidance to 14 to 16 year-olds. There is some evidence that there is a lack of a plan in the UK to prepare young people for employment. Schools are the obvious institutions to guide 14 to 16 year-olds to further education, training and subsequently employment. Some say that the schools need some incentives to do this.

Are there incentives for schools to do this? How well do they do it? Are some schools better at it than others?

Alex Burghart: Lord Patel, if we had decent destinations data it would be easier to know whether schools were giving good advice and to hold them to account on it. Because we have discussed that already, I would like to draw your attention to a particular intervention, which I have seen in a number of schools in London now. It will be very familiar to Baroness Stedman-Scott, because Tomorrow's People has worked on it. It is called ThinkForward, and it provides long-term mentoring to young people who are identified as being at risk of becoming NEET on leaving school. It provides, just as you suggest, that guidance and advice on how you can think about what your career is going to be, how you get experience to get there and even how you can finish your homework in order to help you get better grades in order to help you get on to that career path. Its success has been very impressive. It is being funded by Impetus-PEF and by the DWP. In the Tower Hamlets cohort that was singled out as the most likely to become NEET, levels of NEET-ness fell by about 88%, which was a really remarkable intervention that if replicated across the most disadvantaged parts of our country could have a significant impact on the number of vulnerable young people who are not currently getting decent guidance and advice on how to build a career.

Ralph Scott: In response to your question, Lord Patel, the incentives on schools to provide good-quality guidance are actually very weak currently. It is in the Ofsted framework; they are expected to provide quality guidance. Really what schools are most concerned about is achieving results and passing Ofsted inspections. That is the real threat to them. While schools will want to do the best for their young people's later-life outcomes, they will be really concerned about getting those results at the point when they leave the school. There is also an incentive, which was also hinted at but not made explicit, in some schools that provide education up to the age of 18 or have in-house sixth-form colleges, due to per-pupil funding, to keep the young person in that institution rather than recommending them for a traineeship or for an FE college, even if that would be the best route for them.

It is also worth remembering the cultural influence around all this. Teachers will now predominantly have been through the university route: the so-called royal route. They will be more familiar with that and more able to talk to young people about that as an option. We also found in polling that we did for the Commission on Apprenticeships that parents had very interesting attitude to apprenticeships. Ninety-two per cent of parents of 15 to 16

year-olds who we asked thought that apprenticeships were a good option for young people nowadays, but when asked about their own child 32% thought they would be a good option. There is quite an interesting disparity there, which points to the parity of esteem issue, which has been around for a long time.

Finally, and I think this is very important, we have recommended in the past that high-quality destination data, which is contextualised so that you are not judging a school in London by the same standards as a school in Hull, is used to hold schools to account. The Progress 8 measure is definitely an advance on the previous five GCSES at A* to C, but destination data will actually tell you the real-world impact of a school. Holding schools to account on that, once you have a way of doing that, will improve the incentives for schools to really provide good-quality careers advice.

Spencer Thompson: I agree with everything that Ralph and Alex have just said, but if I could add one thing it would be that one thing that we have argued for is that schools and colleges should collaborate much more with other education institutions in their local area. Because of the difficult funding environment at the moment for 16-to-19 education, we may see some rationalisation and specialisation in the sector, which just means that it is even more important that schools are able to point their students towards the most appropriate place for them to continue their education, even if that is not in their current school. These incentives that are facing schools, which we have discussed, are extremely important, and we need to help foster a sense of collaboration and shared endeavour in local areas across the whole educational landscape.

Lord Patel: Do we have international comparisons where some countries do this well and, if so, why, or do we not have those data?

Spencer Thompson: It is a very good question. I am not sure of specific countries that are doing this particularly well.

Q44 Baroness Morris of Yardley: I wanted to ask about your views on the reduction in funding to the adult skills budget. You might also want to comment on the split between the DfE and BIS in the funding of that age group, and the difference between funding for apprenticeships and adult learning that is not apprenticeships. I am really seeking a response on the recent cuts in budget and how you think it might affect the issue that we are looking at.

Spencer Thompson: Certainly this is going to be a very difficult spending round for 16-to-19 education and for FE more generally, in BIS as well as in DfE. We are looking at something like 25% to 27% potentially having to come out of those budgets, unless there is a decision to protect them. That can have two outcomes: there can be a cut in entitlements of people to access to some learning, or you could see different models of funding those entitlements, so more co-payment for example. I do not know exactly what has been planned at the moment, but it could have a real impact, and it is going to have a big impact on the business models of FE colleges in particular. Where more funding is available, such as apprenticeships, they might be trying to move into that space in providing more of the college-based learning for apprenticeships, but it is definitely something that the Committee should be looking at. They should be considering how the sector is going to have to adapt to a more difficult funding environment.

Ralph Scott: It is clearly a policy area in flux at the moment. Just earlier this week, the National Audit Office announced that it expects 70 colleges to be financially inadequate by the end of the year. BIS put out an announcement on Monday regarding it. There is a hint that colleges may need to be consolidated: there is clearly a longer-term strategy in terms of the intention for FE colleges. A report by Alison Wolf looking at this issue earlier this year found that skills spending per head on 20 to 60 year-olds has halved since 2010, so it is obviously having a significant impact on the adult learning budget.

Interestingly, at the same time as these reductions in spending are being made, the responsibility for it is being devolved to local government. The Greater Manchester Combined Authority will have responsibility for this from 2017. In the BIS announcement, there was also mention of Sheffield and London. The northern powerhouse agenda—or powerhouses across the country presumably, because it sounds as though Cornwall will be pursuing something similar—is something that we at Demos would philosophically agree with quite strongly. Pursuing a local partnership model, where local employers and colleges are combining and identifying skills needs within their own communities, could work quite well. The question is whether the money will be there for the provision, but it is definitely a policy area to watch, because it feels as though it is not quite settled yet.

Alex Burghart: I have very little to add to what Spencer and Ralph have already said. This takes us back to the discussion that we were having about apprenticeships in that in the last Parliament there were 800,000 apprenticeships for over-25s. I know that the Government

are seeking to move policy in that direction. Again, the challenges are whether the over-25s are getting decent gold-plated apprenticeships that are helping them into work and if they are going to be a real substitute for adult learning as it currently exists.

Baroness Morris of Yardley: Could one of you respond to this 19 year-old thing that I have picked up, which is causing a problem? If my understanding is right, if a child or a young person does three years' learning beyond 16, so they do the equivalent of what used to be called third year sixth, that third year is not funded by the DfE. The only way they can fund that third year is to take it from the adult skills budget. I have heard that quite strongly from a college. That is another drain on the adult skills budget and is another issue: the fact that up to 19 with DfE had one set of rules and 19 and above has another. The group that we are talking about by the nature of the people very often straddle that. They do not do all these things you have been advising within two years; sometimes they take another year. I wondered if you have any thoughts on that.

Ralph Scott: It does seem a bit strange to be raising the participation age, intending that to be compulsory and for that not to be considered an education responsibility. I would have to look more closely at it.

Q45 Baroness Tyler of Enfield: Can I start by declaring an interest as co-Chair of the All-Party Parliamentary Group on Social Mobility? I am interested in whether there is one proposal for change that this Committee could put forward that would really improve social mobility and outcomes for the group we are interested in. What would it be? In responding, could I ask Ralph, as he has referred to it earlier, if he could say how important developing these character and resilience skills is? It is something, as you know, that the all party group has taken a particular interest in.

Ralph Scott: I will go first then. There are two, if I am allowed. The first would be to emphasise the destination data and using them for accountability, as soon as you have something that is usable and that does not unduly punish schools for their context. We have published a couple of reports very recently on what a character-building education system might look like, so I would draw your attention to those. The need for these non-academic skills to be developed in schools is made evident by how important they are for later-life outcomes, not just for employability and the labour market but for well-being and mental health. A really excellent review was done by the Early Intervention Foundation and published earlier this year that identified how closely these skills often correlate with these

outcomes, in work done by the Institute of Education. The University of Galway looked at all the evidence on programmes that could encourage them. Schools, or policy, could learn quite easily from these about what works in mentoring or delivering the curriculum. We recommended that schools, in inspections, were held to account on their character-building approach. We have also recommended that extra-curricular activity is monitored, because my understanding is that at the moment there is not even a central definition of what constitutes enrichment and extracurricular activity. The closest is statutory guidance on positive activities, which is a local authority responsibility. In our polling, we identified an inequality in extracurricular activity, and that is a real concern because we know that these activities are important for developing character. There are a number of recommendations there that I would make.

Alex Burghart: I will have two as well then. I will let Ralph have destination data. I am sorry to say that the most important thing that could be done is to improve standards of literacy and numeracy before 16. We know that 40% of our poorest pupils are leaving primary school functionally illiterate.

Baroness Morris of Yardley: Forty per cent are functionally illiterate?

Alex Burghart: They are not hitting the required standard.

Baroness Morris of Yardley: That is not functionally illiterate.

Alex Burghart: That is often how it is referred to, Lady Morris. However you wish to frame it, you have huge disadvantage. You have huge underachievement among the poorest pupils. We know that you can get a job if you have bad literacy and bad numeracy, but your chances of promotion are very much worse. About 60% to 70% of adults who have poor literacy and numeracy have never received a promotion, so the very best thing that can be done is early intervention in this area.

Spencer Thompson: I will have two as well. The first one is fairly similar, which is that we argue very strongly that in the upcoming spending round the 16-to-19 budget within DfE should be protected either along the same lines as the schools budget, which is being protected in per-pupil cash terms, or ideally protected from inflation. In the context of a very difficult funding environment for the FE sector in particular, and the importance of 16-to-19 education in employment outcomes as well as productivity and economic growth, we think there is a strong case for protecting that budget in the upcoming spending round.

The second would be that not only should we have much better destinations or outcomes data for 16 to 19 year-olds, but we have argued that schools should be monitored and the destinations of their students at 19 should be published, irrespective of whether that student left the school at 16, 18 or 19. That alone would generate some really strong incentives for schools to offer better advice and guidance to their students.

The Chairman: Thank you very much. I would like to thank all three of our witnesses for the evidence they have given us today. It has been very comprehensive and very cogent, and we are very grateful. Thank you very much.

Dr Peter Grant, Nick Chambers, and Professor Ewart Keep – oral evidence (QQ 46-53)

Evidence Session No. 6

Heard in Public

Questions 46 - 53

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Baroness Howells of St Davids
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Dr Peter Grant, Lecturer in Voluntary Sector Management, Cass Business School, **Mr Nick Chambers**, Director, Education and Employers Charity, and **Professor Ewart Keep**, Director, Centre on Skills, Knowledge and Organisational Performance, University of Oxford.

Q46 The Chairman: Thank you very much for appearing before us today. This session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript of your evidence will be produced and it will be put on the parliamentary website. A few days after the session you will receive a copy of the transcript which we would ask you to check for accuracy and send in any corrections as quickly as possible. After the session, if you want to amplify or clarify any points that arise during the evidence session or make any additional points, which I am sure would be very helpful, you are welcome to submit any supplementary written evidence to us. It would be very helpful if you could introduce yourselves for the record before we move on to the formal session.

Mr Nick Chambers: Nick Chambers. I am the Director of a charity called the Education and Employers Charity.

Dr Peter Grant: Dr Peter Grant. I am a Senior Fellow in Grantmaking, Philanthropy and Social Investment at the Cass Business School, City University.

Professor Ewart Keep: Professor Ewart Keep, Director of the Centre on Skills, Knowledge and Organisational Performance, Education Department at Oxford University.

The Chairman: Thank you very much. We have heard that there has been quite a strong policy focus on increasing the appetite of employers in relation to inputs into the skills system to offer access to the workplace. What has been raised in the work that you have done in relation to employee engagement with intermediate skills, life skills and employer ownership? Do not feel that you all need to reply, but as appropriate.

Professor Ewart Keep: I'll give you a starter for 10. Part of the problem has been that historically both employers and Government over the last 20 to 25 years have looked to fill quite a lot of intermediate skill demand not through the traditional apprenticeship route but through expanding higher education. One problem has been that employers have made an entirely rational calculation that as they very rarely have to pay the direct costs of education this is a very satisfactory arrangement, at least from their point of view. Some of them now realise it is less satisfactory, as they get people who do not have the kinds of practical skills that they might require. Obviously there is a very large sectoral effect. There are certain sectors where as an employer the only way you can get the skills you need is through some kind of apprenticeship or work-based training. The construction and engineering industries would be the two classic sectors where it is very difficult to rely simply on external college-based or university-based provision. In a lot of other areas there has been a tendency to think expanding higher education is going to be the answer. Now we are having a re-think. We have institutes of technology for sub-degree provision on the table as the new answer for what people do post-19. There is a difficulty in getting a lot of employers to understand what responsibilities they need to fulfil to deliver a high-quality apprenticeship system. A lot of them are so out of practice that they are really struggling with the idea of what a high-quality level 3 and above apprenticeship would look like.

Dr Peter Grant: Can I add something on pre-tertiary education and give a couple of examples? The work that I have done over the last five years with the Prince of Wales and his charities in regenerating a number of places around the UK has shown sometimes that employers need to get together to develop the skills that are required in their area. A good example is the High Tide Foundation in Middlesbrough, which has been formed by local employers. It is local enough to bring in small and medium-sized enterprises, which often are not involved in developing the sorts of skills that they require, and it is in strong partnership

with both the voluntary and public sector there. One problem in developing any sort of national policy is that it cannot always take account of local circumstances and, in particular, those areas of the country that need specific types of skills or which are trying to regenerate. In the Middlesbrough area there will be the very dramatic impact of the closure of the Redcar steel plant in the next few months. Organisations like High Tide, which take virtually no public money from anywhere, are the sorts of organisations that need to be helped.

The Chairman: Do you know of any places, other than Middlesbrough, where there has been this attempt to have an area-wide focus that also includes SMEs? We are particularly interested in that.

Dr Peter Grant: Yes indeed. In Burslem, the Burslem Regeneration Trust Limited is the body that is trying to co-ordinate this, and in Burnley it is the Burnley bondholders scheme. Each of them has developed in a different way. The Burslem Regeneration Trust started as a publicly organised group through the local authority, Stoke city council, but has refocused itself and become a charitable trust with equal representation from all three sectors. That is one of the absolute keys to this. Particularly in trying to develop skills, you do not just need the public sector involved; you need businesses to know exactly what skills are required. In Burnley, you have employers from Aircelle, which is a high-tech aerospace company, all the way down to the local corner shop, and they require different sorts of skills. Also you need to involve the local voluntary sector because very often they are the organisations that people trust most.

Mr Nick Chambers: The work of our charity focuses on two areas: first, research on the link between education and employers, which is led by my colleague Dr Anthony Mann; and our other work is trying to give young people insights into the labour market and the skills needed. Our focus is very much on getting employers into schools and showing young people the range of opportunities open to them and the skills that are required for those jobs. A lot of young people have very little understanding of the jobs market, labour market and the skills needed. We are seeing if we can connect the two so that young people, whatever their background, meet a range of employers and see the range of skills that they need but also the options open to them.

Q47 Baroness Berridge: Work experience placements have been identified as fundamental for access to good-quality employment opportunities and then, afterwards, for improving social mobility. How can more employers be incentivised and/or supported to offer those

work placements? What do the work placements themselves need to involve if they are going to help with access to good-quality employment?

Professor Ewart Keep: Incentivising employers is not about money. It comes back to the point that Dr Grant made: it is about collective organisation. For a great many small employers in any given locality there might be a willingness to offer work placements, but even if there is a willingness, they may not be the organisation to do it. Collective structures are a part of the problem. One thing you can say about UK employers generally as compared with their counterparts, certainly in most northern European countries, is that they are not very well collectively organised. In most other countries employers tend to work together in sectoral bodies that have collective bargaining and all sorts of other responsibilities. We do not have that infrastructure; it is one thing which the UK Commission for Employment and Skills and sector skills councils have been grappling with for a long time with varying degrees of success. Collective organisation is important. A model of how you might proceed is what Scotland is doing currently. Scotland had a major inquiry under Sir Ian Wood, the oil magnate, looking at young people and how they enter the workforce and how the young workforce might be better developed. His commission came up with some very interesting recommendations on collectively organising employers on a local area basis and improving the quality of work experience, and how that might be done and what needed to be done. That policy is now being rolled out. If you want to look at a country that is perhaps a little further down the track than England, dare I say it, Scotland—and I am not Scottish, by the way—is making quite a lot of progress on that front.

Dr Peter Grant: Sometimes too much emphasis is put on work experience. It can be variable and very often those at most disadvantage do not even have the skills to undertake work experience. They need to be equipped with the skills that give them that before they even go into the workplace. The other thing that particularly smaller employers do not quite understand is how this is going to fulfil their own business need. It is very obvious to a large employer, DHL—I am a trustee of the DHL UK Foundation—that it needs a continuous stream of people coming into the workforce, so it utilises a number of tools, everything from Prince's Trust schemes to its own apprenticeships, to get those young workers. If you are a small organisation in any part of the country, that is not always obvious. At the other end of the scheme, for those people going into the area in which I work in the City of London, the internships and work experience places there are not sufficiently open to everybody. They

are very carefully controlled in some areas. It is the haves that grab those places. Something does need to be done very significantly in that area.

Baroness Berridge: What would be that very significant thing you would do in that area?

Dr Peter Grant: One thing is to think about whether unpaid internships should not be classified as jobs and, therefore, organisations over a certain size have to competitively attract people into it. They cannot offer it just to their own children or somebody else. It would not be an easy area to legislate or regulate on. The first step would be to try to get organisations together, to get them voluntarily to open up internships far more than they are at present.

Mr Nick Chambers: On work experience I would look at two sides. I would look at post-16, which is now an expectation of schools and colleges, and pre-16, which is no longer a statutory requirement, and differentiate between young people having an experience of the world of work and actually doing a week's work experience. We know that young people's perceptions, whether based on gender or background, are formed at an early age, even at primary, and they rule out all sorts of routes. It is really important that young people have a wide experience of the world of work. When you look at the data between independent schools and state schools, it is very interesting because independent schools really value work experience. We did a piece of research with state schools and independent schools asking how useful work experience was in deciding a career. Eighty-three per cent of former independent school pupils thought it was very important or important to them in deciding on a career. It is much less so on the state side. Peter's point was well made. A lot of work experience is down to who you know, particularly in medicine and veterinary. For some UCAS applications you need to have work experience on your application form and how you get work experience is largely through who you know.

Earl of Kinnoull: It is very interesting to hear your answers and not once has either the Youth Contract or the Business Compact been mentioned by you. Which parts of these initiatives are valuable and should be augmented and which parts are misses and should be closed down?

Dr Peter Grant: I do not know them well enough to comment. It is not really my area of expertise, I am afraid.

Professor Ewart Keep: I would have to echo that. It is scary. I cover a large range of issues around skills and training and I was not even aware of the two initiatives you mentioned. If

they have not seeped into my relatively expert head, one wonders how many of the general public or employers are aware of them.

Mr Nick Chambers: I am at a slight advantage because on the reverse of these little cards which I am now using for my notes is an invite to the Opening Doors Business Compact in 2012, and it makes very interesting reading. It talks about businesses supporting communities and local schools to raise aspirations, mentoring schemes, school talks and careers and helping all the networks. There was some very good research published in there in 2012 about the importance of young people meeting people and about businesses committing to that. That is probably now on hold.

Q48 Baroness Sharp of Guildford: My question really picks up on the answers you have already given. How can employers, schools and colleges best be supported to work together? In particular, there is a huge issue in relation to small and medium-sized businesses. How can one bring them into the collective? What are the challenges for schools and colleges? About three years ago I wrote a pamphlet for NIACE called “A Dynamic Nucleus: Colleges at the heart of local communities”, suggesting that colleges could form the impetus for bringing these local groups together. One does see this in one or two areas. I remember being very impressed when visiting Hull and Leicester. What is the role for local authorities, local enterprise partnerships and the Government in helping to form such partnerships?

Mr Nick Chambers: I can talk particularly about our charity. It was set up six years ago and is all about trying to give people access. Three years ago we set up the “Speakers for Schools” scheme, of which some of you are members and go to speak. More recently we have established a scheme which is basically online matchmaking called “Inspiring the Future”, which 80% of secondary schools are signed up to and where we have 25,000 volunteers. We have spent about £1 million in all. It uses the same sort of technology as for online shopping or matchmaking of any sort and it allows schools to find volunteers. It is about trying to put the two in contact and removing barriers. Sometimes we call it networking in reverse. We want to give schools access to an amazing range of people that they may not have necessarily through their own connections. If you make it easy and free for schools and employers and you make the ask fairly light—ours is an hour a year to go in and talk to people—you find very large numbers of people doing it. It is about having benefits on both sides. It has to benefit the employer, and the benefit to the employer is

that they get to talk to their future workforce, where they have skills shortages that they are very keen to get out. For schools, it helps in aspiration; it gives them insights; it helps pupils to be more motivated in subjects, and also now ticks a careers box of Ofsted saying what we are doing for our young people to show them a range of careers. That is one way. There are lots of other organisations. It is empowering teachers and giving them easy access and working with local authorities and LEAs where appropriate.

Baroness Sharp of Guildford: And some resources to oil the wheels?

Mr Nick Chambers: Yes, that is always helpful.

Dr Peter Grant: I would add another one to that list and that is Business in the Community's Business Connectors scheme. It is building up to a total of 400 business connectors in different parts of the country which are really there to make exactly the same sorts of connections that Nick has been talking about. Where that works well and you are able to link up schools with key businesses, then it has a whole range of advantages, not just enabling the young people at the school to engage with the world of work, but it means also that the business can do things such as place people on the board of governors and help the leadership and governance of the school. Doing it through organisations like Nick's or through BITC allows for the sort of flexibility I was talking about earlier and it is certainly a lot cheaper than trying to do it through Government and overall is far more impactful. The main funder of the Business Connectors scheme currently is the Big Lottery Fund.

Baroness Sharp of Guildford: Both of you have talked a lot of about schools and yet colleges also play an important part in this.

Professor Ewart Keep: Colleges have potentially a very important role but of course one problem is that, in some areas at least, colleges and schools are in some degree of tension about recruiting students. The other thing to bear in mind is that for the next 18 months most colleges, LEAs and city deals are going to have their hands full with local area reviews of sixth-form college and FE provision. If the rumours are true and the intended target is to reduce the number of colleges by roughly 50%, most colleges will be focused on survival or at least the best exit they can come up with. Be careful about loading too many expectations onto the LEAs. They are a varied group of bodies and the resources they have are rather small. They do not have a large core grant. They have an enormous range of potential policy areas that they are meant to be dealing with—transport, housing, regeneration, you name it—so, in a sense, where this is going to sit within their overall staffing and probably resource

priorities is probably not going to be top of the pile at the moment. It will be interesting to see how LEPs develop. They are relatively recent bodies. Five to 10 years from now it will be interesting to see where the new local dimension is. Plainly we are heading towards some kind of localism but what that will look like and who will discharge these responsibilities, and how, are not clear yet.

Lord Holmes of Richmond: On that point, moving it on, often in these cases it is wise to follow the money. Do you think large employers could do a lot more in this space, not least in terms of incentivising the supply chain to encourage them to get involved with work experience and apprenticeship offers?

Dr Peter Grant: Really it depends on where they see their supply of incoming labour coming from. If you are talking about a City financial institution, it is extremely different from DHL, a logistics company. At DHL we need a supply of relatively unskilled labour coming into the company each year and therefore we are going to take a completely different tack from an investment bank in the City of London. To have one policy that covers all of that is extremely difficult. As for whether it is easy to incentivise companies to do that, it needs to be easier for them to work in partnership with other organisations, exactly in the same way as we were talking about making it easier for schools to work with employers. One difficulty in bigger cities is that they may not be very well connected to their local communities or their local schools, so a lot of the CSR programmes of companies in the City of London are geared towards things such as reading schemes in primary schools because there are insufficient numbers of young people living close to them. That needs to be organised in a completely different way. It would be no good trying to do it through the LEP because there simply is not the supply there, whereas if you are talking about a country town they are immediately connected to their local area. Again, I am saying you need a policy that is flexible enough to deal with all of those different areas.

Mr Nick Chambers: If there is something in it for the business, rather selfishly, they often do it. We have seen businesses which might have an event for their clients or their main stakeholders, maybe a Christmas drinks party, to bring everyone together and spread the message around there. Quite often they can use the focus of other events as an excuse to develop links with stakeholders and push out a message. There is benefit for them as well and there are some good employers. I was talking to Barclays the other day and it is very good at bringing its clients together and talking about what it is doing on its apprenticeship

scheme, for instance. It is a really easy win for companies and it does not really cost any money.

Q49 Baroness Tyler of Enfield: My question is about employer recruitment practices. We have received a lot of written evidence suggesting that some current employment practices disadvantage the group of young people who we are particularly focused on and, conversely, some innovative practices out there can be helpful in getting a more diverse range of candidates. Are there social groups that are particularly disadvantaged by the current arrangements and employer recruitment practices, and what can be done about this?

Professor Ewart Keep: My guess is that it is the usual suspects in that it is people from certain geographic locations who attend certain educational institutions and, on top of that, you can overlay social class, ethnicity, disability, all of the usual things. The key thing with a lot of recruitment practices—and this seems to be spreading—is that as what we would call informal recruitment practices grows, if you belong to groups that are more or less excluded from the social networks then you have a real problem. In a sense, you are creating an insider/outsider model of labour market recruitment. I find the spread of these practices quite concerning, however I think it is very difficult to stop. It is interesting that, in a way, the high-water mark of the formalised model of recruitment and selection which we find in business school HRM textbooks has passed in terms of people actually using those practices. The informal model has grown and it makes a certain kind of business sense. It comes with costs but the costs are often largely to the disadvantaged groups rather than to the firms which are using these models. Scarcily, quite a lot of business schools have either abandoned or reduced the amount of teaching they offer to, for example, MBA students, who are the future senior managers of our large organisations, on human resource management practices. For example, Oxford Business School has abandoned teaching personnel management or HRM.

Baroness Tyler of Enfield: Do you feel it is possible to put the case to employers that there is a good business case for them to attract a wider and more diverse range of potential recruits, not least if it is going to reflect better their customer base and those sorts of things?

Professor Ewart Keep: I think there is a business case. There is also a slight danger in trying endlessly to say that everything you want employers to do has to be based around a business case and self-advantage. I think there is a simple moral case which says as good businesses that want to survive in a community of well-intentioned people it would be a

good idea for them to conform and lead by example. The great danger of business cases is that you can also make them for really terrible practices if you are not careful.

Mr Nick Chambers: We have seen that with a lot of accountancy firms recently. There was an announcement by Deloitte and PricewaterhouseCoopers about changing their practices. That is partly because in certain parts of the country their intake is not really representing their clients; so yes, it is self-interested. One area where more could be done is in applications for apprenticeships. A lot more apprenticeships are going to older workers and not younger people. Even a simple thing such as helping young people with a mock interview or a CV can make a real difference. We take some of these things for granted but if you have never been for an interview for an apprenticeship, and you do not know what it is, you are not going to perform as well. It is similar to making an application to university; if you go to a leading independent school you will get interview practice but if you are not from that background and you do not necessarily have that confidence, those things can be really important when you go for that first interview. CVs and interviews, particularly for apprenticeships, are really important.

The Chairman: In my constituency when I was a Member of the House of Commons, I remember a class for 14 year-olds on shaking hands. It was amazing how many young people did not even know how to shake hands.

Q50 Earl of Kinnoull: I want to pick up and expand on something that Professor Keep said. For listed companies the corporate social responsibility regime is a big driver of expenditure and doing good things and then shouting about it. In fact, there is a whole series of shareholder organisations which mark you and then tell you how you are doing. I know this from experience. Could that be a mechanism for driving this as private companies follow a lot of what these companies do naturally?

Professor Ewart Keep: It is another lever that helps push people towards doing things better. There are two difficulties. First of all, I do not think it has much effect on smaller firms. They live in a different world and are perhaps motivated by different pressures, perhaps from their local communities, which is a point at which you might want to try and intervene. The other difficulty is with corporate social responsibility. My observation as a non-expert would be that the list of things you are getting marked on is getting longer and longer and there is less clarity about what good and bad behaviour looks like. I worry that if this was a mainstream agenda it would be taken up by the human resource management function

within the organisation rather than the corporate social responsibility function within the organisation. I would much prefer if it were both, rather than simply driven by this desire to look nice to the outward-facing world. I would like to see it written rather more into the core values of the day-to-day management of the organisation through the way in which the human resource management function, which is supposed to deal with recruitment, training, development and selection, was working. I worry that is the bit that has gone missing.

Dr Peter Grant: As this is one of my areas of expertise, I would caution on a couple of things with CSR. Professor Keep is absolutely right on the scale of companies. Some smaller companies would not know how to assess CSR. On the other hand, of course, if they are geographically based, they pretty much do need to do CSR and have probably been doing it for many years. Generally speaking, in the 10 years I have been working in a business school things have been getting better. CSR is becoming more embedded into companies. The students who come through our MBA and MSc management programmes are far more committed and interested in CSR than they were 10 years ago. They do not want to go to companies that have unethical policies. It needs to be linked into business ethics and corporate governance as well. There are still plenty of examples of major companies where that is not the case. CSR still sits in a back office somewhere, it is tacked on, and it is only when something really bad goes wrong—and I have been involved over the last few years with BP, for example, and now with Tesco—that they suddenly wake up to the idea that they must do something because it is having a huge impact on their business. More of that research being disseminated in the corporate world is having some impact. I would be mildly optimistic about it developing in the future.

Q51 Baroness Berridge: There are some organisations that have now stopped entry for work experience being offered by employers, including the partners, and it all goes through a central hub. Are you aware of any research on that? I think the BBC has a policy that you cannot come in via these informal networks any more.

Mr Nick Chambers: Some of the law firms do and I think the BBC has as well. It is within the last 12 months so I do not think anyone has done any analysis. That is partly to try and counter this issue of getting work experience through who you know. Inevitably, if parents have connections they will use them for their children. It is trying to see how else we balance that for other people. Picking up the point on CSR, we are seeing a lot more now in HR

because we are seeing the business case. We are seeing this whole skills mismatch. We did a big report a couple of years ago which looked at what young people were aspiring to against all the economic sectors and then with the UKCES data where all the jobs are. Not surprisingly, there was nothing in common between what young people at 13-18 were aspiring to and choosing careers in and actually where the jobs were. HR teams are seeing now that it is in their self-interest to go into schools and talk to young people about the jobs which exist in their sector. We see that across the board. Our aim is to get from apprentices to CEOs so you get people in their early 20s who are at the start where employers are encouraging their staff because it is good for staff development and training and they are close to the age of young people as well as saying the CEO has to make time to go in. You need all levels and ages to go in and talk to young people. We see HR as very much a driver now. CSR is good to do but if there is a business case to do it, people tend to do it.

Baroness Howells of St Davids: Dr Grant, I think you said you are on the Prince's Trust?

Dr Peter Grant: I have been working with all of his charities over a period of about five years on their place initiative.

Baroness Howells of St Davids: I was somebody who in the early days exposed the Prince of Wales to a youth club. He took up the mantle and there have been so many other changes he has helped make. Is that just because he is royalty or is there some technique you use?

Dr Peter Grant: It is a bit of both. Certainly it does not do any harm when you are starting off an initiative in somewhere like Burnley and you ask all the chief executives of the local companies to come for a meeting with the Prince of Wales; they tend to come. On the other hand, if you have a successful blueprint, which I think the place initiative has shown it has, and you can demonstrate how it has had an impact in somewhere like Burnley, something must have been going right. In a period of six years, Burnley went from the area of the country that was second worst at creating jobs to coming second in the category of most enterprising town in Europe. When the chief executive of Burnley Council said to me, "We have tried to regenerate the town three times and at a time of the most serious economic depression we have finally managed to get somewhere, and the big difference has been the involvement of the Prince's charities", I think that is pretty serious evidence. Once you have the model, if people are convinced then you do not need the intervention of that person; he cannot be everywhere. It helps at the start in piloting things but once you have the model, people should be convinced it works. Certainly there are parts of the country now where

similar initiatives are being attempted. In regeneration, very often you have areas which have been either physically regenerated but where you have not created the jobs to fill those places, or educationally regenerated, where educational attainment in the town goes up only for everybody to leave for the nearest big city because there are no jobs for them. You need to work across the board in regeneration. Once you have the model I think people will be convinced that they should adopt it.

Lord Holmes of Richmond: Picking up on the point that has come up at least a couple of times so far this morning, which is that it is often who you know, would you be in favour of an end to all unpaid internships and a proper system put around internships and work experience so there can be clarity and transparency and a greater equality of opportunity for everybody coming into that?

Professor Ewart Keep: I think so. It is a moot point as to whether unpaid internships are legal. It is a grey area and we ought to clarify it. It seems to me that, from day one, it disadvantages a large raft of people. I worry about it because whether you call them internships, work trials, or whatever you call them, in a lot of the more desirable jobs within our economy they are becoming more rather than less prevalent. That does not seem to be a good way to be going.

Dr Peter Grant: I perhaps would not say that you should completely outlaw them. The difficulty is that as soon as you start legislating for anything, people find ways around the legislation. You call them something else or you do not have them for as many hours. It needs to be looked at carefully and in some cases I would certainly say it needs to be opened up to more competition.

Mr Nick Chambers: Given the volume of young people out there, we should see if there is more we can do. There was a point I made earlier about place. We have some real challenges in many of our deprived coastal towns and rural communities. Our focus is on what we might do in those areas with young people now to give them experience of the world of work, to give them CVs, to get them meeting people rather than necessarily saying internships. I know it is increasing but it is still a relatively small number of people doing them. I would concentrate on the larger numbers of people and what we are doing in schools and colleges in those communities, which is more empowering than saying we should not do that. People will always find a way around it. I walked into here on the crossing, which many of you will be familiar with. As you walk in at the crossing there is a

painting which is about six feet tall, and it is all about this issue of “it’s who you know”. It is about someone visiting the school children in Greenwich: Thomas More has invited Erasmus to Greenwich and the child turns out to be the young Henry VII. It is all about who you know. There is nothing new about this. If we can use a bit of technology to change that, I think we can make progress. But there is nothing new, and we will not stop it.

Q52 Baroness Stedman-Scott: The Government have proposed an apprenticeship levy for large companies. What are the anticipated effects of the levy?

Professor Ewart Keep: I will have a go at this. I was very surprised when the Government did this because it is rather like having a nuclear weapon: it might be worth threatening to use it before you use it. That is why there was a stunned silence from firms, which is now beginning to vanish as firms realise they are going to have to pay this and they are getting quite grumpy. The most likely effect is that for those firms which have apprenticeships already they will grin and bear it and find ways of working with the system. What worries me is all those firms which are going to fall inside the levy which have not previously had apprenticeships. The combination of those firms and certain sorts of private training providers knocking on their door saying, “You are now paying a levy; let’s see how we can work with you to game the system so you can get some of your money back for some training you have been doing anyway”, is going to be inexorable. I fear that the likely outcome, particularly because the levy is tied to the 3 million apprenticeship starts by 2020 target—it is the only way it could be funded—is that quality will get traded for quantity.

Baroness Stedman-Scott: In your view will the levy guarantee higher-quality apprenticeships?

Professor Ewart: It is difficult. Of course, even with the consultation document out from the Government, one problem is that we still do not know how the levy will function. The devil will be in the detail of how the levy operates, who can claim money from the levy and whether it will extend beyond firms who simply pay the levy. My general expectation is that the combination of levy and target will mean that if push comes to shove and there is any sign that the target is not going to be met, quality will get traded off for quantity because all the experience—and this is not just the current Government; it is the experience of Governments over the last quarter of a century—shows that once you have a target, the policy becomes meeting the target and the rest of it just vanishes.

Baroness Stedman-Scott: I take your point that the devil is in the detail, but can you think of any changes which need to be made for it to be more beneficial?

Professor Ewart Keep: The problem is that until the consultation is done and we get the Government's response to the consultation in more detail, it is difficult at this stage even to know what is being proposed and how you might improve it. Big issues will be around what criteria you need to claim; who can claim; how claiming will be linked to quality assurance, which is completely unknown at the moment; and whether firms that do not pay the levy, i.e. smaller firms, will be able to access the funds being gathered through the levy. All of this is completely unclear. It is like reforming a bank of fog. Until the fog clears and you know what lies inside it, it is very difficult to reorganise it in a better fashion.

Baroness Blood: Just following on from the question on apprenticeships, there is written evidence saying that access to apprenticeships is very limited by the entry requirements. How can the quality of apprenticeships be assured? Do current arrangements for assessing that quality work?

Professor Ewart Keep: The Sutton Trust has recently published a report on the different levels of earnings between different kinds of degree courses and apprenticeships. It has some very interesting comments about the degree to which the best apprenticeships, i.e. those that produce the highest wage premiums, tend to be extremely selective. Essentially firms are getting 200 applicants for every post, in which case they will be selective. There is a real problem about accessing good-quality apprenticeships: demand for them from young people wildly outstrips supply. Arguably the most important thing we can do is increase the quality of apprenticeships so that there is a larger supply of good ones. As I suggested in answer to the previous question, my fear is that, at the moment, the pressures are on volume rather than quality. The Government is insistent that quality will matter but how it can be assured is still a moot point. I understand that Ofsted is about to publish a report about quality in apprenticeships, highlighting bad practice and what could be done to clamp down on it. We have a long road to climb. In the model that was set out in the *Richard Review of Apprenticeships*, most of the recommendations are sensible and in the long term ought to lead to a significant increase in the overall quality of apprenticeships. Time is of the essence. It is a long-term change and it will not happen overnight. My guess is that the pressures around the target and the levy are likely to push in the opposite direction rather

than the direction in which we ought to be going. I think we are trying to do too many things too fast, as usual.

Dr Peter Grant: I would add that one of the potential problems with apprenticeships is, of course, that you gear that apprenticeship to the needs of the organisation providing the apprenticeship and not towards the long-term needs of the apprentice. Therefore, in some cases we need to incentivise more the teaching of transferrable skills in apprenticeship schemes, which might be one of the potential uses for funding through the levy. That is one of the absolute keys. Universities supposedly take that into account all the time, but it is not necessarily something that an engineering firm thinks about when it is training an apprentice.

Baroness Sharp of Guildford: Picking up on that point, how far do you think the employer ownership model currently being piloted and carried forward is compatible with a coherent framework of apprenticeship where there are accepted quality standards and routes of progression?

Professor Ewart Keep: I guess it is a tension. Other countries have found ways around this tension, partly because they have culturally and historically broader notions of what apprenticeship is there to do. It is exactly Dr Grant's point. It is the idea that apprenticeship is for entry into a broad occupation and not into a specific job. What scares me is that many of the new apprenticeship standards which are being created appear to be very specific to jobs rather than a broad entry point to an occupation. The other difficulty is that we have never made it clear what we as a country, or what the Government, expect employers to be responsible for in relation to training. We have had goes at it over the past 20 years: the National Skills Task Force back in the early 2000s and the Leitch Review of Skills in 2006. They both stated that, "This is what employers have got to do; this is what the state does; this is what the individual is responsible for", but, every time we have done that, within six months the Government are too impatient, cannot wait to negotiate any of this with employers and have stepped in and done something else. You could argue that the levy is pretty much the same syndrome. We need to have a conversation with employers collectively over time about what we reasonably expect them as employers to provide for the new entrants and adult workers within their organisation, what the state needs to contribute and what the individual needs to contribute. We have never had that conversation in any proper, structured way. If we had even the start of the conversation we

have ended it very quickly without bothering to follow through on what was being said. Sorting out what the rights, roles and responsibilities of different players are, although it would be painful, would be really worthwhile in the long term.

Mr Nick Chambers: A country that does this really well is Switzerland. One of the key characteristics of their system is a matching between what young people are interested in and their attributes and the apprenticeships themselves. They have a much more embedded system of employer engagement in schools at an early age so that young people have a far better idea of the sorts of apprenticeships available. A lot of young people know very little about them and the range there is. When we have been looking at practice around the world, Switzerland stands out. They get something like a 91% completion rate because employer contacts start early and young people get experiences and they can see the different types of apprenticeships, engineering or law, and then they think, “Yes, that is the sort of route for me”. A lot of this concerns clarity on routes. We find fog here and if you are a young person, there is a lot more fog for them.

Q53 Lord Patel: My question is very easy to ask and I will be looking for a rather strong recommendation from each of you. At the end of the inquiry we will be making some recommendations and what I would like to hear from each of you, and I hope they are different answers, is: what would you suggest as a good recommendation for improving social mobility outcomes for the employers and opportunities for school leavers?

Professor Ewart Keep: Mine is, without doubt, better information, advice and guidance for young people. The fog metaphor is a good one. It is very difficult for young people. Arguably, the more socially disadvantaged they are the more difficult it is for them because they cannot rely on parental or social networks to help explain the labour market to them. The labour market is immensely complicated. The range of education and training opportunities which is available is not only complicated but getting more so all the time. It therefore seems to me absolutely critical that, if young people and their parents are to make the right choices, they need good information about education and training opportunities, career pathways, likely earnings and job openings both in the locality and elsewhere. What has happened to the careers system in England is a car crash, which I really do regret, and I suspect it is probably the biggest single problem that we face, and, arguably, it is one that could be addressed without spending vast sums of public money.

Lord Patel: Who should give that information?

Professor Ewart Keep: In most countries you do have a national or localised careers service. If you look at what Scotland has done—I am sorry if I sound like an advertisement for Scotland, because I am really not Scottish—

Lord Patel: I do not mind that at all, and neither does the Earl of Kinnoull.

Professor Ewart Keep: They have a relatively well-organised and structured national careers service which is run by Skills Development Scotland. It runs an extremely good and very sophisticated website for young people called “My World of Work”, which is well worth a look; but more importantly, besides that, it has a network of careers advisers who are going into schools and giving face-to-face advice. It is quite a sophisticated operation. A reasonable amount of public money is put into it. The staff who deliver the advice are well trained and relatively expert and schools and colleges value that provision. We have largely decided to go back to leaving it to individual schools to make up their own minds about what it is they want and then to find the resources and expertise to deliver it. I find this atomised model deeply puzzling.

Dr Peter Grant: I would move away from technical and academic skills and say that you cannot start early enough building character and resilience. Last year the *Character and Resilience Manifesto* came out. It had all-party support and all have contributed to that. One recommendation is that it gets fully implemented. Just to give one small example of helping to do that with the youngest children, I would hugely recommend the extension of pupil parliaments. They are based in primary schools. I will give the example of the one in Burnley. Each primary school elects a couple of representatives who go along and meet in the council chamber. The meetings are attended by both the executive and non-executive heads for children’s services in the town. They come up with practical ideas which are then implemented. Their first one was all about removing dog mess from parks. Their second one was about how young people are going to be involved in the centenary of the First World War. That is teaching all young people in every primary school in Burnley immense social skills and about civil society and involving them at an early age. It is incredibly cheap to run and yet there are hardly any of them in this country at the moment.

Mr Nick Chambers: For me it is making sure that young people are aware of all the options open to them and they have the confidence to pursue those options. A lot of it comes down to lack of confidence. We are all like that. If one has a tax form that is particularly tricky to fill in, one often puts it to one side and leaves it. If young people are not quite sure what to do,

it is often easier to do nothing and then it is too late and then you are NEET. It is human nature to put off things that look a little difficult. Then it is access to connections that enable things, whether it is work experience, CVs, internships. It is access and who you know. The emphasis on primary is really important. There has been a great initiative led by the National Association of Head Teachers called “Primary Futures” which aims to get people to go into schools to talk to young people not about careers but about helping them to see the relevance of what they are doing and also breaking stereotypes in primary schools. A lot more could be done to support the National Association of Head Teachers, which has taken this initiative upon itself. They are best placed to know what works for young people. There are 20,000 primary head teachers and they are very keen to get more people to go into primary schools. I would encourage anyone here who has not already done so to do that. Finally, it is the insights. Independent, impartial careers advice is absolutely essential, but also you can complement that with insights. We did some research where we looked at the number of people from the outside world who young people had met. There is a direct statistically significant relationship between the number of people from the world of work that young people meet and their likelihood avoiding being NEET, because you can see all the different options. It is very strong. You need independent, impartial advice and you need to meet people who do a range of jobs so you can have insight, inspiration and advice.

The Chairman: Thank you very much. This has been an extremely rewarding session. We are very grateful to you for giving up your time to appear before us today.

Confederation of British Industry, Deloitte, National Grid, and Marks & Spencer – oral evidence (QQ 54-62)

Confederation of British Industry, Deloitte, National Grid, and Marks & Spencer – oral evidence (QQ 54-62)

Evidence Session No. 7

Heard in Public

Questions 54 - 62

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Baroness Howells of St Davids
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Mr Neil Carberry, Director for Employment and Skills, CBI, **Mr Tony Moloney**, Head of Employment and Skills, National Grid, **Ms Tanith Dodge**, HR Director, Marks & Spencer and **Ms Emma Codd**, Managing Partner for Talent, Deloitte.

Q54 The Chairman: Good morning. Thank you very much for attending this evidence session with employers. It is open to the public. A webcast of the session goes out live and is accessible subsequently via the parliamentary website. A verbatim transcript will be prepared of your evidence, which will also be put on to the parliamentary website. A few days after this session you will be sent a copy of the transcript to check for accuracy, and we would be very grateful if any amendments could be sent to us as quickly as possible. If after the end of the session you want to clarify or amplify any points made during this session, or you want to make any additional points, you are very welcome to submit supplementary written evidence to us. As you are aware, the focus of our inquiry is the experience of those who are not participating in higher education and training, people who are often called the missing middle. It would be useful for us and the record if you could introduce yourselves, and then we will begin with the questions.

Mr Neil Carberry: I am Neil Carberry, director for employment and skills at the Confederation of British Industry.

Ms Emma Codd: My name is Emma Codd. I am a managing partner at Deloitte.

Confederation of British Industry, Deloitte, National Grid, and Marks & Spencer – oral evidence (QQ 54-62)

Ms Tanith Dodge: I am Tanith Dodge. I am the HR director at Marks & Spencer.

Mr Tony Moloney: I am Tony Moloney, head of education and skills for National Grid.

The Chairman: Thank you very much. Up till now we have heard quite a bit about how employers look for communication skills, maths and numeracy and what you could call life skills. What are the recruitment practices for young people coming into the labour market at technician level? Each panel member does not have to answer every question if they do not feel it is appropriate.

Mr Neil Carberry: I will start and I am sure colleagues will chip in. I am glad you have identified the technician level. When we talk about skills shortages in the UK, it is very much that technician level that CBI members see as a critical area where we are not quite getting enough young people through the system. Part of the reason for that is that the skills demands for those roles are a little higher than maybe they were 20 or 30 years ago. When we look at our survey data, 85% of CBI members identify attitudes, attributes, characteristics along with basic skills in literacy and numeracy as the most important things they look for if they are hiring into the business at 18. In the last few years, there has been a trend amongst our members towards increasing the focus on those aspects and selecting on them. There is certainly some tension with recruitment by CV screening, but we are now beginning to see a trend amongst some members of looking a little less at educational qualification in CV screening and a little more at what other things young people's applications could bring to the firm.

Ms Emma Codd: From a Deloitte perspective, our application process for technician level, which is for our higher-apprenticeship scheme, the BrightStart scheme, has five components, and we have looked at each of those components thoroughly over the past two years to make sure that the playing field is completely level and we are not inadvertently favouring anybody from middle or upper socioeconomic backgrounds. For example, we still set a requirement for 260 UCAS points. However, when we look at academics we contextualise that now, so it is about looking at the background within which any achievement was attained. We have also introduced blind CVs when it comes to institutions where individuals have studied to make sure that we can remove unconscious bias.

Among the additional areas on which we focus, we have a games element online that is aimed at testing entrepreneurship and freedom of thought. From an interview perspective,

which is one of the most important elements for us, we have moved away from a competency-based interview to an interview that focuses more on values, because again we realised that if we focused on competency, as in, “Give us an example of when you did something”, that was inadvertently disadvantaging those from lower socioeconomic backgrounds.

The other thing that we have changed is that we used to be absolutely rigid about numeric tests and critical thinking. The numeric test for us is still a pass or a fail. However, we have now changed on critical thinking, because again we found that there was a small possibility that it could be disadvantageous to those from lower socioeconomic backgrounds. It is very important that our process is totally spread and that it absolutely should not, and does not, focus on academics.

Ms Tanith Dodge: Within M&S we run a number of schemes that are focused particularly on young individuals coming into the world of work. Quite often these individuals face real barriers and disadvantages in that. So we focus less on the academic side and much more on personality, culture fit and things such as communication, motivation, behaviours and values. For programmes relating to a more senior level of entry—a programme whereby you could progress to become a manager but we recruit at the school-leaver age—it is about demonstrating skills around customer service, interaction, decision-making, desirability and focuses less on the academic. We do online behavioural selection, and we do some ability/aptitude tests, but it does not have an academic focus.

Mr Tony Moloney: For National Grid I would cover a few of these areas. One thing that has come out here is behavioural/non-cognitive skills and cognitive skills, which are both valuable. The difference for National Grid is that traditionally we have recruited technicians and craftsmen through apprenticeship routes, and in our entry requirements there are some academic elements, because to do engineering you need functional maths and physics, so there is a slight difference there. We benefit hugely from stimulating some of that interest through educational outreach into schools, where we can put engineers into classrooms and help through careers conversations as well to stimulate some of that interest, because there is a huge gap. When they then enter our process for application, we start to do some situational judgment tests online and it is part of a sift that starts to progress their application. We do not ask obvious questions about previous records of criminality or unemployment at the initial stage, which we remove. We try to nullify those things so that

we can start to see genuine applications come through and encourage a broader range of applications.

Then we have a classic model of going through assessment centres where, particularly for some of the technical hands-on technician roles, manual dexterity and functional maths et cetera are tested, and the higher apprentices go through more planning team working etc. It is done in a very open project base, where we watch and observe, because you cannot test some of the non-cognitive stuff in the same way; you have to see how people interact and whether they are inquisitive. It is interesting that, all things being equal, some of those behavioural skills or employability skills, to use more common parlance, start to differentiate between people and how they come across as they acquire them. That is a bit more traditional.

Q55 The Chairman: You represent some of our bigger employer organisations and obviously what you are doing can in many ways be described as innovative. How do you disseminate these issues amongst your supply chains or small and medium-sized companies, with which you may have relationships?

Ms Tanith Dodge: We run a programme called Movement to Work, which was established two years ago and has the support of the Government but is business led. About 250 employers have signed up. The focus is to provide work experience opportunities to NEETs, focusing mainly on those who are quite disadvantaged. Typically, the young people who come to us have been out of work for at least six months. One of the key components is that when you become part of the movement you will work with your supply chain. We have what we describe as an accelerator approach to tackle this challenge. If each of those organisations signs up five of their suppliers, for example, and they then sign up their suppliers, we can accelerate the number of people involved. So we work very closely with procurement. We run supplier events where we talk to those suppliers about the opportunities and being part of this movement. Some companies, but not all, will rate their suppliers based on a whole number of elements—quality, service, delivery et cetera—and you can be rated as a supplier from a platinum through to a bronze. Some companies say to those suppliers, “In order to get the platinum, not only do you have to do all these things, you also have to be part of Movement to Work and provide opportunities for young people”. That is one way we have worked very closely with suppliers.

Ms Emma Codd: From a Deloitte perspective, we are looking at our suppliers at the moment and we will be reaching out to them all of them to talk to them about what we are doing and to look at what we can do to better help them. But for us it is also wider than that. We have a very large client base, and again many of those clients are interested in what we are doing and in our approach to social mobility as a whole. We have announced in the last couple of weeks what we are doing in relation to blind CVs and academics. So we are starting those conversations with clients as well.

Finally, from an industry perspective, we were a founding signatory of Access Accountancy, which, as you may be aware, is accounting companies and others within the profession again making sure that we are working together to provide opportunities. For us it is three tiers: it is part of the profession; it is our client base, with whom we have very good relationships; and it is our suppliers as well.

Mr Neil Carberry: Quite a lot has begun in the last four or five years. We have been talking about Movement to Work, and if you look at something such as the 5% Club there are a number of things that businesses are doing to try and address this. The Mayfield review on productivity that is currently ongoing will also address some of these issues, looking at collaboration within sectors. While we have made some progress, we should not pretend that there is no issue among smaller businesses with employers and potential employees not meeting in the middle. Of the CBI's 190,000 members, the majority are small businesses, and our experience of offering apprenticeships is that if you are a household name and are offering the types of apprenticeship that Tony, Rolls-Royce or any of these firms offer, you tend to be oversubscribed with applications. You do not have to go far into the supply chain into medium-sized businesses, which are very much at the heart of our economy, to find areas where you are not getting anywhere near to being able to fully staff your apprenticeship programme. So there is still a big gap of knowledge about what is out there for a lot of young people.

Mr Tony Moloney: There are two programmes which National Grid has had a history of doing, the Young Offenders programme and the Get Skilled training programme, which is a NEETs programmes. What we are trying to do now is to pick specific areas where we can help, because we cannot boil the ocean and do everything ourselves. We try to pick certain things and these all involve our supply chain—our tier 1, tier 2 and tier 3 partners. The most recent one is special educational needs. Currently only 7% of children with learning

disabilities get into employment. In the EmployAbility programme that we run now we have a 70% conversion, purely because we bring them into our business for a year where they complete a BTEC. They do their qualification in our offices and do work experience and, with job coaches, learn in a systematic way to do a job. We have found that this is a really successful way of trying to help them learn a particular task so that they can convert quickly into employment. The point of telling you that story is that we are now starting to extend that with the broader supply chain.

The final thing that links to 5%, although it is not called that, is a procurement accord within the energy sector. We have an accord that we about to pilot in December where all organisations will voluntarily subscribe to 5% entry-level talent, whether it is a graduate, an apprentice or a trainee, so that we start to build skills much deeper down into our supply chains.

Baroness Tyler of Enfield: I declare an interest as co-chairman of the All-Party Group on Social Mobility. Specifically on the Marks & Spencer approach, you talked about the focus that you put on an attribute which you decided as “culture fit”. Could you describe what that is and how you measure it?

Ms Tanith Dodge: The culture fit is around our values. We have values of integrity, inspiration, being in touch and innovation. Many of the young people who join work in our stores, so they will have work experience, which is about employability skills, but ultimately the conversion rate is 50% to 60% who will then go and work in stores. That culture fit is people who connect with other people—communication, motivation, customer interface—who have an attitude of wanting to do well, to progress. We look at that in two different ways. Some we do online through our selection process and some we do through meeting individuals. We work very closely with the Prince’s Trust. We take approximately 1,500 young people on a work experience programme. One of its initiative is about communication and presentation. Quite often when these individuals join us they are really lacking in eye contact, and we work very much on their confidence, self-value and self-worth, and at the end of the programme they do a presentation to a number of people. The progress that they have made in their confidence is quite phenomenal. Whilst it is not a hard measure, the individuals who have made that shift are the individuals who we are looking for to offer them employment with us.

Baroness Berridge: My question is to the lady from Deloitte, because this is the second time I have heard from Deloitte. The first time was in relation to black and minority ethnic recruitment that a former partner led with Elevation Networks and other organisations. My question is: why have you made these changes? Was something happening within your business that you identified, is it external pressures, or is it a business case? Have you any results from the changes that you have made, or are they too recent?

Ms Emma Codd: Any changes are too recent, but the exciting thing for me personally, and for us, is that we should see results quite quickly, perhaps within a year. Most of our talent initiatives take much longer. This will be interesting. The reality for us is that we want the best people, which means that we want people with potential. In terms of why we have done it, we want people with different backgrounds who can bring that diversity of thought that our clients want. When we looked at the people coming into our business through our BrightStart apprenticeship scheme, from our perspective we were simply not getting that diversity of background and other aspects of diversity. So we pulled our offering apart. We did things such as lowering the UCAS points requirement. Then we were really critical and asked which parts of the process we believed could cause a problem. I believe that we have arrived now at a process and a scheme that we hope will be able to bring in 200 people this year, and we really want to take that up as far as 400 over the next couple of years. For us it was a real business imperative. We want the right talent. We want the best, and the best does not necessarily have to come from a particular background.

Baroness Berridge: All those 200 to 400 are entrants at 18?

Ms Emma Codd: Yes.

Q56 Baroness Blood: You have partly answered the question I wanted to ask associated with work experience. From your own experience, what are the factors that make work experience programmes a success, and what are the challenges?

Mr Tony Moloney: We run two tiers of work experience. We run residential work experience aimed at year 10, 14 year-olds, which is engineering work experience. The key features are essentially that it is run entirely 50:50 girls and boys, because we want to inculcate the right behaviours quite young and for children to work together, and particularly for young boys to get used to working for female managers further down the line. They lose that somewhat through secondary school, so we try to realign them. What makes the experience for students and National Grid is the feedback that we get, that it is

genuinely experiential, so we can bring in real engineers and real role models, female and male, from diverse backgrounds. It is important for them to see that there is something for them there and that potentially engineering or a particular career could be for them. They get engaged, particularly to bring out some of these non-cognitive experiences, where we can get them to work in teams, to build relationships, to do projects, to plan, and we give them visits to power stations, sub-stations to gain that experience. They do real stuff, and it is anything but tea and coffee making and photocopying. If you go down that route, it is pointless.

Baroness Blood: Within that, what are the challenges that you face?

Mr Tony Moloney: It is harder to get kids who do not have any support mechanisms or schools that are interested in coming to work experience placements. It is great where kids have strong parental support. Effectively, they are low-hanging fruit and arguably they have got over the hurdle. For the hardest to reach, we are starting to do some work with the Social Mobility Foundation to try to reach kids who are bright but less advantaged. We now offer some places for that and we will build them up. Fortunately, we have a really good partner in the Smallpeice Trust, which is also helping us to reach out into those areas. I think that is the single biggest challenge.

Mr Neil Carberry: There is certainly something in making sure that it is not a tick-box exercise. The CBI and other business organisations have been very concerned by the move away from work experience at key stage 4 in England, for instance. Even if you went back to it, if you had a process of saying to schools that everyone in year 10 does a week in June of work experience, that will not add value in the way Tony has just been talking about. We need genuine project-focused things that are core to the curriculum, and maybe that is not a week in business; maybe it is a number of interactions with businesses in schools and in the workplace over a number of years. I understand you saw Inspiring the Future in your previous evidence session. The work they have done is pretty clear: the more interactions young people have with businesses during their educational career, the better their outcomes. The critical thing is how we deliver that to young people who do not have social networks, in the pre-2000 meaning of the term “social networks”, either family members or within their schools, who are helping them sort those things out and how we make it core to the curriculum.

Ms Tanith Dodge: Building on what some of the real challenges are, it is the links and relationships with schools in the first place, particularly on a nationwide basis. For organisations generally it is the consistency and the quality of that experience, and quite often for these young individuals it is more than an experience; it has to be quite inspirational for them. If they spend a week or a few weeks doing something very mundane or routine, that is what they think the world of work is about and it can be quite damaging for the individual. The more organisations can do to make it truly inspirational and exciting rather than mundane, the better. That is key. The challenge for organisations is the time, the consistency and having people they are working alongside who will make it very interesting for them. If they are given mundane work, it has such a detrimental effect on these young people, particularly if they are coming from a generation or parents who do not work, because it will be, “We told you so”, and it is not going to be a great experience.

Ms Emma Codd: From a Deloitte perspective, I echo the comments already made. We ran our ASPIRE programme last summer and we will be running one again. We classify it as experience of work rather than work experience. I agree that work experience can be detrimental where you are going into an office, sitting, making coffee and photocopying, because you can disengage. We provided 141 people with a week of classes and interactive learning including debating. Our debating session was the most popular. Many of these young people have not had the opportunity to learn those skills. We taught them about resilience and how to connect with people. I was present for part of it and the excitement in the room was extraordinary. Then it is about keeping in touch afterwards. We are hoping to convert many of those on to our BrightStart apprenticeship scheme.

In terms of the challenges, I would echo that it is absolutely about getting the candidates. When we first announced this, we thought it would be almost easy to get 140 through the work we do with our Deloitte Access schools. The reality was that it was incredibly difficult. This year, we want to move it up to 200, and it is going to be a challenge again.

Q57 Lord Holmes of Richmond: Some of the things I am going to ask have been touched upon, so feel free to expand or ignore those elements of it. What is the greatest barrier to employers recruiting young people who have completed level 3 education—A-levels, BTEC—but have not done higher education? As you have heard, we are looking at a group of people who you could call middle attainers, who are often from lower socioeconomic groups and are less privileged. What can employers do to best engage with those people to provide

opportunities in the labour market? How do you think employers view those people, particularly in their local areas, and how do they best engage with those individuals in those areas?

Mr Tony Moloney: There are a couple of barriers and there are some things that we can do about that. One of the major barriers is the social conditioning in the school system that many of these individuals have had: that if you do not go to university you have failed. Nearly 70% of this year's cohort have gone into higher education. Things such as apprenticeships and other routes into employment or work-based learning are not promoted in quite the same way or with the same vigour, yet both routes can and do lead to degrees. We have a culture where they then have to line themselves up against those that go to University at an individual level and say, "I am kind of lost". That is at the individual level.

The other thing that these individuals are really under fire from is that they are now competing with more experienced people, people who have done degrees and are coming back into employment. They are a really good group of people, but they are competing against people who have greater maturity, et cetera. Otherwise I would say that they have an advantage in the sense that at A-level and BTEC level, particularly coming into engineering and if they have the sciences and maths behind them, they are quite well prepared to enter into advanced and higher apprenticeships. It is a really good route. That can be a pro and a con, but we need to help them get over thinking that coming into an apprenticeship is a lesser option.

Ms Emma Codd: From a Deloitte perspective, I agree completely. There is something about the overall perception of the word "apprenticeship", both within the schools, partly due to the way they are currently measured, and within families and other influences. That really needs to change for apprenticeship schemes such as ours and others to have the impact that they clearly could have. I hope that the Sutton Trust research on apprenticeships will go some way to showing that your earning potential in a lifetime is better than for somebody who went to a non-Russell Group university. I welcome research such as that and I really hope it is read. As a firm we have tried, and continue to try, many things to engage particularly with parents and schools, such as with drop-ins and making lots of information available, but unfortunately those barriers are still there.

Mr Neil Carberry: There is definitely something in how and what we ask schools to deliver. We reward schools. Young people have pound signs above their heads. You want to ask why raising the participation age has become raising the school leaving age and why we have this proliferation of small sixth forms popping up around the country. It is because schools then hold on to their people and that is what we reward. We reward GCSE, A-level and going to university. The choices at 16 model, which has one path to 16, probably has a greater effect on those who are starting from a more difficult social position, because there may be less relevance to them in some of what the school is offering. For instance, if they are hoping to head towards doing graphic design as a career, we know that the best thing to do for that is 2 A-levels and a BTEC in design. Our system does not deliver places where you can do that at 18, because we do not co-operate between colleges and schools. The funding system encourages schools to hold on to people, and of course, particularly in England but generally across the UK, the careers advice system is in a pretty parlous state.

Ms Tanith Dodge: We run a school leaver programme for young people who have two A-levels. It is an 18-month programme and ultimately they become a commercial manager, which is great. There are two things. One is that when we first meet these young individuals, it is the relationship that they have with the education system and careers, and how from an earlier age they can see that retail is a great career to have, and understanding what that means, whatever the sector is. I think there is a real naivety at that young age about what opportunities exist out there, the whole process of applying for them and the importance of learning interview skills, CVs, et cetera, which are fundamental to them having those opportunities. We are inundated with young people applying for the programmes, and their lack of insight into how you get on to one of the programmes is quite stark. What is really key, and this is where education can have more support, is those individuals who are not successful. It is not unusual to meet a young person who might have applied to 10, 20, 30 or even more programmes and who does not understand why they have not been successful. I think employers have a big responsibility at that early stage to give as much feedback as possible to help the individual and for the education system to help them in that first stage of selection. There is much more that both parties can do.

Baroness Berridge: I know we are focusing on the transition from school to work, but most of you also take graduates into the professions. One of the most inspirational stories is that of Lord Stone of Blackheath talking about his experience in Marks & Spencer, starting at the

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bottom and going right the way to the top. When you have the 18 year-old entrant and the graduate entrant, are there comparable opportunities right the way up the business, and does it not depend on where you have entered the business at the end of the day?

Ms Tanith Dodge: Yes.

Ms Emma Codd: From a Deloitte perspective, absolutely yes.

Baroness Berridge: So you could point to your board or senior managers at the moment and say “These people came in at 18 and now look they are on their way up”?

Ms Tanith Dodge: Yes.

Mr Tony Moloney: In some instances, very senior directors are ex-apprentices, so they have come right through.

Ms Tanith Dodge: There are many examples.

Mr Tony Moloney: It is becoming more obvious. My colleague mentioned the Sutton Trust report. We have a higher-level engineer training programme, and the convergence in terms of promotion, next moves et cetera compared to graduate entry is very similar.

Baroness Berridge: That is an undertold story. You see Alan Sugar, you start your own company and get up there, but going into the big ones at 18 and getting right to the top is undertold.

Ms Tanith Dodge: Increasingly through the process we are asked by A-level students at what point, if they went on to the A-level programme as opposed to spending another three years at university, they would start to catch up. With student loans, et cetera, they are thinking, “Can I progress my career as quickly or even quicker, so that in three years’ time I will have three years’ experience as opposed to a graduate who will not have that experience?”.

Q58 Baroness Sharp of Guildford: What initiatives to engage young people have you been involved with in the past? You have been telling us quite a lot about it. We would be interested to know what the most effective things have been that you have done to attract these young people into work and to understand the process of work.

Could I add a supplementary to that which picks up the last question? How useful have you found the concept of the pre-apprenticeship, the traineeship programmes? Have you used them at all? Do you see those as a useful tool for helping young people in this transition from school to work?

Mr Tony Moloney: One of my colleagues has mentioned the earlier evidence you had from Inspiring the Future, and one of the most effective ways is the interaction of businesses in

schools and the fact that you need to get real people from business in. A couple of years back, National Grid developed the Careers Lab, which we have now transitioned over to Business in the Community to expand the programme. That is built around four careers education modules where we put real people from a broad range of businesses into schools. The important thing here is that every child we come across can hear a conversation that would speak to them. It is not just about STEM or engineering; it is about getting a broad range of companies and most importantly getting local companies in where jobs are. National Grid has quite a few employees but they are not all local, they are around particularly strong clusters, whereas Marks & Spencer certainly has a large local presence. The most effective thing (with Careers Lab) is the fact that you are starting to work through a process of four modules—inspire, aspire, explore and action—which we have found works really well from age 11 years up. They progress sequentially and each time ambassadors from our organisation sit with them. Most importantly, they are co-delivered with the teachers around a curriculum format. The important thing here is that the teacher learns about careers too, which is good. There is no point criticising teachers if you are an employer. Too much has been said wrongly about teachers in that respect. They start to pick up cues and think, “That’s what power systems are about. That’s what retail is about”. The nice thing is they can bring that back into a maths, physics or art lesson and ask students, “Do you recall?”. We are seeing that with schools. We have this operating in about 50 schools with Business in the Community, and we are planning to extend that into around 400 schools. It is only 10%, but it is starting to make an impact, and will be navigated to through the new Careers & Enterprise Company as part of that umbrella. This we hope will be one of the initiatives that will get signposted.

To your point about what makes a difference, the feedback that we get from children and, importantly, from parents from whom we get emails, is that this really made a difference, even if it has helped young people make their mind up about what they do not want to do.

Earl of Kinnoull: I was wondering specifically about the Youth Contract and Business Compact, to which I notice the three of you are signatories, which is current government policy. How are those initiatives going? Which bits are good and which bits are less good?

Ms Emma Codd: Deloitte has Champion status, and from our perspective it has been very effective and created some momentum.

Earl of Kinnoull: Is this the Business Compact or the Youth Contract?

Ms Emma Codd: The Business Compact. It has created momentum and given a platform for change, and it has helped the champions engage with each other, which is probably something they needed to happen better, to share ideas, to talk more about what has worked and what has not. This needs to be in collaboration. From a Champion perspective about what could work better, the tenure period is a year and the question is how much impact you can have within that year. We think that the question of whether it should be 18 months to 24 months is worthy of discussion. Again, from our perspective there needs to be greater visibility up front of some of the requirements. From a Deloitte perspective, some of the data requirements have required quite a significant amount of work on our data systems, and in some cases those were not achievable within that year. Overall we have enjoyed it and seen it as positive, and we have learnt and taken away a lot from it.

Ms Tanith Dodge: We supported it and signed up. We were already doing a number of things and I think it just gave a platform or an umbrella around it. We offer work experience programmes. Through Movement to Work we work in areas where there are individuals who are hugely disadvantaged and would not normally have the opportunity to have work experience in a company like Marks & Spencer. We absolutely supported it and signed up. It was disappointing that fewer than 200 organisations supported it. Where you get the movement is where you get this coalition of organisations doing something well together and sharing from each other's experience. For companies that did sign up there were no measures. Once you agreed that you were going to meet the criteria and the objectives there was no formal measure or follow-up. There was quite a lot of good will there with companies saying that they would do it, but there was not enough transparent measure of what they were doing and what they were signing up to afterwards.

Earl of Kinnoull: No one has mentioned the Youth Contract.

Mr Neil Carberry: I shall try to pick that up. On the subject of the compact before I move on, it was useful in getting a group of businesses that were already thinking about this stuff to work collaboratively with government and maybe plant a few flags that we are starting to move towards. Some of the things that held back businesses from engaging with the Business Compact probably also held back the Youth Contract. When things feel political in this space—there is some language in the compact about pay, for instance—and if you look at the Youth Contract, one of the things that did not work was the hiring incentive, and that was largely because businesses in CBI membership said that they were not interested in

government money in terms of pure cash but that they would like some support for training. There is an element of co-design in these policies that maybe the Youth Contract did not quite get hold of. In particular, if you are going to reach large numbers of companies, you have to get out into those ends as well as the big household names that we have with us today. It is a lot about local delivery. I would go back to what Tony said, which is how we are closing up the gaps in the areas where there is currently no BITC cluster or where Movement to Work is not currently operating.

Q59 Baroness Stedman-Scott: I must declare an interest in that I am the co-Chairman of the All-Party Group on Youth Employment, a governor of Bexhill Academy, a patron of the Rye Studio School and an ambassador for Tomorrow's People. I am very interested to know how you as employers view apprenticeships at level 2 compared with level 3 and even higher? Do you see progression routes on from level 2 apprenticeships?

Mr Tony Moloney: There are two angles to level 2. Level 2 apprenticeships are valued in some occupations, particularly construction and care, and therefore they are a good vocational entry route into some areas, so I would not dismiss them by any means.

The second point is that for engineering and science-related apprenticeships, level 3 is the new baseline for progression, and therefore there is some crossover or potential duplication between what you come out of school with at level 2 and whether we really need to skill more people at level 2, and whether it should be a progressive thing. There is a question around that.

The thing about progression is that apprenticeships should not be seen as staggered: where you do one apprenticeship and then another and then another. You should start an apprenticeship with an intended destination, whether it is level 3, level 4 or level 5, and you progress through that. Regardless of whether you do level 2 or 3—we were asked whether you could get to the top in some of the earlier points—it is then down to how you work that as an individual within a corporation or organisation. You have to use that as a starting point to then get personal development, to be accountable for your own learning and to work with your line managers to see whether there is a business case and what you can do as the next thing. We (National Grid) have educational incentives policies that help people to progress from any particular level that they are at. A number of us have different schemes to do that. I would not discount it, but I think the new currency is moving more towards level 3 than level 2.

Ms Emma Codd: From a Deloitte perspective, we have a small number coming in at level 2; it is not that significant. We proceed on the basis that progression is possible. However, on Tony's point, we really need to build up aspiration amongst those people as well. It does take a bit more work by line managers. These are individuals, typically educated to GCSE level, who will work very well with appropriate support and guidance. If you do not have that you will fail. For us as a business, it is a real challenge making our line managers put in those hours and showing role models, which goes back to the earlier point, who have come in at this level and who have succeeded. Let us be proud of that. It is about introducing things that we can showcase, for want of a better word, and about us making clear what opportunities are available, because in my view there should be nothing to prevent somebody who comes in at level 2 ending up with a CIMA or ACA qualification. It is just that the business has to put in the time and the individual has to have the aspiration to see that it is possible.

Mr Neil Carberry: That is absolutely correct, and what is important is that we do not confuse attainment level with quality. There may very well be quality concerns in different parts of the system, and certainly you will have seen that the business response to the apprenticeship levy is all about how do we do this at quality so that we are answering the needs of young people who are learning and also the needs of businesses. There is also something about whether we can find a way to accelerate the path to levels 3, 4 and 5. There is some interesting thinking happening about that now, and things such as institutes of technology. We talked about the base level for some of what Tony's company does, for instance. That seems to me to be an area where we could make more progress. We live in a country where we have more level 6 skills achievements than almost anywhere in Europe, but they are all honours degrees from universities rather than the technical level 4 and 5 stuff that you find in Germany or Austria.

Q60 Baroness Stedman-Scott: Building on the point you raised about the apprenticeship levy and the dilemma between quantity and quality, what other anticipated effects do you see of the apprenticeship levy?

Mr Neil Carberry: It rather depends on how big it is, to be honest. There is a number that has washed around of 0.5% of payroll. At the CBI we do not understand how companies would be able to get their money back even if they delivered a phenomenal number of apprenticeships. We worry that that would negatively affect other training spend,

particularly things that may be more relevant, such as outreach activities for young people. I should be clear that the CBI's concern about an apprentice levy is not about businesses—I have to be careful as I have three members sitting next to me—not wanting to pay for it. We have always been clear that businesses will pay for things that are relevant and will do the kind of restructuring that Emma has talked about in management support. What is a worry is if we end up in a position where the levy raises a large amount of money that is pretty difficult for businesses to get back for training, and that the drive for 3 million ends up with a push for rebadging things that we already do for the workforce that we already have, instead of delivering apprenticeships for young people coming into the workforce. That is not to say that there is no role for apprenticeships for current staff, but when we think about why you intervene in this way, you want high-quality routes to good careers. Three million is a great aspiration, but they need to be 3 million high-quality routes to great careers.

Baroness Berridge: Can I draw you back to the Business Compact requirements? One of them was that you would no longer use informal networks. When you signed up, were you using informal networks, and was there any change in the business practice you had?

Mr Tony Moloney: Family and friends has been a strong tradition. In fact, there is a huge project going on right now with BP and King's College in science collateral, and it will extend to that. Effectively, it says that coming from a family or background with a science or that kind of job history or interest tends to influence outcome. I do not think that you will ever get away from a friends and family perspective, and our own business still relies on it to some extent, but it is a very small percentage now compared with what it was. I do not think you can eradicate it, and it would be wrong to do so. The employment process is pushed more openly now and much more virally through social media. We are connected in many different ways, whether it is through BITC, and I use them as a particular reference, Business Connectors and a range of things to stimulate interest and then to drive traffic. Most organisations here are pretty well subscribed now with applications generally. Our problem is that you can drive volume but then you create huge amounts of sift, so you have to have some kind of criteria. It is a progressive move that you see much more interest. Our experience is that you have to get this presented to young people through social media, tablets, phones, and present things through, whether it is Plotr you explore, and get into places where they look, and then you drive applications through more generally. That has been our experience.

Ms Emma Codd: From a Deloitte perspective again, it is about minimising it. The reality is that we are a partnership, and partnerships have their own unique way of functioning with many leaders. The reality for us was getting the messaging to the bare minimum and making it very clear, which we have done, and then, back to my earlier point, focusing on things like the ASPIRE programme—so really putting as much as we can into an experience of work programme that is meaningful and where we are very clear about our target. Again, that has helped us to move away from the family and friends route, which was very clearly the reality. I believe that we are where we need to be now.

Baroness Berridge: When you say “down to a bare minimum”, do you want it down to a certain percentage, and are you monitoring what is happening with the informal work experience placements coming into Deloitte?

Ms Emma Codd: We monitor it, and we have to for various reasons. Any work experience that we give is paid work experience. From our perspective, we need to make sure that we monitor from health and safety and other aspects. I see those numbers regularly and they are very clearly nowhere near where they were. There will still be pockets, but they might be for the right reasons. That is the other thing. People’s networks are wider than they used to be, so we have to be really careful that it is not black and white. Now if any networks are used, I believe they will be used for the right reasons.

Q61 Baroness Sharp of Guildford: Neil Carberry talked about higher-level apprenticeships. How far is it useful for you to link your apprenticeships with professional examinations and qualifications?

Ms Emma Codd: From a Deloitte perspective, very much so. In our BrightStart higher-apprenticeship scheme, that is the aim for those individuals. By the end of it they will have a professional qualification, whether that is CIMA or ACCA. It is very clearly something that we want to offer, and we want them to be qualified when they come out of it from a professional perspective.

Mr Tony Moloney: I apologise for mentioning engineering again, but it is absolutely critical. From crafts we encourage the take-up of technician registration through to incorporated and then chartered. We do that at both the advanced and the higher-apprenticeship level. More broadly for professions within our organisation, our educational incentives policy supports membership, whether procurement or HR, more broadly for professional recognition.

Confederation of British Industry, Deloitte, National Grid, and Marks & Spencer – oral evidence (QQ 54-62)

Baroness Sharp of Guildford: And that helps the portability of the qualification?

Mr Tony Moloney: Absolutely.

The Chairman: How do you think we could encourage and support more employers to offer apprenticeships? You are running what seem like flagship schemes, but how would we get that better disseminated?

Ms Tanith Dodge: Marks & Spencer has not offered traditional apprenticeship schemes. One of the reasons for that is because with our experience we have found that it can be quite bureaucratic, and we train our employees in a different way from the more traditional apprenticeship scheme. What we welcome is the opportunity from the Government to involve employers more in the best way to run these schemes and in how you get accreditation and how you train. I think there is some rich learning from both sides about how we can work better together on what an apprenticeship scheme looks like, how you get accreditation, how you take it nationwide with one provider, et cetera. We would welcome more opportunity to work on the whole design to make it work for all different organisations.

Mr Neil Carberry: The growth in apprenticeships so far has been about learned experience. It is about people meeting, whether at CBI meetings, at local chambers of commerce or down the pub on a Friday night, and saying, “Actually we got involved in this”. I brought the first apprentice into the CBI a couple of years ago and now we have a number. It is about seeing the upside for the business involved in it. Although an apprenticeship will be a government-defined thing, the critical point is that it is relevant for the person involved in terms of portability and relevant for the business in terms of the skills that are delivered. For example, in the last Parliament we had the Employer Ownership of Skills pilot, which was allegedly about employer ownership. It involved a 100-page form and a number of government requirements on what a good bid should look like. Some companies stuck with it and built some very positive things, and I know Tony was involved in that. A number of our members walked away because of government interference. If we are moving towards a levy, we need to have the control that Tanith has just talked about.

Mr Tony Moloney: If I can build on two points there, the Energy & Efficiency Industrial Partnership is ours. It has 47 active participant companies led by CEOs right the way through. We used that to drive the procurement model to which I alluded earlier, and then as the pilot to get 5% entry level talent coming in, which includes apprentices. We have seen that.

The other way we start to do it is through the Apprenticeship Ambassador Network, which has been around for some time, and then to use our personal networks, interestingly, business-wise to drive interest in other organisations to become genuine ambassadors to extol the virtues. We probably need to spend more time, though, extolling those virtues in schools so that young people get that message in the first place, rather than driving it the other way round.

Ms Emma Codd: From a Deloitte perspective again, I would echo Neil's comments. It has to be something that works for the business. Our apprenticeship scheme will be successful because we have thought carefully about what our business needs and the future path for those people who take part in it. If it was not relevant, it really would not work and would be doomed to failure. We need to show the benefits. We are in a period where there is a shortage of talent. Everyone is talking about the battle for the best talent. The best talent can be the individuals who take the apprenticeship route, and it is down to business to show clearly those success stories, to show that it can work and that this is one great way to get the best talent.

Q62 Baroness Howells of St Davids: As you are at the coalface, I am sure you have some great ideas as to what we can do. I would like to ask each of you for one key suggestion for a change this Committee could recommend to improve upward mobility, employment outcomes and opportunities for school leavers, whatever their creed.

Mr Neil Carberry: It has to be some kind of platform to deliver really good careers advice, particularly in some of the communities that find mobility more difficult. There is a massive sense of enthusiasm in the business community to lean into that. We have heard some of it from colleagues here. We need a framework to do that in every school. Enterprise Ambassadors are a good start, but if we are honest, the investment in the Careers & Enterprise Company is small beer, considering what we have to try to achieve.

Mr Tony Moloney: We have played a major part in the careers space, so I would take the work experience space as the one to which this Committee could add. There has been no historic model of work experience that has really worked for us. When we say we need to do more work experience, we cannot go back to the days where you just went out mandatorily. The important thing that this Committee could emphasise is the need for work experience at a multitude of levels linked to education, from secondary into tertiary education. It is important that there are a number of steps, so that people can get an experience connected

through to some kind of extended project learning, so there is a point. You do not necessarily have to do it in a week or two weeks; it could be done over two or three days and then at certain interventions through their education. We need to find a new way to fit in more flexibly with the individuals and the employers, to start creating a relationship and, most importantly, in an area that is interesting to the individual child or the individual adult who is starting to do it, whether it is at year 10 or upwards, so that if they have started to get the career messages that Neil has been referring to and think that maybe a role in science or engineering is for them, to start picking those and relate their projects to that so that it starts to bolster up their learning and study as well, and hopefully foster some aspiration if we can inspire them.

Ms Emma Codd: From a Deloitte perspective, there are two key factors, both of which relate to schools. Our biggest challenge is engaging with the students, and where schools are winning it has to do with capacity issues. The first thing for us is how success is measured. We welcome the planned fifth step of the Progress 8 reforms, because it is showing that success is about more than which academic institution somebody then goes into. For us, we need a broad range of destination data and for the schools to publish those, and to be required to be very clear about that would, we believe, make a big difference.

The second thing for us is the capacity for schools to engage. We are trying to build relationships, and from our experience very few schools have the capacity to have somebody who really understands business and wants to work with business. From our perspective, those would make a big difference. As Neil said, there are a lot of businesses leaning in wanting to seize this opportunity but that for various reasons are struggling to engage with students.

Ms Tanith Dodge: I absolutely agree with points one, two and three, so I will give a different one rather than repeat them. I think it would be the opportunity for government to get behind some of the business-led initiatives that are working and making a difference, such as Movement to Work, and supporting and endorsing them in a high-profile way to encourage more companies to get behind such schemes and to promote awareness among employers and young people that these schemes are working and are really worth supporting.

The Chairman: Thank you very much. This has been a very useful evidence session and we are very grateful to you for giving up your valuable time to appear before us today.

Career Ready, Federation of Small Businesses, and UpRising – oral evidence (QQ 63-75)

Evidence Session No. 8

Heard in Public

Questions 63 - 75

Members present

Baroness Corston (Chairman)

Baroness Berridge

Baroness Blood

Lord Farmer

Lord Holmes of Richmond

Baroness Howells of St Davids

Earl of Kinnoull

Baroness Morris of Yardley

Lord Patel

Baroness Sharp of Guildford

Baroness Steadman-Scott

Baroness Tyler of Enfield

Examination of Witnesses

Ms Alice Memminger, Chief Executive, UpRising, Mr David Pollard, Chairman for Education, Skills and Business Support, Federation of Small Businesses, and Ms Anne Spackman, OBE, Executive Director, Career Ready.

Q63 The Chairman: Thank you very much for your attendance here today for the eighth evidence session of the Select Committee on Social Mobility and the transition from school to work, on a day when the new head teacher of Eton said: “The whole point of school is to prepare young people for happiness and success in their personal lives and working lives. There’s more awareness of emotional intelligence and of mental health, of young people building confidence and resilience to manage themselves in a fast-changing, challenging environment”. It seems as though there is one message but many voices.

This session is open to the public. A webcast of this session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and that will also be put on the parliamentary website. A few days after this session, you will be sent a copy of the transcript to check for accuracy, but if you have any corrections we would be very grateful if you would advise us as quickly as possible. If, after this session, you want to clarify or amplify any points or have any additional points to make,

you are welcome to submit supplementary written evidence to us. Perhaps you could just introduce yourselves for the record and then we will begin questions.

Ms Memminger: I am Alice Memminger, Chief Executive of UpRising.

Mr Pollard: I am David Pollard. I am a member of the FSB and I lead their policy work on education, skills and business support.

Ms Spackman: I am Anne Spackman. I am the Chief Executive of Career Ready.

Q64 The Chairman: Thank you very much. One of the recurrent themes in this inquiry is life skills and character traits, such as positive attitude and communication, being so vital for young people. The trouble is, for some young people they do not come naturally. In your experience, what are the most effective ways to teach these people life skills so that they are more employable?

Ms Memminger: Shall I start? Thank you very much for inviting UpRising to present oral evidence today. Before I answer that question, as CEO I would like to give you a few words about the rationale behind the existence of UpRising, who we are and our achievements to date regarding social mobility. UpRising was developed and launched in 2008 in east London by the Young Foundation. The Young Foundation identified a number of barriers that prevent young people from under-represented communities achieving their potential. These included a lack of confidence, skills, connections, education and social capital. UpRising was developed to address these barriers. Through peer-to-peer interaction as well as access to wider networks, UpRising aims to increase the social capital of participants, address issues of social mobility amongst young people and increase life skills so that young people can play a significant role in an increasingly diverse Britain. We offer a range of leadership and employability programmes for 16 to 25 year-olds that build these skills and capacities. Over the last year alone we delivered 68 programmes to over 2,000 young people in eight cities across the UK and have a large and growing network of alumni. We have evidence that UpRising works and that our impact is both immediate and long-term.

To answer the question, as we all know soft skills are difficult to teach through academics. These are usually learnt behaviour and those who tend to have polished traits will be those with most access to social capital. We work with young people who have high levels of potential but low levels of social capital. The USP of our programme in its core element is action learning, which has been tried and tested for the past eight years. As a programme, the success of our young people has been based on providing them with knowledge

sessions, skills sessions, action learning, which is a social action project done in groups to put learning into practice, coaching, mentoring from senior professionals and continuing support through an alumni network of peers. It has proven to work. Ninety per cent of young people who have gone through our programme report that they have access to a network of professionals across different professional backgrounds which they would not have had and did not have when they came into the programme. Ninety per cent report an improvement in confidence to aspire to leadership positions, which again they did not have when they came into the programme. Seventy-five per cent report that it raised their career ambitions. Two-thirds report gaining employment after completing the programme.

Mr Pollard: I take the point that you cannot teach social skills, employability skills through formal examinable courses, which is why within the FSB we are not in favour of people who suggest that we have to have a qualification in employability skills or whatever. We think it is necessary to embed within the school working day and the school curriculum activities that engage young people in the sorts of things that will develop their various social skills. Rather than always sitting in a classroom and having a teacher at a blackboard teaching them mathematics, history, or whatever, there has to be a use of project learning where the students go away, work as a team, research something, come up with solutions to problems, develop their ideas and then present those ideas to the class, or whatever group they are working in. In this way, they begin to develop, without being told they have to learn these skills; they just do it. They find it enjoyable, get engaged and develop those skills that some children get automatically through their life outside school but which an awful lot do not. I think that is the key thing to do.

Ms Spackman: I think that it is a misnomer to call these soft skills. I have been at work for 30-odd years and it seems to me the people who get on best are those who have those skills irrespective of whether they got an A* in physics. We call them core skills. We have something called our skills for career success, and they are a very comprehensive set of things you need to know to get on in life. They are written in language that young people understand. For example, we have a whole section on “managing myself” and we get the students to understand that that includes knowing that they need to turn up to work on time, which is the number one reason for people not being able to get and keep a job, as I am sure you all know. Everything that we do is based on delivering those skills, but all of them are delivered in the same way that David described: through actual activities.

It is interesting that you mention Eton, because there is a lot of focus at the moment on trying to have evidence-based research of what works. Up to a point, we do have a control group of people who have had access to all the things that all of us exist to provide to our young people, and they are exactly the things that people at Eton will have, which are networks, role models, confidence, access to all kinds of additional clubs and societies, and we can see how well it works. We can see a pattern there of people who have dominated certain professions—including the one I used to be in—who were overwhelmingly privately educated, despite being a small proportion of the population. I would completely echo David: everything we do is by getting the students to do things, so they lead at every event we have, they are the lead speakers, they practise networking, we hold mentor networking events, their mentors do interview techniques and practices with them, and we get them into offices, factories and places of work as often as possible. They absorb certain things just by osmosis, by hearing how people behave in an office, seeing that nobody is wearing flip-flops, that they are conducting their behaviour in a certain way, understanding they have deadlines, all of that. Everything we do is through that very regular contact and experience of work.

Q65 Baroness Sharp of Guildford: Ms Spackman, are you working with schools to do this or is this post-school training? As a supplementary, traineeship programmes have been introduced; I believe they are still being piloted. Could all three members of the panel comment on whether these traineeships are worthwhile and doing the sorts of things they would like to see?

Ms Spackman: The programme runs in schools and FE colleges, sixth-form colleges, so we are working with 16 to 19 year-olds as our core group of people. It runs alongside their studies. A very large number of them are completing BTECs and they will do this programme as an additional part of their study. That is the answer to the first part. I do not know enough to answer the second part properly. We are encouraging all our students, who all have some GCSEs—we go for middle achievers with the potential to do well who, if they were from middle-class families, would get a proper shove and be encouraged to go to university—to go on to senior level apprenticeships or university, so we are moving them in that direction. Our students are not going on traineeships, so I am not qualified to answer that.

Mr Pollard: I am not an expert on traineeships, but I have been involved with them to a fair degree. They seem to be doing a very good job of helping people who have come out of

school without a lot of these soft skills, to develop them in such a way that they can move on to an apprenticeship or a job or whatever.

Baroness Sharp of Guildford: This is the idea behind them.

Mr Pollard: What I would say about the traineeships is, in a sense, they are correcting a mistake that was made before. We are spending a lot of money to run traineeships to give young people the skills they should have been getting at school. I mentioned embedding it in the curriculum. We have really got to put it in the curriculum from primary school onwards. If at primary school young people work in groups, in teams, and are given the opportunities to take the lead in doing things, they develop the confidence and interpersonal skills to start to progress, and when they go into secondary school and beyond that to FE, university and everything else, they are developing those skills and building those networks which will serve them well as adults in the world of work.

Q66 Baroness Morris of Yardley: This might be for Alice and Anne, I am not sure, but I would welcome answers from everyone. Interestingly, both of you said that your programmes are targeted at high achievers or potential high achievers from disadvantaged backgrounds. I can see why you said “middle” and I think your idea was networks for people who are likely to do well, so it is not a criticism. My question is, do you think what you do would work with that group of students who are not high achievers and are from disadvantaged backgrounds? I suppose there is an argument that, if they have become high achievers, whatever the shortfall in these skills compared with others, they are probably greater than those of people who have not achieved at any level at GCSE. I am not asking you to justify specialising, because I appreciate that and understand that; this is just a reflection on whether you think what you do would work right across the ability range.

Ms Memminger: We work with a very wide group of young people. Some of those would be young people who are heading towards university but may not be successful afterwards because of their lack of social capital; but we also work with school leavers, people who have left education quite early, so we know it is proven across the board. Young people need some drive, passion or motivation to succeed in order to be successful. When they do not have that, you need to reach out to them in a different way and engage them before they go on this sort of programme, otherwise it will not work.

Baroness Morris of Yardley: Have your students got that sense of passion no matter what qualification it is?

Ms Memminger: When they come on our programme, yes.

Baroness Morris of Yardley: That is an entry requirement?

Ms Memminger: We do run employability programmes for young people from jobcentres who do not necessarily have that. We run a two-week intensive programme to get them into jobs, although they are not necessarily the best jobs that are going to improve social mobility.

Q67 Baroness Blood: Just following on from Baroness Morris, you talk about achievers and middle achievers. How important are numeracy and literacy? I take your point about work experience, which is the most important thing you can give a young person; just exposing them to the work. How important is it to have a recognised qualification in numeracy and literacy even to take part in what you are doing?

Ms Spackman: Can I just come back in on Baroness Morris' question and answer both of those at the same time? We do not go for high-achieving students, because there are quite a lot of programmes for them because charities follow the money and there is a lot of widening participation money that funds that kind of work and is very, very valuable. That is not in any way a criticism; it is extremely valuable and you can see a lot of people do that. We work with middle achievers because most people do not, and we feel they are the ones who could end up unemployed even though they would never be unemployed if they came from a different background, so we are in a different place.

On your question, would it work for everybody, there is scarcely a week goes by in our office when I do not think one of us needs to go on part of our own programme—and quite often it is me! I think those skills are common to all of us; we all need to know them. My colleagues who have the most experience of working with unemployed people, particularly the long-term unemployed, always describe how you have to put in an enormous amount of very specific work just to get them to the point where they can start gaining the kind of positivity Alice described, which they get once they think, "I could be something and I'm going to be it".

To answer the numeracy and literacy point, that is absolutely essential. One of the problems we see in some of our young people who have become confident and really ambitious is they do not study enough of what everybody outside that world considers to be core subjects, and they do not recognise the value difference that is applied by employers and universities to different subjects. It is still a bit of a secret world to them.

Q68 Lord Farmer: I am talking about social skills and social intelligence, which is increasingly on the radar screen and we all admit is more important today than we recognised before. It seems to me we are talking about disadvantages in schools, but it starts earlier than that; it is the family background where so many of these advantages or disadvantages start, and you and the school are picking them up once they have been established in the child. Can you recommend how your charities or government policy could work with the families, underlining the importance of social skills and encouraging families to build them up in their children just by talking?

Mr Pollard: The National Institute of Adult Continuing Education—NIACE—has a programme they call family learning, which is where they bring the young people, their parents and their carers together on learning activities and help to teach the parents what the youngster is doing at school, why it is important, et cetera, with the idea that that lifts up the whole family and then the parents/carers can be more active in supporting the young people. That seems to have had some very good results. I do not think there is the funding to roll it out across the whole country but it is a programme that works, because once the parents feel more confident that they understand what the young person is doing at school and how they can help and contribute, that helps to tackle the problem that the parents have not given them the start before they get to primary school. Clearly, the biggest place at which Government can intervene and have an impact is at primary school. We cannot just overnight wave a wand and get all our parents to be good parents—many of those who are not good parents want to be good parents—but there are some programmes that will work, yes.

Ms Spackman: I would say our young people often have really supportive parents and they are good parents, but they just do not live in the world in which all of us here live. I do not think it is the lack of skills. I was very struck by one of our Muslim boys when he was talking about his first work visit. I said, “So what was it like when you went to PwC?” and he said, “We were with people who wore suits and we went to Pret A Manger for our sandwiches”. It was not that they were not courteous, that they did not have the sorts of things we would want in our children; it was the fact that child could actually see the offices in Canary Wharf from his playground and it was a completely alien landscape. What they need is the tools to navigate that landscape. I know there will be parents who are not so supportive, but our parents generally are very supportive of their children.

Q69 Baroness Berridge: May I talk about the school environment? We started with a quote from Eton, and as peers here we do dip into certain schools and get a taste of the environment very quickly from the way the staff are dressed and all of that. Is there a place where your programme is not just a bolt-on, but where you have seen good examples of that modelling in the activities the school is teaching young people? Is there work to do with some schools in the way the school is run; teaching some of these skills along the way, how to engage with people in authority, how to present yourself, et cetera, just by the way the school is run?

Ms Spackman: Totally, I would say. I can think of an example: All Saints Catholic High School in Knowsley is surrounded by tower blocks, as everybody who knows Knowsley will know, and in 2014 they did not have any NEETs from that school. We run our programme in the school but they take employability and life after school so seriously that other people work in the same way that we do with different groups of children. You can feel the ethos of the school when you go in there; this is a calm and organised place with lots of ambition. The first thing you see when you walk into the school is a Land Rover cut in half, because Jaguar makes them down the road and they want to encourage people to understand how a Land Rover works. It is such a striking image as you walk into the school; it is literally cut in half. I always think that is a great example. At the moment, schools like that do not really get the credit for what they are doing in the way schools do for academic achievement; and in any case, the two things go together quite often.

Q70 Earl of Kinnoull: I want to ask about business engagement, which we have heard from a number of sources is a very important factor in the teaching of life or employability skills. What do you think are the best ways of getting businesses to engage with teaching these skills and other schemes such as mentoring and coaching?

Mr Pollard: There are lots of schools which have very good programmes for working with their local businesses to bring businesses into school to explain to young people what their career opportunities are, what skills and qualifications are needed, but there are an awful lot of schools that are impenetrable; you cannot get into them, they are not interested. They are so fixated by the school performance measurement systems and the quite catastrophic consequences for the head and the management team if they do not do well, that they feel they do not have the time to do those sorts of things in the curriculum; they want the young people to be concentrating purely on the academics.

I met a woman last year at an event I was chairing and her daughter had just started her GCSE year. She had got a phone call from school when the teachers had discovered she had a Saturday job. Saturday jobs are very rare these days and yet work experience is a great thing for getting on in life. The school wanted her to persuade her daughter to give up the job so she could concentrate on her GCSEs. That attitude is very common in many schools and is driving out the time to introduce the various activities we have talked about, like project working, that develop the skills people need. While you have that attitude and pressure on schools from the system, you will have a lot of schools who just do not want to engage with businesses because it is taking time away from education.

For those who change their mind and say, “Yes, we want to”, there is the difficulty of organising it. In Southampton, in Hampshire, which is my neck of the woods, some of the schools have people they call work experience co-ordinators. It is a part-time job; full-time during work experience periods, at other times maybe two or three days a week. These people come in from a business background, so they come in with a business network, they know and understand businesses. More importantly, within the school the school secretaries, the admin staff, know that person exists, know their email address and extension number, so if a business phones up and says, “We’d be interested in working with you, who should I contact?”, they say, “That’s the person”, and the whole thing gets going. Without that, everything gets lost. One of our local branch members from a north Hampshire branch has been trying to get a meeting for him and me with the business studies head at a school in Winchester, to see how we could get businesses working with the students on that programme so they could get some real life examples. Every time we get a meeting set up it gets cancelled, things get pushed aside, and I think that is because although the teacher wants to do it, the head of department, the top management, is not really interested in it.

The Chairman: That is exactly what happened to my father in 1928 when the local factory wrote to a school, so it is not new.

Q71 Baroness Berridge: Some large employers have taken it upon themselves to change their recruitment practices to try to improve social mobility; for example, they have been removing the requirement for qualifications. What changes do you think would best promote the employment of young people?

Ms Memminger: We believe that large employers are making great strides in this area but research with our young people suggests they need to do a lot more. Businesses need to do more to understand the barriers young people from less privileged and diverse backgrounds face in accessing jobs, to understand how they are perceived by young people as a result of things like their marketing and recruitment practices, if they want to reach out to more diverse talent. We are seeing more businesses consulting with young people from UpRising, for instance, to develop recruitment, diversity and retention practices to ensure they are fit for purpose. For instance, we had a session with Mayer Brown, a big law firm, with 200 of our young people. They presented their blind CV practice to our young people. They got instant feedback that it was not fit for purpose and have gone back to the drawing board and found holes in it that put up a barrier to young people from diverse backgrounds applying. Practically all our young people tell us that businesses can provide more handholding throughout the application process.

If you are not familiar with the world of work, if you do not know what the norms are, it would be helpful to have digital content on websites showing what a cover letter looks like, what they should wear to an interview, what they do when they access the building, how they shake hands with the person when they meet them—very basic things that prevent many young people from under-represented or diverse backgrounds from getting employment. Businesses are doing more to ensure diversity and recruitment to tackle things like unconscious bias in the workplace, recruitment and promotion, such as anonymising CVs and displaying the CV recruitment process, and these are all great initiatives that give young people more confidence in the recruitment practices today. It would be great to evidence the results of these practices to show the value of having a more diverse workforce in Britain.

Ms Spackman: To echo David, we are entirely about employers and schools. Everything we do is done through business volunteers, and all the problems are on the school side. The pipe that links the two goes from very wide to very narrow at that point for very understandable reasons, as it is because they're dealing with children there. On the employers' side there is a chasm between the employers leading the kind of work you are talking about, the vast majority of whom are professional services—EY, KPMG, PwC, Deloitte, people like that—and the world of most businesses which are not large. We have to be realistic about how far businesses can invest time, particularly smaller businesses. I am

sitting next to the expert on this. The amount of time it takes can be quite considerable. I do not think there is any lack of willingness to do that, but there is also the cost of recruitment and training.

It is very welcome to see the big professional companies because where they lead, others may follow, but the area which really needs to be looked at more is how you attach young people to the small and medium-sized businesses where most of them are likely to find work. The companies who lead in this field are always those in the professions that are quite high profile, so you end up, which I am sure you are aware of, with far too many people applying to be accountants, lawyers and doctors, not knowing there are lots of jobs in search engine optimisation and all the new sorts of professional fields. The companies are smaller in all those growth areas—life sciences, engineering, digital technology—and that is where we have to concentrate on the recruitment practices. The thing we have started which seems to work—I cannot say “work fairly well”; we think it has so far, but it is too new for us to test—is insight days, whereby you get an industry to say, “At half-term in February a series of logistics companies will do something in one of their premises for one day during that week”. The students go through all those days so the input can be less for the company and more realistic, but the experience for the student, which is our prime target, is good and strong and they are visible to lots of employers. We are trying to find those kinds of solutions in the industries which are not in a position to lead on this.

Mr Pollard: After I was 15 and had done my O-levels, I had some friends from council estates and working-class backgrounds who went off to become accountants and lawyers because they did the posh apprenticeship—they signed articles with them. That was facilitated because the companies—they joined small practices locally—came into school and said, “We’re looking to recruit apprentices for the coming year. Who have you got in the school who is interested?” The school saw it as their job to help those pupils who were going to leave at 15 and not stay on and do A-levels to get into a job, to have some form of training and career development. It was not very structured but there was a transition programme from school to what comes after education: work, et cetera. That does not happen these days in Britain.

If you compare the way it is done in Germany or some other European countries, transition from education into work is part of the education system. There are various steps along the route where young people are given opportunities to sample different trades, different

careers, to see what jobs there are, to get an understanding of the fact that if you want to go into marketing you do not necessarily have to work for a big marketing agency in London: you can go and work as a marketing person in the local engineering company, because they need to market themselves just as much as everybody else. There are very structured programmes that do that. We have to get those going and get back to the idea that it is at the end of the academic year when you recruit your school leavers, your college leavers, your university leavers. We need to get companies thinking like that and saying, “Right, come August/September, how many apprentices do we want? How many graduates do we want? How many people coming out of FE colleges do we need to recruit?”, and to start thinking about it in February or even possibly in December, so they have decided who they are going to recruit before the exams are sat and the students have done them.

Q72 Baroness Sharp of Guildford: The Government have set up the Careers Enterprise Company. Can you tell us what it is doing at the moment? Do you think it is doing the right things?

Mr Pollard: I think there is quite a lot of potential in that company. They have to get themselves established and started. They are offering funding to local LEPs. The LEPs can bid for funding and certainly the LEP that I am involved in has put in a bid. That will provide them with co-ordinators who will work with schools and individuals in those schools and with local businesses to bring them together to introduce into the schools a lot of the things that we have been talking about this morning. These initiatives are fine; sometimes they fail and sometimes they succeed. It is early days yet. They are putting resources and the money they have been given into some practical activities like that.

Ms Spackman: We have been very heavily engaged with them. We have been almost unofficial advisers, in that they have asked us about what they are doing. I am optimistic about their chances because the LEPs provide a sort of civic pillar for what is going on. The place where we operate most effectively is Scotland, and that is because we have the employer, the school and the civic pillar of the local authority, which means you can say, “We will do this in all our schools” and you can spread things and it has a different structural basis. I think the LEPs could provide that in England. They have already rolled out their first lot of funding to 26 LEPs plus the six pilots, which is more than half of them.

Given that there is a framework there, one of the positive things it may not have had as its motivation but which has happened, is that it is making all the charities such as us—most of

whom are too small to scale up to reach enough children quickly enough—work in partnership, which is really essential. I am quite optimistic about the way they are doing that. The other good thing they are doing is to separately have an investment fund for what they call the “cold spots”. We were set up to work in urban areas of social deprivation because that was where most social deprivation was. I suspect if we were set up now, we would be working in coastal towns and rural areas. Because we are all small, we do not have the financial ability to take the risk to say, “Right, we’re going to take a new programme into this area”, not knowing whether it is going to work. I think it will allow us, in partnership with other organisations, to do that.

Baroness Morris of Yardley: Just a follow-up to that question. This idea of some sort of national strategic approach to this is crucial, but from what David was saying teachers essentially do not have time to do it. Probably the answer to this is no, but I have been around long enough to remember the last attempt at that, which I think was called Education Business Partnership. I am really pleased to hear you speak so positively about the present initiative, that is really good, but do you remember the Education Business Partnership? I want you to say a bit more about what works at national strategic level. All of you have brilliant practice, and that is a feature of our education system; there is loads of brilliant practice—the problem is rolling it out nationwide and making it an entitlement.

Ms Spackman: My colleagues, who are more cynical about the Careers and Enterprise Company because they have been around the block more times doing all those things, are a reflection of what you ask. If people think the LEPs will stay, then that is fine. The question is whether or not every five years you will get a new Government who will say, “We’re not having LEPs any more; we’re having something else”.

Baroness Morris of Yardley: It used to be the local authority in the old days.

Mr Pollard: On the point about the civic pillar, there are still some EBPs active and some of them are rejuvenated at the moment, but they have had to keep going and become yet another part of this very fractured landscape. Going back to your point, it means you have some good stuff happening in places but we miss too many young people.

Q73 Baroness Blood: We have talked a lot about getting young people into employment. In your experience, once they are in work what kind of post-recruiting training and support do they need, and are they getting that, particularly middle achievers?

Ms Spackman: I asked one of my colleagues who works at Freshfields, the law firm, about this because they are exceptionally good on this. They have a buddy system for their interns which is really effective, but she said they are not doing it for the new recruits because there is an assumption that everybody knows everything if they have come through that sort of channel. She thinks that is a very powerful thing, and I would agree with that. Also, one of the biggest things is giving people regular feedback. Especially if they have come in to work at 18, they are used to having things marked, to having that order in their school lives. If somebody says to you at the end of each week, “How do you think you did at this? What do you think you did well?”, or “I noticed x happened and perhaps it would have been better if you had done y; what do you think?”, and uses that like a mini appraisal, that makes more gradual coming into an environment where suddenly everybody is a grown-up and you are supposed to understand how things work.

Ms Memminger: I agree with what Anne said. Our young people tell us that mentors are key to success in the workplace both at a senior and peer level. Senior mentors can transfer their tacit knowledge and provide help with career progression to young people. Young people who have not been exposed to the world of work through family and personal networks do not have the knowledge of the unwritten rules of the workplace, so it is really important for them to have that senior person to guide them through their career and how they progress. It is not always about being the best one in your job; there are other things that you need to be doing. Just as important are peer mentors within the workplace, just like the buddy system. We know that often, our young people get into a job and they have a senior mentor, but they are afraid to ask what they think are stupid questions. It is important they have a peer they can go to to ask those questions, so again, a buddy or maybe someone who is one year in the company who can guide them through some of the more basic things like what you wear, when you take lunch, whether you are allowed to take lunch; those really basic things they do not know.

Baroness Stedman-Scott: Just building on the last question, getting a job is one thing; keeping it is another. We hear lots about mentors and coaches to get young people in the right shape to get the job, but then the support seems to go because they think the job is done. Do you have any evidence that leaving that person in place for six or 12 months afterwards really consolidates the job and stops people falling out early? Have you had any experience of mentoring being provided to the employer, as well, so that it consolidates the

process and makes it work better, so that getting the job is an output but keeping it is the outcome?

Ms Memminger: Our experience of working with corporates, and we work with many across sectors, is they are having problems retaining diverse talent. They may have lots of initiatives to get them in but keeping them longer than one year seems to be a challenge. We think it is really important they have a mentor during that time who can help them navigate that first year of employment because it is a new world to them and they do not have the personal networks who can support them in that way. We have a lot of evidence. One case study we had was someone from Mayer Brown mentoring a young person trying to get into Clifford Chance. They did get into Clifford Chance but that year was extremely difficult, and I think without that mentor that person would have fallen out of that programme for sure. We have numerous examples of that.

Mr Pollard: We have a concept in Britain, or certainly in England, that everything revolves around a qualification. When you take somebody into a company as an apprentice, for instance, there is a qualification that they get at the end, whether it is an NVQ or something else. How quickly that qualification can be delivered is the determinant of how long the apprenticeship is. That is totally different on the continent. There, they set the length of the apprenticeship to be adequate for the young person being trained to get the experience across a whole series of different situations, so that when they finish that job they are competent, they can cope with uncertainty, they can cope with complexity, they can cope with pressure because they have had the time to do it.

I sat on the advisory panel that looks at the trailblazer apprenticeships and we had a very interesting discussion when one came up on training people for the financial services industry. Some of the people, particularly from the provider background, were saying, "Is this rigorous enough and demanding enough that it will take 12 months to do it?" We had a person on the panel who was a specialist on European apprenticeships and she said, "I've looked at the content of the English trailblazer and I've looked at the content of the German one and they're almost identical. The only difference between the two is the duration of the English one is one year and the duration of the German one is three years". At the end of that three years, that person is really established in the job; they have the confidence because they have been doing it so long, and by the end of it they are almost operating on

their own, but they are still on the apprenticeship so they can go for help and support and they will be reviewed. I think that is one of the things to do.

You also mentioned the question of support for the employer and that is very important. The apprenticeship reform programme we are going through at the moment and the improvement that will bring will change the whole system of apprenticeships. I suggested yesterday at a conference of training providers that one of the opportunities they have in the reform programme is not just doing the on-the-job training for the apprentice, but selling some added-value services to the small employers who are taking on apprentices. So they can say, "This is your introduction to apprenticeships. We'll come in and do some training for your staff on how to help the on-the-job training of apprentices. We can train somebody to be a buddy, someone to be a mentor, et cetera, and give them a greater understanding of what the apprenticeship is about, what the employer is going to have to do to make it a success for the employer and for the apprentice".

Ms Spackman: Our young people have more problems going to university and dropping out than going into work and dropping out. We are looking to do research about this because it is obviously quite a worrying trend. Young people all have networks, they have platforms on Facebook usually, and we introduce them to LinkedIn and they start using that while they are on the programme because that is a professional network. If we have students who have gone into jobs, they will come back to us on LinkedIn and to other people they have met in the peer group they have formed on LinkedIn for help and advice about their work. They are very good at doing that and it is part of their normal skills. It is really useful for them to be networking in that way, and to teach them how to do that professionally.

Baroness Berridge: I am just drawing you back to your comments about the cold spots. It is probably not a question for you, Mr Pollard, but for the voluntary sector. In some of those areas a lot of the local employment will still be through the public sector. The NHS employs an enormous number of staff who are not clinical staff and there are lots of local services that these young people at 18 might join, where they might find employment. Have you done any work with not just businesses but those statutory providers about their recruitment practices at 18?

Ms Spackman: Yes, we have done some. Perhaps the most interesting recently was with the NHS in Yorkshire and Humberside who took on, I think, 30 of our young people for paid internships last summer, because it was deliberately about recruitment. We find that

whether an employer is public or private sector—they used to work with us for CSR reasons 12 years ago, and now it is absolutely recruitment or CSR-blended. They took the students on because they knew those students were interested in working in the health sector and they were looking to recruit people not into nursing or doctor roles, because people know about those, but into the plethora of specialisms. We are hoping to roll that out to other NHS areas.

Ms Memminger: We work with hundreds of employers across all sectors and we would engage all those, bringing them in to speak to our young people about opportunities depending on the area. We would also work in cold spots as well, and those are much harder-to-reach young people who usually need a lot of work prior to connecting them with employers.

Baroness Berridge: Are they making the same comments about the lack of social capital, the social skills? Is that the same?

Ms Memminger: Yes.

Ms Spackman: It is about logistics. For hard-to-reach people in hard-to-reach places it is all about getting them to work, whether it is a child in a wheelchair trying to get into an event or a young person in the Fens who cannot drive and cannot get into Cambridge, where the jobs are. It is logistics, mainly.

Q74 Lord Holmes of Richmond: I would like to focus on small employers, if I may. What support and guidance is on offer for small employers recruiting young people? Crucially, what support and guidance should be available?

Mr Pollard: I think the honest answer is there is not an awful lot of support for small businesses in recruiting, certainly through any government programmes. All our members have access to a whole raft of services to help them with the mechanics of recruiting, so when it comes to the niceties of employment contracts we have model contracts that we can use, we have a legal advisory service they can use to get information and advice on a particular issue regarding recruitment. There is not a lot on how you go about recruiting and ways of doing that.

I have been having a campaign where I meet members around the regions and they are talking about doing apprenticeships, for instance. We say to them, “You’ve got to remember that an apprenticeship is a job with training, so you’re taking on the apprentice; you have to make the final decision as to who the person is”. There are an awful lot of instances where

the training provider, the college, will say, “We’ll select an apprentice for you” and that is not the way it should be done for a small business. The providers have access to the candidates; they have expertise in helping to select; they can judge whether the candidates will actually be able to cope with the training; but they should then be presenting a shortlist of candidates to the employer to interview on-site with his or her team to decide who fits with them. However, it is an area we all have to look at, ourselves included, as to how we can improve that support.

Ms Spackman: We were in Manchester a couple of weeks ago at an event and there were about eight different construction companies there; they formed a construction hub. They were big names that you have heard of—BAM and Balfour Beatty—and they were saying that actually, their real recruitment problems were in their supply chain in the small businesses, and so they were trying to help their own supply chains do their recruitment. They could attract candidates because they have marketing budgets and things like that, and that seemed a very good way of doing it. I know there has been a lot of talk about how to make things work down the supply chain. I know that everybody believes in it and yet it does not happen, so there is obviously some reason that is stopping it.

Ms Memminger: If small employers want to recruit young people, we would suggest they work in partnership with the voluntary sector as well, because we have access to young people but we can also provide mentors, coaches, or some of the training that young people require that small employers may not have the capacity to deliver.

Q75 Lord Patel: There must have been many times when you thought, if there was some change in the policy decision, that would improve upward mobility, employment outcomes and opportunities for school leavers. If you were to give us one key recommendation that you have probably often thought would bring about a change in policy, what would that be? One from each of you will do.

Mr Pollard: I can kick it off if you want. I reiterate what we put in our manifesto that we sent out to the parties for the election: to explicitly define the first priority and responsibility of the education system as being to prepare all our young people for adulthood and the world of work. We say that on the basis that, if we accept that that is what education is for, it raises the question of what we have to teach them and what skills we have to develop. If we go through that whole exercise, I think we would come out with a very different system from the one we have now, and one that would do much more of what we want.

Lord Patel: Phrase that into a short recommendation.

Mr Pollard: The short recommendation is that we have to go back and question what our education system does, because it is working on a Victorian model and we are in the 21st century with lots of technology.

Ms Memminger: I suggest the same, but since you have taken that one I will throw in another one. One thing we would like to see is that every young person in the UK who is unemployed or under-employed has access to a professional mentor. Businesses are best placed to provide some of this, so by working with them they can play a critical role in developing and preparing our young people for the future. That is my one: to make sure that every young person has access to a mentor.

Ms Spackman: My one would be to have a unique pupil number, which is something that has been talked about in the two years I have been in this job, and every time I try to find it I cannot. If you have a unique pupil number, you can really track the progress of individual students all the way through. You can show what works—our Big Sister organisation in America has done this very well—and if you have a unique pupil number you can put employability experiences on your school dashboard and do proper random controlled trials. For example, “Here is the child who had no employability; here is the child who had all of this, and look what’s happened. The child with lots of employability has not only got a job; they’ve got better grades, their absenteeism rate has fallen, and they stayed on at school longer”—that kind of evidence, which is not being imposed from outside. I know a lot of our head teachers say, “Things work when they’re done by us for us”, whereas with things that are imposed there is always a degree of, “Oh, not something else being landed on my table”. This is something Scotland has. We know exactly where our students are in Scotland when they have gone through the programme, because they have that number. I know that somewhere in the bowels of the DfE, it sort of exists, because people tell us, and we say, “Great! Can we start using it?”, and suddenly everything goes a bit muddy. It is a small thing, but I think it would be very valuable.

Lord Patel: That is a good one.

The Chairman: Thank you, that is very helpful. Thank you very much for giving your time to come before us today, sharing your expertise and enthusiasm.

ASDAN, Barnardo's, and Tomorrow's People – oral evidence (QQ 76-86)

Evidence Session No. 9

Heard in Public

Questions 76 - 86

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Tyler of Enfield

Examination of Witnesses

Mr James Magowan, Business Director (East of England), Tomorrow's People, **Mr Sam Monaghan**, Executive Director, Children's Services, Barnardo's, and **Ms Maggie Walker**, CEO, ASDAN

Q76 The Chairman: Welcome to this ninth evidence session on employability and life skills. As I am sure you realise, this session is open to the public and a webcast of it goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and put on to the parliamentary website. A few days after this session, you will receive a copy of the transcript. We ask you to check it for accuracy and get any amendments to us as quickly as possible. If, after the session, you want to clarify or amplify any points you have made, you are very welcome to submit some further written evidence to us. Could you introduce yourselves for the record and then we will begin.

Mr James Magowan: My name is James Magowan. I am the business director for Tomorrow's People in the east of England.

Mr Sam Monaghan: I am Sam Monaghan, the corporate director for children's services for Barnardo's.

Ms Maggie Walker: I am Maggie Walker, chief executive of ASDAN.

Q77 The Chairman: I ought to say at the beginning that I wish to declare an interest. It might be an ancient interest. Nevertheless, for 11 years until 2008 I was a trustee, and proud to be, of ASDAN. If I may, I will start by pointing out that we are obviously interested in a group of young people who do not follow an academic route and may have a difficult path into employment. What difficulties have you identified that are faced by them while you are helping them to navigate that transition from school to work?

Mr Sam Monaghan: There is a range of issues working with this cohort of young people. One is in the context of schools. Many of the young people we work with are in an environment in schools where the focus is very much on qualifications. Many of those children and young people have limited opportunity and limited aspiration, and because of that there is inertia in the school context in progressing them forward. Another challenge is that since the responsibilities of the Connexions service was taken back into schools, and schools' targets and focus are around educational attainment, we have found that the careers service is now far patchier in relation to the support and the opportunity that those young people have to explore diverse opportunities.

Our experience is also that for children and young people who are not academically motivated, driven or supported outside school, there are some genuine challenges with the conversation beginning early enough on what career opportunities and paths they might want to explore in the future. There are not the opportunities for work experience and failing and trying again and refocusing. You can risk going through a number of negative experiences or it just coming too late in their academic lives.

Finally, at the moment, the level of support to young people as they migrate or transit into work experience, whether that is traineeships or apprenticeships, is limited and patchy. We know those young people thrive best if they have people alongside them, as they are journeying into work and transiting into that experience, to help them to negotiate that, to help when it goes wrong and to work on how they can improve their ability when they are in the work placement.

Ms Maggie Walker: From ASDAN's side, we see a huge lack of personal and social development education within school nowadays. There used to be a lot, it used to be very good and it used to be valued. It is no longer valued or measured. Therefore, there is no qualification in it, it is not tested and it is put on the back burner. It is often given to teachers who really do their best, but they might be a geography teacher perhaps with two free

periods on their timetable. It fills in gaps. This sort of education needs specialists. It needs people who really know what they are doing. I trained in careers education. It was quite a long course. It is not simple and straightforward; it is not easy because it is not tested. It is really important that young people get correct advice. PSHE allows young people to have a safe space to fail, to learn how to fail, to be picked up and to go out and try again and to know that is not the end of the world. The lack of that within the curriculum at the minute is a real problem.

Young people are also getting mixed messages. They hear from the Government that the academic route is the valued route, that that is the way forward and that higher education is the way to go. Then they hear from the media and employers that skills are valued. They do not really know where to go, which is the important message, and that is really confusing. We need a really clear message.

Mr James Magowan: I support fully those views from both my colleagues here. I would add that, equally, we see parents who feel ill-equipped to advise young people at home alongside the schooling system. There is a gap in provision for support for young people between the ages of 16 and 18. Some young people will leave school at 16 and may not re-engage with statutory services until the age of 18, when they may encounter discussions with Jobcentre Plus. In between that period, the evidence and research we have seen suggests that young people are allowed to stay at home. Their parents would not necessarily put as much pressure on them to move out of the home until 18. Whilst there is certainly a group of young people who need extra support and have more severe needs, there is also a large group of young people out there who perhaps do not face as many social barriers but do not have the pressure to move on in life. Of course, that can have an impact on their aspirations and how they build their career going forward. There is that factor in the pressure that comes from home, but I would simply echo the point around good advice. We see and hear that parents feel ill-equipped to give that advice. The economy has moved on very quickly, jobs are not what they used to be, and the skillset that is required in the workplace has changed drastically—and will change if we are to believe research from people like UKCES, which suggests that there will be much more focus on the skills that we have just talked about: those non-cognitive skills, personal skills and interpersonal skills.

The Chairman: I think I am right in saying that the ASDAN programme had A-level or GCSE equivalents.

Ms Maggie Walker: It did.

The Chairman: That was withdrawn during the last Parliament.

Ms Maggie Walker: It was.

The Chairman: Is that what you meant when you said that that was a backward step?

Ms Maggie Walker: That was a really backward step, because young people saw that developing these skills really counted and they were valued and measured alongside their other qualifications. Suddenly they are not, so they do not see them as important. The messages are mixed.

Q78 Baroness Tyler of Enfield: I would like to declare two interests. I have just remembered that about 15 years ago I was deputy chief executive of the Connexions service and I am currently co-chair of the All-Party Group on Social Mobility.

The Committee has heard a lot of evidence so far that some of the critical skills that young people need for employment are these character and resilience traits: things such as a positive attitude and all that. While for some young people these skills will come fairly naturally, for others they will not. In your experience, what are the most effective ways for teaching these and indeed other employability and life skills that you have already alluded to?

Ms Maggie Walker: We would say through a programme of activity-based learning where skills are needed to complete the activities. They are real-life activities or role-play type activities and the skills are recognised and rewarded, as we said, ideally through qualifications or assessed programmes if we do not want to do it through qualifications, because that gives it a standard. It is easy to say that we can develop skills through activities, but it is done very haphazardly in a lot of situations. If you are working to a standard, whether that is a qualification standard or another type of assessment standard, you know what the young people are learning and you really know that they are hitting a certain level and they can go out and say that they are doing that. What is really interesting is that a lot of people presume that you can just embed skills into other courses. We would really like to stress that you cannot. It does not work. It was tried in Curriculum 2000. I was teaching then and key skills were added to A-levels. I understood skills. I was working with ASDAN then whilst I was in school. I was a real fan of skill-based education. I still taught the subject knowledge and focused on that, because that is what the young people were going to be

tested on. It is really difficult to say that we will embed it into other work that is going on in the curriculum, because it really does not work.

The qualification that has just been referred to is the Certificate of Personal Effectiveness. The assessment of that qualification is on the soft skills, the key skills: working with others, problem solving, research, presentation, et cetera, which all the employers are telling us we need. The University of the West of England did some research into it involving a whole cohort of young people, not just a small number. It discovered that if young people worked on a Certificate of Personal Effectiveness at level 2, they were 11% more likely to gain English at A to C because of developing the transferable skills that helped them in their other studies, so they also developed the skills for going out to work. They did some further research on English and maths because it was so powerful, and they were 19% more likely to get A to C in English and maths. This qualification has been taken away from performance tables, which feels a little bizarre.

It also really helps to close the attainment gap, because the impact is greater with young people on free school meals and in other minorities. We would say that skills must be taught, they must be focused on and they should be assessed.

Mr James Magowan: To echo that, I saw some research from behavioural scientists recently that talks about what has just been described as skills banking, in that the development of softer skills, interpersonal skills and skills for motivation and attentiveness clearly can help with learning. Quite often at Tomorrow's People we work with vulnerable people who are not ready to learn and take some of the steps that are required to move their lives forward, be it through an apprenticeship or traineeship. Often there is a lot of pre-apprenticeship and pre-traineeship training that needs to take place in order to do precisely what has just been described: to help people to build that personal resilience. For us it comes with two key facets that need to be provided in order for these things to be learnt, and that is to have a trusted and responsible adult who has aspirations for that young person and who can go with them on a journey. I would totally support the idea of intervening as early as possible to have that person there who can give good advice along the way.

The other thing that comes through—this is perhaps more relevant for post-16 young people when they leave school, but certainly it is true in school environments too—is to create a trusting environment for people to interact in, an environment where they feel comfortable having those conversations. Too often young people are in environments where they do not

feel comfortable. Recent feedback from the YMCA talks about how young people feel about the job centres they go into. They do not feel comfortable in those environments and they feel to some extent that it is having an impact on the conversations they can have with people and the decisions they make.

Mr Sam Monaghan: I agree with both my colleagues but I would bring out the issue of stability and support. In Barnardo's we really welcomed the Staying Put agenda from the Government to ensure that people who are looked after can stay in placement until the age of 21. It removes the brinkmanship that they used to get into as they approached 18 of, "I'll blow the placement before the placement blows me out". You have the potential for increased stability, which is really important. You need that whether you are in care or not. Care leavers are a particular priority for us. We know that many of them do not have the skills. We know that many of them have blown school and other opportunities because they do not have the resilience to cope with things when they go wrong. This picks up on a point from James about that support in work, because you need to give them not only the skills but sometimes the back-up in the form of people who can intervene when things do not work out. A really good example from one of our services in Lincolnshire was where workers were working alongside care leavers on employment training skills. When a young person for the seventh time waltzed out of a workshop in the mechanics environment that he was in, the worker was there to go back in to renegotiate and to help that young person reflect on and learn from the experience and to try and build that resilience and learn the negotiation skills which they need when they are dealing with work colleagues or their bosses. It is about walking that journey. Some young people need it more intensively to help them negotiate the first months during which they are realising that the placement is not going to give up on them in the way they may feel that school or other opportunities have given up on them in the past.

The Chairman: We have had some evidence that nobody works with low achievers. From what the witnesses are saying today I guess that some of you do work with what are called low achievers. Is that right?

Mr Sam Monaghan: Yes, extensively.

Ms Maggie Walker: Yes.

Mr James Magowan: Yes, we do.

Baroness Berridge: We have been receiving evidence from employers, the education sector, the voluntary sector and civil society. Do you have any evidence you can give us on the decline in civil society? There used to be clubs and societies where maybe some of these young people picked up these skills. I am thinking particularly of the role of the faith institutions here. When I think of the Jewish community, a lot of capital is built in outside of families. Have any of you had that with young people, particularly the low achieving?

Ms Maggie Walker: No.

Mr James Magowan: Not specifically. Clearly with less funding in the pot for public services, I suspect there will have been a decline in what is on offer and what has been able to be facilitated for young people. We do not hear young people talking about it specifically in the community context. The point was made earlier that the Connexions service was removed. That left a gap. I do not think that is precisely what you are talking about, but offers like that gave at least a focal point for young people. They knew that they could go to it and get the advice and support they wanted. Whether they got what they wanted out of it when they got there is another thing, but at least there was a brand, a name, that they could go to.

We are working at the moment on a programme called MyGo with Suffolk County Council in Ipswich in the east of England. It is a partnership arrangement whereby we work alongside Jobcentre Plus, PeoplePlus, a welfare to work organisation, and hand in glove with Suffolk County Council in partnership to make it work. It gives young people focal point. It is all branded MyGo, so there is no Jobcentre Plus, Tomorrow's People or PeoplePlus. I know that does not precisely answer your question, but if there are more places such as that where young people know they can go to get advice, that has to be a good thing. I cannot comment on a specific decline in faith services, I am afraid.

Mr Sam Monaghan: There are certainly some strong communities where faith, family involvement and young people finding significant others is really valued, but it is not a consistent network that provides that support. You also have things such as the uniformed organisations—scouts, the Boys Brigade and organisations like that—which can clearly provide some of that grounding. Again there are significant others where you can explore adult themes and your emerging adulthood outside of your family.

The other thing I am struck by from working in the sector is the decline of youth-based services due to the impact of the constriction on public spending. Some of the associations and organisations that were around previously that were reliant on some funding from the

public sector to keep them going no longer have that, and some of them have gone to the wall. We have seen some of the infrastructure taken out that provided support, particularly in the more deprived communities.

Ms Maggie Walker: I would agree with that. I have no specific evidence on faith-based organisations, but certainly in Bristol and the south-west we see these services struggling much more. Charities are often trying to pick things up and they are not getting the funding; there are some holes appearing.

Q79 Baroness Blood: Before I ask a question I must declare an interest. I was chair of Barnardo's in Northern Ireland for many years and a trustee here in Great Britain. I have not been connected with them these last three or four years but was really privileged to be there.

I want to ask the question I asked of the previous witnesses. How important is a recognised qualification in numeracy and literacy as a requirement for employment? I ask because I work among young people in Northern Ireland who leave school at 16 and cannot read or write, and for them it is lost already.

Ms Maggie Walker: I would say that a recognised qualification is really important, but it should not necessarily be GCSE. I would suggest that GCSE maths and English are a really good indicator of somebody's ability to go further with A-level or higher education. It is written to do that. Functional skills in literacy and numeracy are shown to be excellent and effective indicators for the workplace, too. The trouble is that employers do not appear to be able to get past the fact that they must have GCSE in English and maths, so they are losing some really good and effective potential employees. Young people are losing the chance to get into the workplace through that door because of the perception that functional skills are not quite as good. They are just as good and perhaps even better if a young person is going directly into work.

Mr Sam Monaghan: I would add only one thing. We have been conjecturing on apprenticeships and the gateway into those, which is often around the A to C banding, let alone just passing. If we were able to look to the future and build in exit rather than entry qualifications as part of things such as traineeships and apprenticeships, that might be a way forward. By doing so you would be recognising that some people start further away in their literacy and numeracy, so you build into the whole process the fact that by the end of the apprenticeship that will have been worked with alongside it. As part of the package, you

seek their exiting with qualifications for the next stage of the journey rather than it just being seen as a bar and inhibitor and nobody is doing anything about it.

Baroness Blood: Are the current Government reforms successful in mitigating this inequality, or do you find that this is a growing inequality?

Ms Maggie Walker: We have found that it is a growing inequality. It is interesting that the young people who we are talking about here are the largest group of young people.

Baroness Blood: Absolutely.

Ms Maggie Walker: They are seen as not being NEET and not going into HE, yet they are the largest group of young people and they are the young people we should be worrying about.

Mr James Magowan: The other thing to note alongside what my colleagues have said is that nearly all the employer surveys that have been done in recent times—one as recent as the CBI survey of employers survey this year—picked up the fact that alongside qualifications in numeracy and literacy, it is as important that the aptitudes and attitudes of young people are in the right place, as previously discussed. Those are seen to be complementary to those skills. At Tomorrow's People we feel it is absolutely essential for young people to be equipped with those skills in order for them to learn and continue learning. We have seen certain employers who have taken a really good and progressive view to this in the apprenticeships they provide. The Barclays Foundation Apprenticeship states, "Your background and educational experience really do not matter. If you have a can-do attitude, energy, initiative and potential to do brilliantly we would love to meet you". That is a really good approach to take. Evidently Barclays is going to want a basic understanding in literacy and numeracy in the young people they employ, but they are accepting of the fact that not everybody has attained that certain standard, and they can help and support those young people if the attitude and aptitude is in the right place.

The Chairman: Mr Monaghan, in relation to the evidence you submitted to us, you said that one thing you would particularly like to see is better support for young people who need it in order to undertake further education or training. Would you see that working a bit like the old education maintenance allowance?

Mr Sam Monaghan: Something along those lines. We need to look at the financial support to those young people to equip them and to enable them to engage but also to sustain that placement and that work. So something very much along those lines would be helpful.

The Chairman: To cover bus fares, for example?

Mr Sam Monaghan: Yes, it is about recognising that for some of those young people, particularly when you are talking about those who have been in care or close to going into care, there are sometimes real problems with them learning budgeting skills. In the first place you need to cut them some slack and then move to gradually tightening their ability to manage their finances. When you have none, it becomes another deterrent to engaging or becomes another reason for saying, "Why bother?"

Q80 Baroness Howells of St Davids: I am specifically interested in black young men. Women seem to be doing better. Have you come across any of those in the work that you do? Any special difficulties?

Mr James Magowan: We run a programme in south London called In-2-Work, and that was the only encounter where there has been a specific focus on ethnicity in the group we worked with. Originally it was started up in partnership with the Metropolitan Police to encourage young people living on estates in and around the Brixton and Kennington area to engage with us. We found that a lot of the young men coming in were black young men, many of whom had been involved in gang activity and wanted to get out of that and were seeing that work as the way forward to do that. Clearly having a conversation with an adviser in a sympathetic and understanding way, where we could build on some of the character traits that we have been talking about, to exemplify through experiences that there was a way forward and something they could offer to employers. That is the only experience where I have come across it, I am afraid.

Ms Maggie Walker: Our programmes are used with a lot of charities in the youth sector in Bristol that work with the Somalian community, and in particular young men trying to develop their work skills. That is the main area that we have worked in.

Mr Sam Monaghan: From Barnardo's point of view, we do not work with specific projects or programmes for young people from BME communities, but we work with them in an integrated and supportive way. I suppose it comes back to the point that we were making earlier about people making the journey. If you find young people who because of their background have not had a positive experience in education, or who have struggled in the management of behaviour or struggled with expectation, those challenges run the risk of being replicated as they transit into the workplace. It is about having staff who are mindful of the uniqueness of each young person they work with and then having the flexibility within the programmes they deliver to provide the right level of support to help those people to

overcome the challenges and to have choices about how they shape their future and reflect on past experiences.

Baroness Howells of St Davids: Some large employers have certainly begun to change their recruitment practices. I worked in that field for a long time, and lots of employers told me that they had not realised they were being racist. The negative attitudes of young black people are there because of how they have been treated in schools especially, and sometimes for good reason. A teacher would say to me, "I don't correct his work because it might be racist". It is the old thing about not being able to ask for black coffee. That was until I asked them what was wrong with black. The kids are victims of racism, and that is keeping a lot of them back.

Mr Sam Monaghan: If you have workers working alongside them, with employers as well, you have the opportunity in a work placement to unpick some of the issues that start to arise in the attitudes and approaches of managers and colleagues towards that young person.

Baroness Howells of St Davids: They have to get there first. I get employers telling me now that they ask for students to come in to get some experience and they say, "I have never had a black child sent to me". I want you to know that that is an inhibitor. We get a lot of community groups to work with them as mentors. I just wonder if it has ever concerned you that that was not happening in the way that I am trying to portray to you.

Ms Maggie Walker: It has concerned ASDAN as an employer. We really thought that we ought to put our money where our mouth was and look at our apprenticeship programme. We fund it out of our grants money because we are a charity, but we take young people who probably would not get through the door anywhere else. That is a significant investment for a small organisation, because we look at the young person on paper, we realise that they probably would not get past that stage, we invite them in and then we look for the skills and possibilities. We can see something in them. Interestingly, our three most recent have been from smaller ethnic communities.

Baroness Howells of St Davids: I am talking about black communities.

Ms Maggie Walker: Not just black communities but a variety. It is interesting, because I really do feel that nobody would have taken them on as an apprentice because on paper they did not look able. We have had one young man from whom the success has been magical. He came to us, went on a level 2 apprenticeship and then to a level 3

apprenticeship, and we have now employed him. He is a really valuable member of our IT team now, which is fantastic. He had two GCSEs at very low grades and probably would not have got that opportunity.

Baroness Howells of St Davids: That is where the racism I am talking about works, because nobody takes that interest. A young man whose first job as a quantity surveyor was on the tallest building we now have in Britain, said, "I expect I will have to be a window cleaner". We got him into a group where they discovered that he was scared of heights and we asked how that would work. Is any real effort made trying to get other black people working on the teams you work with who will get into the community, because there is a lot of work going on in the community that can help in the work you are doing? I should not be telling you what to do.

The other thing is that I hear of the support that you are giving when people are navigating the job market and applying for jobs, and I would like to commend that, because that is quite a difficult thing for people who are not taught that at school. I just wonder whether there is anything you can suggest that we can put in our report that would help it to happen, because I know it is necessary and you have pointed it out.

Mr Sam Monaghan: Can you repeat the question?

Baroness Howells of St Davids: What do you see the report suggesting about supporting young people to get into those jobs if they have not had that support at school, and about helping firms that are trying to change their policies and get people into work, because they need a lot of help too?

Mr Sam Monaghan: I will start off with where we would like to see some of the change. That change, as I said before, would be having an earlier dialogue with the children and young people for whom the academic route is not the direction they necessarily want to go in or have an ability in. People in schools who are looking at the whole careers agenda are starting to work with them about what opportunities there might be to explore, and they look not just at work experience as the thing that you do two years before you leave school but rather as part of a process. Maybe for those young people who are going to be going into the workplace sooner, there are enhanced opportunities to explore those work environments and to be thinking more constructively and realistically about what those opportunities might be. It is then about working, as we are and I know the colleagues are, with organisations to pre-bed them into taking young people who may have some additional

needs and enabling them to feel supported, so that when those young people start with them we are not going to push them through the door and then run away, so they feel there is going to be an ongoing relationship here and consistency. James mentioned the point about there being one person earlier. Employers need one person to do that as much as the young person needs one person, so that they feel the whole thing is joined together and that there is somebody walking that route. If we can get far more of a joined-up process through education into work, that will really help a lot of these young people who are furthest away from it.

Q81 Earl of Kinnoull: To a large extent we have been hearing that employability and life skills are things that come out of exposure to the work place. Could you summarise briefly how you work with employers and how the businesses get involved in your training programmes, and in particular what works well and what difficulties there are in working with employers and getting their engagement?

Mr James Magowan: I will give two examples of a larger and a smaller employer, because clearly SMEs are often overlooked when we are talking about how to support young people into work. A larger employer we have worked with is Three mobile, which recognised the work I highlighted earlier of pre-apprenticeship training and getting young people ready for that step into the workplace. Also, they were very conscious of the fact that some of the young people we are working with are less equipped for that adjustment to working life and some of the behaviours that are expected in work environments. We developed with them a programme of support shorter than our normal programmes, a bridging programme of a few weeks, which allows those young people to start to understand the business better and to get some active work experience in Three mobile stores, and at the end of it they were guaranteed an interview with Three mobile if they completed the weeks they were on the programmes. There was an opportunity then to work within the organisation. There was a meshing of what they did by bringing people in through their normal recruitment practices and what we do as an organisation in a much better way than quite often when we are working with young people and we are trying to secure for them opportunities afterwards. Quite often we will bring employers into the programmes that we run and give young people real experiences of how those employers operate. That was a much more integrated approach. It still runs now and it has proved very successful in helping young people to transition into work, particularly young people from quite vulnerable backgrounds. Similar is

the experience of introducing young people to businesses. I cite the example of a small and medium-sized enterprise that we work with in East Sussex, a landscape firm that only had two or three employees. We run a particular programme, which is a project working with rural communities. This particular one worked in Heathfield in East Sussex. There was a young man who needed a fair bit of support from us, it is fair to say, but we were able to convince the employer that taking this young person on could be a benefit to them and enhance their business. For a small business it is quite a risk to see somebody coming in from outside, potentially somebody who has no experience of the work they are doing. We helped to get that young person's attitude and motivation in the right place. We explained to them the behaviours that would be expected. The employer had come in and started to understand how we operated as an organisation. That young person then got some experience in the business. The business quickly realised that having that extra person working with them was a benefit to them, as they could take on more business. Talking the language of employers is the message to come out of that. As much as it is helping the young people, it is helping the businesses to see what the benefits are to them and trying to create a common dialogue that allows them to see the financial benefits.

Ms Maggie Walker: I agree with that totally. We have just set up a new working partners programme, and we have over 4,000 centres and over 3,000 schools registered with us. We are trying to link our schools with employers to help the real-life side of the careers education programmes that obviously our schools are offering. We are finding it quite difficult to explain to the employers that they will get something out of it, that we are trying to match need with provision and that they can "try before you buy". This is a really good way to do it. It is starting to build and they are starting to see the advantage. They are also starting to understand that they really need to know a bit more about the education which the young people have. They are realising that things have changed so much. A lot of employers do not realise that. I got a phone call a year ago from a young person who had gone for an interview with an ASDAN Certificate of Personal Effectiveness, and he had proudly taken his portfolio of all his achievements. Obviously he had been encouraged to do it by a very good teacher. The employer rang me up and said, "I don't know what this is. Can I trust it, and is it an O-level?". That really worried me, because when did O-levels end? We need to help employers understand what a young person's life is at school and what they are doing, and then how they can recognise good future employees.

Mr Sam Monaghan: The only thing I would add is in relation to getting to the ownership or the senior managers—we work a lot with small and medium-sized businesses—and engaging with the owner or the CEO, because if they have their heart in what they are doing that will enable them to support the workforce in accommodating and supporting the young person as they go on their journey into work. That has been really valuable learning for us.

Q82 Baroness Morris of Yardley: You answered the question I was going to ask you in following up on Baroness Blood's questions. I will ask it anyway, but I invite you to add anything if there is anything else you want to add to it. It is about the recruitment process. We have heard that quite a lot of employers are changing what they say they are looking for now, especially for those without academic qualifications. You responded to that, but is there anything else you want to say about the recruitment process and crossing that bridge from school to work for the group of people we are talking about? Thinking of applications, what could employers do and what might change to make it easier for that group to get the jobs they want, which they are probably well able to do?

Ms Maggie Walker: They could have a positive approach, as we have had with our apprentice programme. If you have a positive approach and look beyond the bit of paper you get at the first stage and invite young people in and take a chance to get to know them, that might help to open doors for young people. Also, if employers get to know individual schools—they cannot do everything, I understand that—and if they went in more, the schools would be delighted to have them, I am sure. They could go through the door and get a feeling for the young people in their local communities. That applies especially to smaller employers. There are a lot of very large employers, especially in London, which do an awful lot of good work in this area. If you look nationally it can be much more difficult, because there is a cost to this. There are also perhaps not as many staff and it can be quite burdensome.

There are good examples. There is a garage in the north-east that takes in young people from about three local schools for work experience from primary age. They deliver our programmes and qualifications in the garage. The mechanics all take part in this and they all tutor, and it is really quite inspirational work. They are never short, therefore, of getting people into work. Young people are not saying, "I don't want to go and work in a garage". They are quite excited about going there.

Mr Sam Monaghan: We need to get a positive message out as well. We reviewed our figures at the end of last year. Seventy-four per cent of the young people who went through Barnardo's apprenticeships were successful last year. That is the cohort you are talking about today. They are not the ones who are university or A-level ready; they are young people who are not, and three-quarters of them made a success of those apprenticeships. The other thing we would say is that there is a bit of a carrot and stick as well. With the number of new apprenticeships that the Government are proposing, we believe that a cohort of those should be put within a ring-fence for the groups of young people who are going to find it that bit harder and will need the additional support.

Baroness Morris of Yardley: Would you say that the problem was pre-sift? If you think of it as two stages, does my application form get me the interview? We talked about changes for what you ask at the application stage. If the young people you are working with get to interview—they get through that first barrier, because some changes have been made—do you find that it is almost a level playing field and that they perform very well and are as likely to get the job as anyone else? Where is the barrier?

Ms Maggie Walker: It depends on the young person, because often those who have the help at home and who have the advantages that perhaps these other young people do not have also have somebody to talk them through mock interviews and help them to prepare. They perhaps get something nice to wear at the interview, et cetera. We all make judgments and I make them. It is very difficult to remind yourself not to make them. It is about a positive approach from the employer, that it does not matter what that young person is wearing and that they are not as smart as the other one. It does not matter that they are not quite able to have the same sort of conversation or answer the questions in the same way but that there may be something else, and to help them with that. It is about a change of behaviour from the employer.

Mr James Magowan: There is also something in our national dialogue about this subject, which we are as guilty of as anybody if you look at the labels that we apply to people. We do not apply a specific label to people over the age of 40 who are not in work, but we do apply "NEET" to young people. A step change has to come, along with some of the technical changes that we have been discussing in that positivity—the word that we started out with here—in really understanding the benefits of bringing young talent and energy into organisations. I had lot more energy at 16 than I have now, I can tell you, and probably a lot

more ideas as well. It is guiding that energy and those ideas that can be a massive benefit for businesses. If we can get that message across in the right way and change the national dialogues about young people coming through as something positive for our economy and our society, we will have gone a long way to starting to solve this problem.

Q83 Lord Farmer: Going on from recruitment to employment, there has been written evidence to us that structured post entry induction and training for young people once they are in role was important for progression, or simply for keeping the job. We have also heard evidence that employers are nervous—we have touched on this already—about employing young people and those with less recognised qualifications, and that improved guidance for the employers could help. What support and guidance would you recommend be available to employers when they recruit young people and to young people when they move into work?

Mr James Magowan: I would recommend having some resource within organisations that seeks specifically to understand where those young people are coming from. That sounds a bit strange, but it requires a resource within a business that is more sympathetic to the needs of that group. We talked about a trusted adult who can guide and advise somebody from early years in school through to the point of entry into work. That trusted adult was often still in the background. Indeed, on programmes that we run and I am sure some of the programmes my colleagues here run, our work does not stop when that person goes into a job. We are there in the background for them to go to. That needs to mirror, not precisely in the same way but to some degree, the way the employer and HR teams operate. It is about having somebody there whose specific role is to look out for new young entrants who have come into the business and to help other parts of the business sometimes to say diplomatically, "I appreciate that so-and-so has spoken out of turn at a meeting and perhaps does not understand all the protocols and the way these meetings work, but give them some guidance and support", and about somebody being able to help to translate that for people in business. I have worked in the private sector as well as the charity sector and, trust me, you go to a meeting sometimes and you want it to work and be a good meeting and you do not want to take any risks. I think it is important that you have somebody in the business who understands better the environment that some of these young people are coming from. I do not just mean the social environment but their age group and therefore how they are going to act and behave and how they need to be supported.

Ms Maggie Walker: That is very true. If you can take it a bit further—I know it is expensive for employers—and that person can go into schools and provide the link, be the bridge between the two transition stages of that young person's life, then they understand and feel more comfortable when they get there. We should not underestimate the fact that you could have in school a structured programme developing the skills needed for employment that also continues, in progression, into work. That is quite straightforward to do but very few employers pick that up at the moment. They could do that and that would really support a young person, rather than them just suddenly getting to work and realising they are an adult and all the support has gone.

Mr Sam Monaghan: It can also be a talent-spotting environment for potential employers. I suppose because of who we are, Barnardo's sometimes gets companies approaching us. One very interesting investment company came to us and said they would like take our top 20 young people from across our employment programmes, bring them together in London and let them sit alongside the HR people, the finance people, the administrators and the other people in the organisation, to open up the world of work to them—not with anything tied in as a definite, but to give them an opportunity to think about young people who might at some point want to go into that career, and who they might be excited and interested to work with. It gave those young people a huge opportunity to see a different sort of world that they would not have encountered in any other way. We need to use industry and commerce to open up those potentials and to see the wins they might have, as well as getting people from the top universities to come in in groups and meet them to look at some of those young people.

Q84 Baroness Sharp of Guildford: Can I pick up this notion of some sort structured programme? It has become clear from all the evidence we have had that this issue of transition is extremely important, and it has to be collaborative with schools and businesses—and for that matter government themselves playing a part. Nevertheless, somebody has to co-ordinate that. Who do you think within the system might be best placed to provide this element of push or co-ordination between the different partners?

Ms Maggie Walker: That is a difficult one. You have got to the nub of the problem as to whose responsibility all of this is. It is very difficult. You see people running backwards as soon as it becomes their responsibility. It has to be a partnership between schools and employers; it cannot be anything else. ASDAN is a charity but also an awarding body and we

provide those programmes. We are able to do things such as that. We pull partners together to work on the same sorts of programmes, to look at the progression, assessment needs and development needs of young people, so organisations such as ours—and we are not alone, I am sure— could do things like that. So perhaps it is the third sector, but has to be a partnership approach. People have to want to work together to achieve this.

Baroness Sharp of Guildford: You probably need to have somewhere behind it a push from Government—in other words, PHSE taken seriously.

Ms Maggie Walker: It is not even just a push; I think it is a recognition that it is valuable, because there is a real feeling outside that it is just not important. It is one of those other things that you can do if you have got a bit of time. I have actually heard it said, “You can do it with those kids”, as if it is not important that all young people develop these skills. It is really very frightening. It would be fantastic to have some money put into it and a push—but just a recognition that it is valuable, as valuable as the other work people do with young people.

Mr James Magowan: For me, the notion that there has to be a central government department that takes responsibility for this is key. We have talked about where the responsibility lies. Much of what the DWP does starts at 18, although I know they work with younger people, so that covers the 18 to 24 group if you are looking at the traditional 16 to 24 group we might be talking about. The DfE clearly works with young people while they are in education but what happens if they leave education at 16? Then you have the raising of the participation age legislation, which falls into the hands of local authorities, and that is DCLG. How many government departments have I mentioned already? It needs one co-ordinating group that can follow that journey the young person takes through their transition from school and out into work.

Mr Sam Monaghan: Connexions was in that space. It was not perfect but it was operating within a space that met some of that need and maybe provided a more focused, targeted approach in relation to this, because what we have now is very patchy across the country.

Q85 Baroness Blood: I am going to ask you a really easy question. We have received evidence from more than 45 different organisations who work directly with young people. Is there any co-ordination or coherence across these different providers? In others words, do you work together?

Ms Maggie Walker: We were just talking about this outside, because Barnardo's and ASDAN do work together quite a lot. We work with different organisations but in the current climate it is interesting. People are tendering for work; they are tendering for their income to put programmes together and that causes competition and not necessarily co-operation. We are lucky in the fact that we work very differently from most of these organisations. We do not work directly with young people; we provide the programmes, so we tend to be able to partner with a lot of different organisations in that way. I have watched people who should possibly work together and do not because of the tendering process.

Mr Sam Monaghan: I would echo that. We work closely with Action for Children, the Prince's Trust and the learning provider network in Northern Ireland and we seek to collaborate and work alongside them, but I suppose what we are all very conscious of is that programmes chop and change. We are waiting for the local enterprise partnerships to start up, and there is a degree of inertia within that whole context that is not helpful and then does not support full collaboration and co-operation. We recognise particularly in the third sector you need to work together and understand what is going on out there and then mutually support one another wherever possible.

Mr James Magowan: Funding often allows it as well, as well as providing competitive environments, so I would stand up for the funders a little bit. The Big Lottery actively encourages you to work with other organisations to acquire funding. For example, in the Building Better Opportunities funding that is currently being tendered, partnership is writ large all over the documentation for that. There is an emphasis on it from funders. I totally agree with the point that the competitive market place out there sometimes makes that hard to achieve.

Q86 Lord Patel: My question is pretty straightforward. We need a recommendation that will be punchy enough to change the scene and improve social mobility, employment outcomes and opportunities for young people. What would that recommendation be, one from each?

Mr James Magowan: We have touched upon the Connexions service already. I think many people would accept that it was a good service but there was room for improvement. The key thing that comes out from both what was being provided through Connexions and what we see many of our organisations do now is having a trusted, responsible adult with aspirations for every young person who is coming out of school and making that transition

into adult life. Somebody who is qualified to give good advice and can support those young people through into education, training, employment, whatever the right step for them is when they leave school, is absolutely essential. We simply do not have enough of that at the moment in the national curriculum.

Mr Sam Monaghan: I would go with something similar but slightly more focused: a support fund around apprenticeships and the targeting of a proportion—say, 20,000—of the 3 million apprenticeships that the Government are promising to be designated for care leavers, because they are some of the most vulnerable young people in our society, the furthest away from work and those with the poorest outcomes across the whole spectrum.

Ms Maggie Walker: I would talk about skills and I would like to quote one of our schools, which sent me something too late to be put in as evidence. George Stephenson High School in the north-east of England referred to, "...recognising there is a genuine need for young people to develop a range of skills, abilities and attitudes that whilst not readily quantifiable themselves are the ones which facilitate both vocational and academic achievement and, most importantly, coincide with the identified needs of the potential employers".

The Chairman: Thank you very much for travelling to London and giving us your time today. It has been a very useful session. Thank you very much.

Association of Colleges and Association of School and College Leaders – oral evidence (QQ 87-96)

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Evidence Session No. 10

Heard in Public

Questions 87 - 96

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Ms Pat Brennan-Barrett, principal of Northampton College, Association of Colleges and **Mr Malcolm Trobe**, deputy general secretary, Association of School and College Leaders

Q87 The Chairman: Welcome to this 10th formal evidence session in the inquiry of the Select Committee on Social Mobility into the transition from schools to work. It is important to point out to our witnesses that this session is open to the public. A webcast of the session will go out live and subsequently will be accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and it will also be put on the parliamentary website. A few days after this session you will receive a transcript of your evidence and we would ask you to check it for accuracy. We would be very grateful if any corrections are notified to us as quickly as possible. However, after this session if you wish to clarify or amplify any points you make today or submit any further evidence, you are welcome to submit it to us in writing. If you would like to introduce yourselves for the record and then we will begin the questions.

Ms Pat Brennan-Barrett: I am Pat Brennan-Barrett and I am the principal of Northampton College.

Mr Malcolm Trobe: I am Malcolm Trobe. I am a former secondary school head teacher and now deputy general secretary of the Association of School and College Leaders.

The Chairman: I think it is right to say that university technical colleges, studio schools and career colleges take students at age 14 until 18 or 19. In the last decade or so we have heard a lot about 14 to 19 education. What are the benefits of creating that transition point at age 14, rather than what is seen as the traditional age of 18?

Mr Malcolm Trobe: One of the key issues here is that it gives a great opportunity to motivate young people. If they have specific ideas or areas of interest that they want to pursue, then it gives them the opportunity to go in that direction. Quite clearly, some youngsters will look for an academic direction but others may want to go down the technical or vocational, or what is now called the technical and professional, route, looking to develop those skills alongside their academic skills. It is a potential way of setting some youngsters off on their career pathway. Of course, education for youngsters does not cease at 16 now; it goes on until 18. We have been through several iterations of trying to achieve a coherent 14 to 18 or 14 to 19 programme and investigate what we want youngsters to look at when they finish their education programme at 18, rather than a specific focus in on 16. If you are moving youngsters to give them the opportunity to work with people who have that level of technical skill, whether it is part time in a college or through movement into a different institution, you are going to have more access to people with those skills.

Ms Pat Brennan-Barrett: I would agree with what Malcolm is saying, but I would also say that that point is a critical time when a student is deciding what type of career they are going to have. Opening up technical education and professional pathways to them at that age is very beneficial. However—and you could see the “however” coming—this is the sort of work that further education colleges have done for many years. In my previous college, we had 500 students from age 14 who were on technical courses and achieved very well. One thing to take into account is that colleges could already do the work of UTCs.

The other thing to take into account is where there is a very good UTC brand—for example, in my own area it is Silverstone, which is high-tech sports cars and engineering—if you aspire to that type of career, that is obviously a choice you are going to make. Not many people at 14 know exactly what it is they want to do. I think the political vision and mission has had the unintended consequence, therefore, of some 14 year-olds, who are perhaps not doing so well at school, going to UTCs and not doing particularly well there perhaps because they are

bringing the same issues they had at school into the UTCs. My view is that colleges could do this work. Not all UTCs have been thought through coherently. There is no diagnostic view of where they should be. Where there is a strong brand, they are working well; where there is not, they are not working well, and it is very confusing for parents.

The Chairman: Is this provision available nationally or is it patchy?

Ms Pat Brennan-Barrett: UTCs are available nationally. Some areas might have three and others just one. The vision of the Government is to have a UTC in every city, but I would add some caution here because UTCs are being placed where there is a declining demographic of 14 year-olds. It is at a time when we are moving into austerity for colleges and also area reviews, which I know you are going to ask me about later, and it does not make sense to open a UTC with a small number of students—perhaps 200 or 300, aspiring to 600—when we have colleges that have the capacity to manage the technical qualifications and, equally, at a time when colleges are being asked to reduce their funding significantly. There seems to be a bit of a dichotomy there.

Q88 Baroness Morris of Yardley: Just picking up on something you have said, I am trying to think of the young people who will end up on these 14 to 19 courses who are not in mainstream schools. I am asking you because I think the answer might be different for colleges, for those who come to you at 14 and go through to 19 or whatever, and for those whom the UTCs are trying to recruit. What I want to draw out, considering both colleges and your feelings about UTCs, is exactly what group of people are they serving. You talked about the benefits of 14 to 19. I agree absolutely with Malcolm; I think that analysis was right, but if you are at public school and you are doing A-levels and you end up at Oxbridge, you do not have to find your way through any of this nightmare. It is very cohesive and coherent and it runs through: you do not change schools; you do not change values; you do not change teachers, and you go on. Could you comment on that as well, because I am trying to guess what your answer to the first question might be? If it is the young people who normally have not been successful at school, is there a risk that in this 14 to 19 new approach, a lot of change can knock them off course and be quite difficult for them to deal with, certainly compared with GCSE, A-level and university?

Mr Malcolm Trobe: There is a risk of too early specialisation and directing youngsters very specifically into a career path. That is an element of risk with UTCs, as Pat has already indicated. What we would be looking for is that youngsters would still be on a core

programme which would provide a basic academic education. They need the opportunity to move between pathways, so what we are looking at is not a single straight pathway but pathways which youngsters can cross over.

You mentioned Oxbridge and A-levels, but we do see a higher proportion of people going to university now with alternative qualifications to A-levels. The programmes need to meet the needs of the individual students without cutting off career opportunities. This highlights something that I think you will probably be pulling out later, which is careers advice and the level of support that you are able to give youngsters, because youngsters switching off, youngsters who are having difficulties with their studies and who may become disengaged, occurs before 14. It is very important that engagement comes right through primary and right into the secondary school sector, so that we are motivating students and they can see routes forward.

One of the big difficulties for youngsters, particularly in highly disadvantaged areas, is what they see as the employment prospects. You may not tell it from my accent, but I am a Geordie, and I come from a village called Ashington, which now has something in the region of 30% youth unemployment and generational unemployment going through. One of the key things is to give youngsters hope for their future, so they have to see employment prospects at the end of potential career routes.

Baroness Morris of Yardley: Can you say a little about the demographics of this group you are dealing with? Are they mainly boys, mainly working class?

Mr Malcolm Trobe: White working-class boys are undoubtedly the biggest group. I live and work in Leicester now, which has a very large ethnic population, and you can see very clearly the difference between the white working-class areas and the aspirations the parents have for their children, and which the youngsters therefore pick up themselves, and the aspirations in the Asian population.

Baroness Sharp of Guildford: I was going to ask a slightly different question which is an extension of the first question. There are some people who feel we should, in any case, shift the curriculum towards 14 to 19 as a whole, and given that we have raised the participation age we should be looking at 14 to 19 as a block of education and giving people, as you rightly say, very flexible opportunities within that block. What is your feeling about this?

Ms Pat Brennan-Barrett: Two points. Firstly, it is a really good aspiration, but it is not a natural aspiration. I will answer the first one first, and I am going to give the example of

Northamptonshire. In Northamptonshire we have very low levels of GCSE attainment, the sort of levels we saw in London 20 years ago. We are struggling with that. I have just had 3,000 youngsters come into the college without a GCSE in English and maths, so there are the logistics but also trying to work out how to move them through to level 3 and 4, which is A-level and BTEC level, and beyond.

I have worked with a group of schools, both primary and secondary schools, and I was very surprised to see how interested they were in ensuring that their students had the opportunity to decide the things they wanted to do, not just at age 14 but before that. Even the primary schools were saying that some of the children already know what they want to do—they want to be an engineer or they want to be a nurse—so I think that would work really well. We developed what we called “cradle to career” and it worked really well. We achieved a big intake. The difficulty is if we do not have a national, thought-out, coherent method of moving a student from 14, we will dilute the current education offer, because if you take students out of a school at 14, you are taking £4,400 out with that student and they still have to offer the same amount of support within the school, so that means there could be the redundancy of a teacher or whatever. The view is excellent; it is whether we could do that coherently and diagnostically.

The Chairman: Did you want to add anything to Baroness Morris’s question?

Ms Pat Brennan-Barrett: I was going to say to Baroness Morris that the groups not represented within the UTCs at 14 are particularly boys, and also black and Asian minority groups or students with learning difficulties and disabilities.

Mr Malcolm Trobe: It is still very early days for UTCs and we have already seen two UTCs close—the one in Hackney and the one in the Black Country—because of under-recruitment and in one case falling into an Ofsted category. Early indications are that the recruitment of young women is proportionately significantly lower. Even in one of the most successful UTCs, which is JCB, the number of girls in the college is extremely low. There are significant issues related to that.

Q89 Baroness Berridge: Does high-quality and meaningful work experience happen post 16? Is it monitored and what are the challenges to delivering that?

Ms Pat Brennan-Barrett: As a country we have initiated a new programme for 16 to 18 year-olds called the study programme, which came to fruition in 2013. The study programme is the framework of an education from the age of 16. It includes the main qualification; English

and maths if you do not already have an A to C in English and maths; work experience and then tutorials. Within that framework you must have a student in college for 540 hours a year as a minimum, and work experience is part of that. The whole of the curriculum is geared towards employability because you have English and maths and the main qualification. Nursing, for example, could be a health and social care BTEC qualification perhaps at level 2, or it could be a level 3 or even level 1. Then you have the work experience that has to be related to the aspiration of the young person, i.e. their destination. If that young person wants to be a nurse, you would be looking to place them within some care setting. The challenge is trying to place, in my case, 3,500 youngsters, along with the other two colleges in the county, making 10,000 youngsters, into appropriate work experience. Nevertheless, I think we are doing a reasonable job on that because further education colleges always look to develop employability skills. The logistics are a challenge, but it is a challenge that we can definitely meet.

Mr Malcolm Trobe: The position in schools is slightly different, where the programme is predominantly A-level, and the amount of work experience, or work shadowing, which people are able to deliver is very variable. In other words, in some institutions you are seeing a fair amount of this, but in other institutions the principal focus is on the A-level programmes and you are not seeing a significant amount of work experience.

There are difficulties, as Pat has indicated, one of which is that for some highly skilled jobs it is very difficult to get work experience because the skill which is required even to go in, or the confidentiality issues or health and safety issues, make it very difficult to give a realistic experience of work.

Schools are moving in this way. They are subject to the same study programme rules as colleges, but on investigation you would find the amount of work experience done by those on academic pathways is not as great as those youngsters who are on BTEC or similar vocational pathways.

Ms Pat Brennan-Barrett: Could I add something else on Malcolm's prompt? There are further challenges around the logistics for rural areas. Hospitality and catering is often night work, and it is a question of how you get a youngster into work experience and deliver them home safely. Equally, on the lower level, 1, which is people who may not have a GCSE or only one or two GCSEs, they are not always ready to go out to work experience. We work with

500 employers and we do not want to jeopardise the relationship. We will not send them out if they are not ready. That is a bit of a challenge.

Lord Farmer: You were talking about the practical difficulties of placing 3,500 students. From the other side, from the employers' point of view, particularly from small and medium-sized businesses we have often heard evidence that they do not have too much idea about giving work experience. There seems to be the need for a hub between the education establishments and the employment establishments to channel people into fruitful work experience in the sorts of areas they would like to be. There does not seem to be that, so could you speak to that?

Ms Pat Brennan-Barrett: There is no central hub. I will talk again about Northamptonshire. We have a business unit which includes an employability skills team, and we have had to resource that from precious resources. We have 99% small and medium-sized businesses in Northamptonshire, so we have had that challenge. If you are envisioning a hub that would work diagnostically for a county, that would be wonderful, but I am not sure how it would work because there are so many they would have to manage. We have relationships with the 500 employers that we work with, and we created a project called "100 companies in 100 days". We had a big marketing campaign and we had 100 employers in 100 days willing to take 100 students, but that is only 100. There is a challenge there and a hub would be useful. We have our own hub within the college.

The other thing we have been doing is looking at the strategy for apprenticeships. We are growing apprenticeships and in our college we have 900 now. Apprentices come in to college on day release or they come in on block release. One thing we have been trying to do is swap that apprentice for a student. If the person is coming in to do electrical block release on apprenticeship, we will try and fit a student back into the employer so the employer does not lose when the student comes to college but, equally, we have an opportunity to move a student from level 1 to 2, which is the GCSE level or below, into a work experience opportunity.

Baroness Morris of Yardley: That is a good idea.

Ms Pat Brennan-Barrett: Again, it is the logistics of that.

Mr Malcolm Trobe: There is a great variation in local enterprise partnerships and how effective they are in providing co-ordination. We have the start of The Careers & Enterprise Company, which, essentially, from January next year, is looking to put enterprise advisers

into schools and colleges and give some provision there to do the linkup work with employers. Schools—and I cannot speak for colleges completely on this—sometimes find the time required in setting all this up is difficult, and we have that support. Obviously, we will be interested to see how that develops over the next 12 months as they get their feet on the ground over various parts of the country.

Baroness Berridge: In relation to work experience, we hear a lot in the more academic stream about the usefulness of existing networks and parental support in attaining placements. Is that a factor for these young people as well, or does the way the study programme has been put together mean it is no longer a factor, because it has to be related to the course?

Ms Pat Brennan-Barrett: It is a factor for a minority of students in further education colleges, and I can only talk about my own. Our volumes are 30% at level 3, which is A-level and BTEC, and then 30% at level 2 and the rest at level 1, and the majority of students do not have that opportunity, so we have to find the networks. Colleges network very well with employers and so we have a method of placing students into a reasonable work experience, but it is a big resource and you have to have something back out of it. There is no point in the student going off to make tea; that is not what they are going to engage with. We are trying to meet the employers' needs, and I think FE colleges are really good at being in the community and meeting the need. That means the employer has to be impressed with the work experience, as well as the person on the work experience coming out and realising perhaps they have to learn to work in a team and get better English results as well as being an electrician.

Mr Malcolm Trobe: Pat is absolutely correct there. However, some youngsters will still have an advantage through parental networks and contacts, which Baroness Morris touched on a little bit earlier. Networking does not just work at 14 to 18; it works post degree as well for internships, which does give some youngsters an advantage. If you are a school operating in an area in which the parental group has very little networking or contacts with the type of work that the youngster is looking for, then it is incumbent on the school to go out and do that work. There is a social advantage, if I can use the term, which some youngsters are able to utilise.

Q90 Baroness Blood: Following on from that, we hear a lot about new programmes and this setup and that setup. In your experience, do colleges and schools work together to best support successful education and training for underserved young people?

Ms Pat Brennan-Barrett: We work with the area improvement partnership in Northamptonshire, which is hosted by the college. All the head teachers of the secondary schools within Northampton town attend, and we work together to try and transition students. We have a good working relationship. The head teachers are very passionate about ensuring that the students are getting the right advice to move on and are getting the right support. I am going to answer the second part in a moment. It works really well, but I think that is unusual. I worked in London for 24 years and I did not see a lot of that. It is probably very good practice. We are also invited to the head teachers' conference every term, where we hear what is happening with Ofsted and why there are such low levels of attainment in Northamptonshire. Then, we can start planning our curriculum. If we think we have far too many on level 3, we can open up some more courses on a curriculum mapped for level 1 and ensure we have the disadvantage funding ready to support the level 1 and 2 students so we are not wasting that money. Disadvantage funding is funding we get in colleges to help disadvantaged groups.

Baroness Blood: That is an excellent answer but how widespread is it?

Ms Pat Brennan-Barrett: I do not think it is that wide.

Baroness Blood: It is good practice?

Ms Pat Brennan-Barrett: It is good practice. I will give you some statistics from my own college. We have 76 looked-after children, mostly refugees, and we have had to resource those youngsters. Their success rate, i.e. the number of them who stay in the college and achieve, is 78%, which is 8% below the rest of the college. That is something we are concerned about. Secondly, we support approximately 1,000 students with learning difficulties and disabilities and hidden disabilities. By that I mean dyslexia, dyscalculia—all that hidden disability that is often very misunderstood. Their achievement figure is 82%, so not as much; nevertheless, it is 4% below the rest of the college.

Part of our difficulty is we do not know who is coming. If we had a wider view of the students who were coming, we could start planning way in advance. When we received our 3,000 youngsters last year who did not have a GCSE in English and maths, we were stumped because we were only expecting 1,500. We have caught up, but we have the logistics of that;

we have to fund it against funding cuts, which were 24% at the end of last year, with in July an additional 3.9% and two weeks to implement it. All together that is £1.5 million. You have that constant tension of, “Where do I take that from now? What do I lose?”, but at the same time, particularly in Northamptonshire, we have low levels of attainment and we are not going to give advantage to those who perhaps are not as socially mobile as others. I hope I have answered your question.

Mr Malcolm Trobe: I think that is the exception rather than the rule in what we are seeing. Ideally, we would like the leaders of all our schools and colleges to work together in a regional and area strategy, to ensure that what they are doing is meeting the needs of all the youngsters, no matter what their background or current educational achievement. Unfortunately, the competition there, particularly at 16 to 18, because we are in demographic decline in numbers, means that in some parts of the country we are not seeing the level of collaboration and strategic planning which Pat has indicated.

Q91 Baroness Tyler of Enfield: I would like to declare an interest as Chair of the All-Party Group on Social Mobility and also mention that, because I am going to be asking you about careers advice, about 15 years ago I was deputy chief executive of the Connexions service. What do you think the challenges are facing colleges, sixth-form colleges and indeed schools, to provide high-quality and independent careers advice? We have taken a lot of evidence that not all youngsters are getting the comprehensive, independent advice they need, or being informed of the full range of opportunities, and indeed some have suggested that colleges could act as careers hubs across schools, colleges and employers in their area. I would be interested in your reaction to that.

Ms Pat Brennan-Barrett: I think that is correct. Again it is the unintended consequences—if there is competition you cannot go into schools to give advice. We do not go into schools to give advice unless we are invited. As I said earlier, it is unusual to have the type of working relationship that we have with head teachers, but they are an unusual group of aspirational head teachers. It is really difficult to ensure that 14 year-olds are getting the right advice, because by the time they get to choosing they may well have taken the wrong pathway. In particular, it is difficult at 16, and a lot of students drop out at 17 because they have been given the wrong advice and are on the wrong course, and they have lost a year. As fees start to come down towards 19 when you have to pay, this is going to have devastating

consequences for those who are not attuned to finding out how they can reach their destination.

I think it would be excellent for colleges to be the hubs for careers advice, because we are in the business of employability and putting people into work as well as into higher education. That would be an excellent solution, but at the moment we are on the fringes and it is very difficult to take that forward.

Mr Malcolm Trobe: This is the one area on which Pat and I may disagree. It is the issue about ensuring that the careers advice is independent and is perceived as independent. The difficulty comes once you put it into one institution or one set of institutions. In an ideal world, there should be trust that the advice given is completely independent, but because of the competitive nature it is quite difficult to achieve that at the moment. The key thing is ensuring that youngsters receive an appropriate amount of advice. A lot of the youngsters you are talking about in social mobility need face-to-face advice. They do not have access to that. There is too much, “They’ll be able to get it off the internet”. I am sorry, but some of these youngsters do not have access to the internet and when they do, they are not accessing the type of thing we want them to be looking at. They need one-to-one advice. They need mentoring and support, information, advice and guidance from the type of person they will listen to. It involves not just a careers adviser but a link with someone, for example, who has been through the school and has gone on a similar pathway and is utilised as an alumnus. I am not talking about HE alumni necessarily, but people who have gone through similar routes to whom the youngsters are going to relate.

Baroness Tyler of Enfield: How confident are you that The Careers & Enterprise Company being set up will break down some of these barriers you have both talked about?

Ms Pat Brennan-Barrett: In our local LEP, we have careers advisers going into schools talking about particular careers, and that has worked quite well. The leader for the National Careers Service in our area is coming in to talk to the colleges as well. It is a challenge because, as Malcolm said, there is competition there, and I think we will have to wait and see how it works. It is also very complex and the reason for that is all the reforms and changes in qualifications. You almost need a PhD to understand them. Part of the challenge is how a person gets from A to B without taking the A-level route, and there are several ways they can do that. I am not sure we have that right and I think there is a tension there.

Mr Malcolm Trobe: It is quite difficult. It is too early to say. We have been around this one so many times we should be able to get it right.

Q92 Lord Farmer: In your written evidence you wrote about the 2015 AllAboutCareers survey of 10,000 young people, which indicated that 81% asked parents about careers choices; 63% asked teachers; 45% of parents asked teachers for advice, but 82% of teachers wished they knew more about the options available. My question concerns careers advice. You have this wealth of emotional support, certainly from families, or a significant other these days; it might be an aunt or a friend. Could we connect schools to that in individually tailoring careers advice to the background; rather than just listening to the pupil, you are listening to the people who are with them?

Ms Pat Brennan-Barrett: I think it is right that most young people will ask their teachers, who do not understand what happens at 16 once they leave the school. In my day, we had a careers teacher in my school. Colleges have qualified careers people. It is a level 4 qualification. The simple answer is to have careers advisers in every school or within a cluster of schools. It is not rocket science. We are putting lots of fancy titles in and getting employers to go in and all the rest of it, but a careers teacher in every school or cluster would make a big difference.

Lord Farmer: Connecting with the family or the background—is there something valuable there that a school can have a connection with?

Ms Pat Brennan-Barrett: Connection with?

Lord Farmer: With the pupil's family, who are giving him careers advice anyway, and actually speaking to the teacher about the career.

Ms Pat Brennan-Barrett: Schools know an awful lot about their pupils. They will have connections with the family and know what the challenges are in the family. It is whether the family will engage. Some families will engage, and those are the students who will probably do well, because they have parents who can do the research for them, but there are some families who are not able to engage.

Lord Farmer: I understand that.

Ms Pat Brennan-Barrett: The difficulties are such that they cannot get themselves there. The schools know their students, they will know the families and there is no reason why that cannot happen.

Mr Malcolm Trobe: You are trying to raise the aspirations of young people and give them the guidance, but you are absolutely correct in that you need, wherever you can, to engage with the parents as well, in order to ensure the aspirations line up, because often parents have low aspirations for their children, and it is important, wherever possible, to engage but that does need to be on a face-to-face basis.

Could I say a little bit about teachers? A significant number, although not all teachers, will have gone through a straightforward route into teaching. They will have gone to school, university, done their teacher training and gone into teaching. They do not have, and I think it is unreasonable to expect them to have, a broad-based careers knowledge, which is why we need experts with a breadth of knowledge, because the routes into a whole host of careers are many and varied, so it is an expert job.

Q93 Lord Patel: My question follows on from all the answers you have given as to how we might improve on this. What levers can we identify that might make this happen? What role can the inspection regime play in driving improvements in moving people to employment or further studies, particularly for vulnerable groups?

Ms Pat Brennan-Barrett: The Ofsted inspectors have what is called a common inspection framework work, known as a CIF, and within that CIF there is a category about careers advice. The new CIF has just been launched and we are all waiting for it. In fact, some people have already been inspected. That is the vehicle where Ofsted can seek evidence that careers advice is independent and towards the students' destination, because there is no point in having careers advice without the students' destination.

Again I will use engineering as an example because I am from Northamptonshire. If a young person wants to be a chartered engineer, there are several routes into chartered engineering and it is not just through university. If Ofsted is looking at the destination data, at how many students have had their initial advice and guidance, then that should be sufficient to put a focus on careers advice. However, the new Ofsted is just out, it is just happening and we will have to wait and see.

Mr Malcolm Trobe: One of the helpful things Ofsted does is it runs a series of thematic or focused reviews. One of the things it could do is run a focused review on the transition phase to see how well it is working, because in individual reports it will vary according to the skills of the individual team as to what they pick up on, but their focused or thematic reviews are usually very helpful in looking at specific topics.

Lord Patel: Do you think the new CIF agreement will be good enough to drive this? I know it is just about to start and you do not know, but what is your perception?

Ms Pat Brennan-Barrett: Ofsted is very diligent in what it does. It follows the CIF. It, too, wants to see students aspiring and moving on. It has also put student progress into the CIF. That is about destination; what you need to do to be that electrician, nurse or media person. I think they will focus on that. It is whether they have enough time and resource, because again they have a smaller team now. They only go into schools for a couple of days. If a school is good, there will only be a one-day inspection. If a college is good, there will only be a two-day inspection. It is how they deal with that tension against looking at the careers advice.

Q94 Baroness Sharp of Guildford: I want to ask you a question about the current area reviews, which are recommending that there should be fewer, but perhaps larger and more resilient, providers within the local area. As I read it, that is rationalisation and making larger colleges. What effect is this likely to have on the local area and the region which the college serves? What does it mean for competition between the different types of institutions, and between the colleges and schools within that area?

In asking this question, I should declare an interest because I am about to become the president of the AoC Charitable Trust and I have in the past also been both a college governor and the lead chair of a report looking at colleges in their communities.

Mr Malcolm Trobe: One could say this is a set of reviews with a set of nearly predetermined outcomes. The declared interest is in having fewer, larger, more financially robust colleges. We have a number of concerns related to this. This is a review of the structures, but where is the clear vision about what they want further education to look like in the future? We believe that such an organisational review should be focused on what the function is of further education and, therefore, you need the vision to drive this.

It is interesting to note that it is FE colleges and sixth-form colleges, essentially, and not the wider range of providers—not school sixth forms, although they are touched on, a little unclearly, in the nature of the review. It does not seem wholly rational to do a review of 16 to 18 without considering all the providers and how they will fit into the system.

What we would be looking for from these reviews is an outcome that provides a coherent regional strategy for the delivery of post-16 education, rather than predetermining it. Bigger does not necessarily mean more financially robust, and it does not necessarily mean better.

We have to have the right outcome that is going to deliver what we want in preparing these young people for their future life and their employment.

Ms Pat Brennan-Barrett: It needs a broader mission. It needs to look at the social needs and the demands for learning. The current reviews are going to be focusing on the higher level of need and there is a danger, particularly as we are now looking at social mobility within this forum, we are going to throw the baby out with the bath water with level 1 and level 2.

In my own college we have 51% on level 3 courses, which is BTEC and A-levels; the majority are on BTECs and only a small minority on A-levels. The rest are at or below level 2. I have already spoken to you about our GCSE challenge.

I am really concerned that we need to look at the broader mission for the area reviews. They are obviously financially driven. The concern too, as Malcolm has said, is not including the UTCs and small sixth forms of which we have many, which perhaps are not delivering as well as they could do on the financial front, and also looking at the lower levels of support particularly for ESOL—students with English as a foreign language, of whom we have many. There is a skills gap. We have people coming into our country who have those skills, but they do not have the language. It makes sense to invest in them, but again they are lower level to start with, as well as the 16 to 18 year-olds who are lower level. We also have the group with learning difficulties and disabilities. I am really concerned that we are going to be looking at area reviews for higher technical qualifications—quite right; that is what the country needs—but if you plot the curriculum map, people often start at entry level, level 1 or level 2, which is GCSE level. The area reviews need to take all that into account.

There needs to be a local focus and travel-to-learn patterns. My own area review could have 10 colleges in it. We are not at the top of the list, which we are delighted about, because that means we have time to learn. It is not all about merger and there is a lot of talk about merging colleges. Some colleges should merge because they are not financially viable or the quality is not good enough, but other colleges merging will perhaps take five years out of delivering quality outcomes for learners and the travel-to-learn patterns are going to be difficult. Level 1 and 2 students will not travel. They are tasked with barriers that are difficult for them. They may not have the money to travel. There has been a reduction in bursary and disadvantage funding that make it difficult for them to travel. Some of them can just about get themselves into college; I am not saying all of them—and you are all welcome to come to my college and you will not find that at all, because the young people who come to my

college are just wonderful and we want to give them the best. I am not convinced that the area review outcomes are going to do this.

There is a cost to them. Apparently we have to save £500 million. Somebody will need to check that figure but I believe that is the case. There is £500 million extra in the HE area. I will just leave that there and not say any more. I am concerned there is a misunderstanding of what colleges do and how much we contribute to the economy. There is a report from BIS that says we meet seven of the upward mobility initiatives. That is a lot and we need to make sure that area reviews are going to take that wider review.

My other concern is that we have a separation of policy against reform implementation because our policy is to reform all education. At the moment all the qualifications are being reformed. This is very challenging and very difficult for teachers. We are losing teachers. We cannot recruit them. Then we have the funding initiative, where funding is being taken. It is a bit like the Warnock report in 1978 where we had SEND prioritised and funding taken away. I am worried that will happen during the period of the area reviews.

Baroness Berridge: Can I just drill down a bit? Having grown up in a rural area and having seen some of the evidence, I note that some of our most deprived areas are rural areas, and Northamptonshire is very rural. How is your intake getting to college? Is it bus or train? There has been a change in the driving age as well and I am wondering how many are able to get themselves into college.

Ms Pat Brennan-Barrett: The majority come by bus. We have a train but the train is a bus ride away. We have about 150 students coming from north Milton Keynes and they are looking at a journey of an hour and 10 minutes, but the majority are coming by bus within the town centres. I do not know the percentage but I will get it for you. However, coming in from the small rural villages is a real challenge. I met a youngster the other day who was doing catering and it takes him two hours to get to college. If you are doing catering you have to be in on time because they are never late in catering and hospitality, and he is often not leaving until five; he is doing a very long day. That is only one example, but there will be many examples of youngsters who will be challenged in moving to colleges where we have no local provision.

Perhaps that is what the area review needs to do in its wider mission. As Malcolm said, it is about what we want to get out of it. It cannot be merely about money. We are setting up

the whole system for the next 20 years so we have to have a helicopter view of how it should look and how best it would be for each area.

Mr Malcolm Trobe: There is a significant cost to those youngsters as well because they have to find the money to get themselves to college.

Ms Pat Brennan-Barrett: There will be a cost for the area reviews if we have significant redundancies and closures. We do not know what that will be. I do not want to be alarmist, because I am hoping that will not happen in our college, and that we will be able to work diagnostically with our neighbouring colleges to map a curriculum that is fit for purpose for everybody, including those level 1 students.

Q95 Earl of Kinnoull: I am enjoying the passion of the witnesses. I hope it comes out on the pages of the written record. The Skills Funding Agency has estimated in a letter recently that the funds available for the non-apprenticeship-related adult skills for those aged 15 and 16 will drop by 24%, a rather alarming number. Thinking about further education colleges, how will that affect, first, 16 to 19 year-olds, secondly, 19 to 24 year-olds and, thirdly, the further education colleges in general, providing as they do education and training?

Mr Malcolm Trobe: Could I pick up the 16 to 19 and leave Pat with the other? The 16 to 19 funding is covered by the Education Funding Agency and not the Skills Funding Agency. One of the things we have seen there is a reduction in the funding for 18 year-olds, so the school or college receives a 17.5% reduction in the amount of funding they get for those youngsters who are on the third year of their programme. A lot of those youngsters are on what I would call a standard three-year programme from 16 through to 19. For example, they might do a level 2 BTEC following on from their GCSEs but then move on to a level 3 BTEC, which will take them a further two years. We are seeing a reduction for those youngsters who are spending three years between 16 and 19 gaining a level 3 qualification, so there is an EFA impact as well as the SFA, which Pat is far more conversant with.

Ms Pat Brennan-Barrett: We have already had a cut on top of several cuts. We had an additional 3.9% cut in July. For my college that has meant £1.4 million.

Baroness Stedman-Scott: Out of a turnover of what?

Ms Pat Brennan-Barrett: £28 million, but if you build it up completely, you are looking at cuts in my particular college of £3 million. Some colleges had to cut £5 million because they had big ESOL provision, students with English as a second language. In our college on the 19 to 24 we cut some of the ESOL provision but to make up for that we also increased class

sizes. We already have big class sizes, of 20 students. That is a big class size for students with English as a second language, but we have made it 22. That is putting a lot of pressure on the teachers and we have waiting lists. That is one example.

Secondly, on 16 to 19, as Malcolm said, we have had a cut for 18 year-olds. For a 16 to 17 year-old you have £4,000, compared with a school which has £4,400. For an 18 year-old you have £3,700, but they are in the same class, so they are all on the study programme, because in colleges you do not go up by age, you go up by ability. If you have not had the right careers advice and spent some time doing your AS-levels and decided they were not for you, and you go into college at level 2, you are still in the same class, and we are not going to say to the 18 year-old, "You cannot have that." It means we have to do with less.

Generally in further education it has been devastating. Currently there are 70 colleges in very serious trouble with their finances and another 100 have set a deficit budget. In my own college we have not done that. We have managed to recover by opening up new markets and working very hard to recruit our 16 to 18 year-olds and our apprentices. We are not going to be able to sustain that against this backdrop of cuts. It has been devastating for further education. During the area reviews it is going to be much harder if you are seen to be weak with poor financial outcomes, even though it could be no fault of your own.

Generally if you have a cut, whether it is the FSA or the EFA, it does not really matter, because the college still has to have an estates programme, catering provision, lighting and an HR department. They are just getting smaller and smaller, or you share them with other colleges. The overall impact is that you have a reduced budget and it is much harder to make ends meet, so you are thinking constantly, if somebody is asking for a new member of staff, "Can we afford that? Can we not afford it?"

In our case, we have introduced academic coaches. I never thought I would see the day when I would do that, but I have. It means that some of our lessons are provided by very skilled people who are academic coaches, but they are not teachers and they will look after tutorials or workshops. It is working really well and that is one way we have thought to mitigate continued cuts. However, if we continue to have these cuts, we are not going to be able to replicate the outcomes that we have produced. We really need three-year funding. We have proved as a sector that we can deliver; we have delivered to higher education and to employment with apprentices. We are very robust and we have demonstrated that we are able to change our cultures. Look at what we could do if we had three-year funding: we

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would be able to plan for three years instead of, in my case, two weeks. I was in Ireland when I got the call about the extra cut and I thought, “What on earth are we going to do this time?” We had to implement another cut on 1 August.

Mr Malcolm Trobe: Could I pick up on one of Pat’s points? The base funding level for schools, sixth forms and FE colleges is the same at £4,000. All sixth forms were funded at a higher rate.

Ms Pat Brennan-Barrett: Yes, you are correct.

Mr Malcolm Trobe: The base funding rate is now the same. Post-19, it is an understanding of the use that 19 to 24 year-olds—in fact, adults—make of this, because they are using these programmes often to reskill themselves to move into alternative employment or they are looking to upskill themselves, often at their own partial cost, to progress their careers. There is an impact here on people’s employability if colleges are unable to put in that provision. We have to be very aware of that. One of the key things we say is that education should not be seen as a cost on the budget but as an investment for the future.

Baroness Morris of Yardley: For a third-year student, a 19 year-old, who has perhaps done level 2 and 3, does that third year come out of your 16 to 18 funding or your adult funding?

Mr Malcolm Trobe: 16 to 18.

Ms Pat Brennan-Barrett: If they have started and they are 19, it is SFA and they have to pay 50%.

Baroness Morris of Yardley: But if they have come through from school and stayed three years, it is the EFA.

Mr Malcolm Trobe: Yes. If they do one year at school and then do two years at college, if they start below the age of 18, it is EFA funding.

Ms Pat Brennan-Barrett: It depends on the course. If they are on a year’s course and they are 18, fine, but if it is the second year and they are 19, they have to pay.

Baroness Morris of Yardley: That will come out of adult education.

Ms Pat Brennan-Barrett: That comes out of adult education and they have to pay 50% of the fees.

Q96 Baroness Stedman-Scott: What is the one key suggestion you would make to this Committee that we could recommend to improve upward mobility, employment outcomes and better opportunities for young people?

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Mr Malcolm Trobe: A coherent strategy would be extremely useful. We have lots of different initiatives but what we want is an overarching, coherent strategy with a clear focus and a vision of what we are aiming to achieve.

Ms Pat Brennan-Barrett: Three-year funding and less reform.

The Chairman: That could not have been more succinct. Thank you very much. Thank you for your passion and erudition this morning; it has been very useful. Thank you.

Baker Dearing Educational Trust and Studio Schools Trust – oral evidence (QQ 97-107)

Evidence Session No. 11 *Heard in Public* *Questions 97- 107*
Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Howells of St Davids
Earl of Kinnoull
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Mr David Nicoll, director, Studio Schools Trust and **Mr Charles Parker**, chief executive, Baker Dearing Educational Trust (University Technical Colleges)

Q97 The Chairman: Thank you very much for coming to give evidence to us today. This is the eleventh evidence session in this inquiry of the Select Committee on Social Mobility into the transition from school to work. As I think you know, the session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of the evidence, which will also be put on the parliamentary website. A few days after this evidence session, you will receive a transcript of the evidence, and we ask you to check it for accuracy. We would be very grateful if any corrections were sent to us as quickly as possible. However, if after the session you want to amplify or clarify any points you make, you are perfectly welcome to do so via supplementary written evidence. At this stage it would be very useful if you could introduce yourselves and then we will make progress.

Mr David Nicoll: I am David Nicoll and I am the director of the Studio Schools Trust.

Mr Charles Parker: I am Charles Parker and I run the Baker Dearing Educational Trust.

The Chairman: What benefits are there in following an educational pathway from the age of 14, and what effect, malign or benign, does it have on the students?

Mr Charles Parker: If a child is able to make a choice at the age 13 or 14, they will have reached a stage of their adolescent development where that makes some kind of sense. At present the system involves a compulsory transfer at the age of 11 and then a high-stakes moment at the age of 16, even though we have a mandatory age of participation up to 18. The system may well be out of step with the developmental needs of the child.

Mr David Nicoll: I would largely echo that. We regard these students as young adults. It is an appropriate point at which to start making decisions about which stream they want to follow in the education system, and the schools are designed to offer young people that choice.

Baroness Morris of Yardley: I happen to agree with you. I think it is unanswerable that it should be 14 to 18 and that we should not have this split at 16. At the moment, you are trying to be 14-to-18 in an 11-to-18 system. How much do you think that has been part of the problem with recruitment and some of the difficulties which the UTCs in particular have picked up? Would you go as far as to say that UTCs are pretty dependent on the rest of system changing, because at the moment it must cause a pretty big challenge for you trying to recruit at 14?

Mr Charles Parker: We are an unwelcome intruder into a fairly monolithic system. We represent only 0.4% of the cohort. There are just under 10,000 children in UTCs, but sometimes you would think the roof had fallen in.

Baroness Morris of Yardley: Because they lose £4,000 a student?

Mr Charles Parker: You are right; they lose the general annual grant per child when they come to us. Having said that, you describe the problems of recruitment. UTCs are 41% full, after three years of hard grind against a pretty unforgiving system, and I am pretty pleased with that.

Q98 Baroness Stedman-Scott: What is the contribution of colleges, UTCs and studio schools in creating opportunities for underserved young people? For instance, is there any evidence that there are patterns of working-class boys or groups from particular ethnic minority backgrounds being less successful under the current provision?

Mr David Nicoll: We have certainly found that studio schools tend to be established in areas where there is a very specific problem. Local education institutions are often concerned that a cohort of their larger intake simply is not prospering in the current system. Social mobility is not in fact open to that group. In response to that problem, they then tend to propose a studio school or a UTC, so they are responding to a particular demand. It is very early yet,

but we found that studio schools have a disproportionately large intake of white British students. There is a good deal of evidence that suggests that working-class white British students, particularly boys—again, there is a gender imbalance in the schools—have done particularly badly in the existing system, and their parents are often looking for something that will steer them towards success post-education.

Baroness Berridge: I have a specific question about the funding. You said that the pupil grant moves. Does the pupil premium also move with them? Do you have any statistics about the percentage generally of young people who have the pupil premium and the percentage in your schools? Are you recruiting more or fewer?

Mr Charles Parker: Two answers. First of all, yes, the pupil premium moves with the child. Secondly, we think—and it is quite difficult to do this—that the national average of secondary state-funded children on the pupil premium is of the order of 28%-29%. There are 15 UTCs for which there is data, and we think they are about 30.2%. This goes back to David's answer, which is that the drivers that establish a studio school are slightly different from the drivers that establish a UTC, but we are pretty much on a par with everybody.

Lord Holmes of Richmond: Do you have emerging data on the expected career trajectories of the young people who have attended your schools, and if so, what is that showing?

Mr David Nicoll: There is not a huge amount. These schools are very new. The first two were established in 2010, so only two of them have had a full intake go through the system at all. Early evidence suggests, though, that we are seeing an absence of negatives. It is difficult to say much about long-term positives, but you tend to see young people go on to another destination, and that destination is typically work via an apprenticeship, or further education, or indeed higher education. I am not saying that it never happens, because it would be foolish to claim that, but in a tiny minority of cases pupils become NEETs.

Mr Charles Parker: We have provisional data for the 700 students who left UTCs at the end of year 13 in July 2015. Of those, 24% have gone into apprenticeships, which we think is about three times higher than the national average, 13% have gone into employment and 42% have gone into higher education, but, as David says, both our programmes are young, and therefore we cannot report on a cohort of young adults to see how it really beds in.

Q99 Baroness Sharp of Guildford: We would be interested to know what skills young people who participate in a UTC or studio school gain that are different from the skills they would gain if they remained in mainstream education. What are the benefits to young

people of the project-based learning that both of you support? How does this type of learning prepare young people for employment?

Mr David Nicoll: Our key concern is not technical skills, although some studio schools do offer a fairly technical curriculum. Our concern, I suppose, is providing general employability skills, because we know that in survey after survey employers say, “What we are really concerned about are the skills and attitudes of young people when they come into our businesses”. When we think about young people leaving the education system and social mobility, it is important to recognise that the situation for them is very different from the situation when I left school, for instance. I was competing directly with other 16 year-old Glaswegians. They are now competing with people from literally all over the world. If you are an employer faced with somebody from Guildford who has left school, let us say, and they have not acquired these employability skills that we have talked about, they do not really know how to engage with interviewers. That day the employer may see a smiling Lithuanian who has been motivated enough to travel here from Lithuania and they are going to employ the smiling Lithuanian. It is a massive problem and we are simply not preparing young people to compete in the labour market. We think that these employability skills are absolutely key. The UTCs may have a slightly different view.

Mr Charles Parker: If I come along behind David on that, in the case of a UTC we operate a long school day. We have not quite understood why schools stop at about five minutes past three. We are able, therefore, to put more into the school day. Forty per cent of the time in a UTC before you are 16 is spent on technical subjects, with 60% on academic education, which of course is critical. That ratio reverses for post-16. The answer to your question is that the different skills include team work, presentation skills, how to turn up on time, how to be ready for work, how to engage with adults, because the average age of the community in both our programmes is around the 17th birthday.

Baroness Stedman-Scott: Should the employability skills that you have just described very clearly be part of the mainstream curriculum? Should there be some evidence that young people have achieved a certain standard, so they can say to somebody, “I am ready for work”? I am the patron of a studio school in Rye where we have creative industries. Where you set up a school because there is a particular issue, is that issue predominantly driven by labour market need or because the current provision in that area is not doing it for young people?

Mr David Nicoll: Obviously, there are two parts to this. We believe that employability skills should be part of the curriculum in all schools, and we would like to see our programmes acting as a beacon to other schools. If this is achieving success, we should be incorporating some of these things into the wider education system. This may be jumping ahead to another question later on, but it is about the purpose of a state-funded education system. The purpose of a state-funded education system is not to serve higher education, which is largely what we believe the current Administration sees as the purpose of that system, but is to produce future taxpayers or people who will contribute in some way towards society.

Baroness Stedman-Scott: I love it.

Mr David Nicoll: There is no point investing £100,000 educating a child to the age of 16 and then having no means of working out whether or not that was a sensible investment. If employers are calling for those skills, all schools should include those skills to a greater or lesser extent.

On the second part of your question, I suppose it is a combination of things. We often get emails from local employers saying, “There is a shortage of this type of skill in our area. How can we get involved with the education system?”, or education institutions have identified a specific issue in their area. In Rye, for instance, one of the issues was there was no post-16 provision of any type locally, so they wanted to do something that would fit with the labour market in that area.

Baroness Stedman-Scott: Do you have anything to add?

Mr Charles Parker: In support of David, we discovered that the world of employment and the world of education are separate to a startling extent. They do not understand each other’s drivers. They do not understand each other’s jargon. In university technical colleges we insist that the governing body is controlled by a majority of individuals who have come either from the employers or from the university that wanted to set up the school in the first place. This is forcing, or achieving, a very happy convergence at local level. It provides a sense of immediacy for what is needed in the educational provision there.

Earl of Kinnoull: My question has been very comprehensively answered. It would have been on employability skills.

The Chairman: That is all to the good. Baroness Berridge?

Q100 Baroness Berridge: What is the recruitment and admission process for the pupils to your schools, and what are the challenges to you of recruiting students at age 14?

Mr David Nicoll: They largely have to use the recruitment process that is used in the local authority area. After the first year they become part of that system. They do, though, have to supplement this with marketing the school. They have to make parents, and indeed students, aware that there is a different and new option in the area.

Recruitment at 14 is undoubtedly a huge challenge. Many parents are quite passive about their child's education, and asking them to move their child from an existing institution at the age 14, when they have been able to drift through the system, is often quite difficult.

The thing we have been horrified by is the behaviour of other schools in the area. We have often had other schools behaving in a way that you would charitably describe as hysterical. They simply want to hold on to their children because it is in the best interests of the institution, not the best interests of the student. We jokingly refer to this attitude as head teachers regarding pupils as mobile revenue units. It is that £4,000 or £6,000 issue: why are we going to lose £4,000 or £6,000, or indeed why are we going to lose attainments? That is a big issue for recruitment, and we really have to work very hard on that.

Mr Charles Parker: It is true what is said, but it is worth doing because it is in the interests of the children. Their parents see this when we reach them. The system does not make it easy for us, but that does not mean to say we do not do it; we do.

Baroness Blood: You have more or less answered the question. I was going to ask how you seek to recruit as diverse a range of students as possible to your schools.

Mr David Nicoll: There are things that parents like about studio schools and they do not. The things they like are that they are small schools of about 300 pupils when they are full. Parents quite like that, so you often get a disproportionate number of students who have perhaps struggled or even been bullied in a larger environment. Parents also like the direct link with the world of work. Almost any parent you speak to is concerned about what their child is going to do in this uncertain world and uncertain labour market when they leave school, and having a linkage directly to employment is really important.

We also think it is key that the schools are seen as aspirational environments, so although the schools have specialisms—we think of them as themes rather than specialisms—that is only to describe the schools. Parents are not interested in pedagogy; they are interested in whether their child will prosper when they have left the education system. If you can say that your school is linked to opportunities in engineering, the creative arts, the digital

gaming industries, or whatever it happens to be, that is often a very attractive thing to emphasise.

Baroness Blood: Do I take from your answer that you have a big connection with parents?

Mr David Nicoll: Absolutely, yes, massive.

Q101 Baroness Tyler of Enfield: I want to pursue this theme you have been talking about of competition versus collaboration and then the worlds of education and employment being very different. You alluded already to a number of barriers to good co-operation between bits of the sector, but what would help you to collaborate better with other schools and providers that are dealing with this same age group so there are more incentives to collaborate and you are, as you said yourself, seen not as an unwelcome intruder in the system but as a beacon of good practice?

Mr Charles Parker: We found that when UTCs come into being—and, as you must know, like studio schools we have only been around for three or four years—the first reaction of the system is to shut them down. I can think of a number of areas and cities where they thought they would shut them down. We persist, and we persist because we are completely backed by the employers and the universities. After a number of years, two things have happened in the UTC programme. The first is that once the teachers, who are after all professionals, have worked out that we are not going anywhere—because we are not—they start to think about how to manage with us and to work together in the interests of children, so that is great.

The other thing that happens is that we start to get better known. You will know that there has been no advertising of any sort for either studio schools or UTCs, and we are content with that. We do this by word of mouth. We are already seeing UTCs, and I can think of several UTCs as I speak to you, where the sort of child who is coming in at the age of 14 is very much more closely aligned to the sort of education that is going on in a UTC.

Mr David Nicoll: As with grief, time will heal everything. We introduced a market into education to a group of people who have not had a market before, and that is a difficult thing to suddenly find in your area, but people adjust, and the shorter answer perhaps is that time will take care of that.

Baroness Berridge: Would it be helpful if the Ofsted inspection of schools included a question asking them what links and access they have to studio schools or UTCs? Yes, I understand the point about money, but there are certain situations where a school might have some troublesome children who, although they bring in £4,000, they might want to see

out of their system. Have you had that kind of reaction from education, because it helps their league tables if they have underattainers who go somewhere else? That is what I have been told. I am not a teacher.

Mr David Nicoll: There is no question that in some local authority areas, although not all, we have seen pupils who clearly were not suitable for a studio school but their head teacher simply wanted rid of them, for all sorts of reasons. They are told, “If you go to a studio school you will be given an iPad”, or, “You’ve no option. You’ve got to go to a studio school.”. We had one situation where eight children, who were newly arrived in Britain and could not speak English, were steered by the local authority into quite a small studio school, claiming that their parents, who also could not speak English, settled on this complex and new model they had never heard of as their option of choice. You cannot have project-based learning if people cannot communicate with each other. The local authority, sometimes in collusion with head teachers, simply—and I hate to use this word—dumps the kids they do not want in the rest of the system in newly established, and therefore often undersubscribed schools. The truth is that nothing can be done about that under the current framework.

Mr Charles Parker: This has happened to us, although, as mentioned earlier, as far as we can tell the normal distribution of children on pupil premium and free school meals applies to us as to the entire market. The problem that David describes has happened to us but not in such an extreme way. Having said that, we are comprehensive and we have been very excited by what we have been able to do with young people for whom the previous system was not congenial. A young woman from Wigan UTC, who has started as an engineering apprenticeship at Arup in Manchester, comes straight into my head. There is no way that child would have got through that pathway. I have 42 examples in here, but I have that one to tell you about now.

Q102 Baroness Morris of Yardley: I have changed my question. I would have thought you would welcome the eight children who did not speak English sent to you by the local authority. I do not know why you do not, because that is the nature of being a state school and having a comprehensive intake, because if those children do not come to you, they are going to go to someone else who already has a pile of trouble, without your new buildings and your great government support and the rest of it. Some of this ties in with the question I was going to ask.

I am sure you can see that if a local comprehensive school teacher heard what you have just said, they would say, “Welcome to the real world. This is what running schools is like”. Do you want to go back on that? As a teacher myself, I know that one of the great challenges was to try to do your best, as I think Mr Parker has just said, with the children who do not succeed anywhere else. I can absolutely see that if a child is a damn pain you might be part of the solution, but I thought that was what you were offering.

Mr David Nicoll: It is about proportionality.

Baroness Morris of Yardley: It is for every school, and some schools get an awful lot of these children, and they get them because this is the way the market works, because there are spare places. That is exactly why the average school will get these children: because they have gaps. I am not sure why that should not apply to you.

Mr Charles Parker: You asked us to go back, and I am not going to go back because I did not say we did not welcome children from all sides.

Baroness Morris of Yardley: I think Mr Nicoll did, and I was referring my question to him.

Mr Charles Parker : I am here to help.

Baroness Morris of Yardley: You did talk about welcoming.

Mr Charles Parker: The short point is that we know very well how the system works. We know very well the challenges that our teachers, as much as all teachers, have to put up with. The issue we are reporting on has to do with professionalism. I want the children who come to UTCs, and indeed to studio schools, to have proper records about their prior attainment as opposed to not proper records. I am very happy to deal with people on a level playing field. That is what we are saying.

Mr David Nicoll: I want to emphasise the point that studio schools are not unwelcoming environments for students with a range of abilities. We want these schools to be comprehensive and we want them to reflect their local communities. What is comprehensive in one place is slightly different from comprehensive in another.

Baroness Morris of Yardley: Absolutely, depending on the catchment.

Mr David Nicoll: They should absolutely reflect the local communities. What should not be happening and is—and my response is really to a slightly different question—is that in some cases decisions are being made for students that are not necessarily in the best interests of those students. These schools and these local authorities are not making an assessment to say that these pupils would be better here than they would there and this is how they would

prosper, or whether they would learn better in an environment with project-based learning or do well in a system that emphasised work experience. They are simply saying, “Local schools do not want these kids. We will push them to studio schools.”

Baroness Morris of Yardley: Is the point that there is no one managing this system? In my view, that is the problem, because if you have a gap in a market you go where you want to go and where a parent thinks you best meet the needs of the child. I am worried about the relationship between you and other schools. That is what I am trying to bottom out. If the parents want to come to your school and you have a gap, that is the way the system works, and it is not necessarily always the fault of some Machiavellian person making life difficult for you.

Mr David Nicoll: If it was the parents who were making that decision, you would be absolutely correct. We want parents, and indeed students, to take an active role in education. The parent bodies at studio schools tend to be highly participatory, because they have made an active choice at 14. What we do not want is somebody else making that decision based not on what is best for the student but on what is best for the institution, and we see evidence of that happening all the time.

Baroness Sharp of Guildford: I know much more about UTCs than I do about studio schools. Do you only recruit at 14 or do you take children younger than that? What is your gender balance? Is it mostly boys, because you have the work practice in it, or is it more mixed? I believe the UTCs have a considerable proportion of boys as distinct from girls?

Mr David Nicoll: Originally they were aimed at 14 to 19. We now have some studio schools that start at 13. Essentially, they start from key stage 4, and that starts at 13 in some places. The gender balance across the piece is 56% boys and 44% girls, but there are massive imbalances within individual schools. The school in Devon, which themes around health specialisms, has more girls than boys. In some of the schools that are looking at engineering, I am afraid to say, despite all the work and advertising that goes on, there are more boys than girls.

Baroness Sharp of Guildford: One quick one to Mr Parker. How do you find the parents react to your emphasis on the longer working day? I believe that you also have very short holidays.

Mr Charles Parker: The parents like it very much because their children are not wandering around in the afternoon. Everybody gets home at roughly the same time and the

“homework” has been done. There are two groups who find it slightly more difficult to adapt, and they are the teachers and the children, but we found after really quite a short time that both sets in the UTC get used to it, as indeed they do in many other countries in Europe.

Q103 Baroness Howells of St Davids: Education has always been a bugbear for people from the African Caribbean community. In the Caribbean, English education was thought of very highly. We always had a problem that people born here are less able to enter into further education, university and so on, because of the teaching they received in the lower schools. Do you feel the education you are providing is helping those children to get on? The Caribbean community spends masses of money getting outside people, who are non-teachers, to teach them and help them along to get them into further education. Is there a problem with the families, with the children or with the education you are giving?

Mr David Nicoll: We found across the piece for boys, and indeed girls from an Afro-Caribbean background, that the percentages are broadly in line with the background ethnicity statistics of a particular area. In some studio schools, pupils from an Afro-Caribbean background are very well represented indeed because their community is also well represented locally. The group we have struggled with in recruitment is pupils from a south Asian heritage. That has been the most difficult ethnicity for us to recruit from.

Baroness Howells of St Davids: There is a change.

Mr David Nicoll: Definitely, there is no question of that.

Mr Charles Parker: If I have understood your question, I have nothing to add to the answer. Similar to studio schools, we are embedded in the locality, and we are established in areas where there are skills shortages. The UTC in the High Street of West Bromwich has a shortage of people going into all the health professions—health engineers and health technicians—and it happens to be right in the middle of a community with a high proportion of children from ethnic minorities. We reflect the communities. I do not think we can help you with special outcomes for Afro-Caribbean, if that is what is behind your question. At least I do not think UTCs can.

Baroness Howells of St Davids: Thank you. I realise that you are not in an area where that is a problem, but for Caribbean people it is a massive problem. One of the things that we have found is that it has been a big issue relating to the Caribbean community. When my children went to school, there was this strong supposition of where we came from, and the result

was that we had to take their education in hand for both of them. I wondered if this has changed?

Mr Charles Parker: We have not seen this.

Q104 Lord Farmer: Can we move from recruitment to careers advice and preparation for leaving? What are the challenges and the benefits in delivering careers advice in UTCs and studio schools? How can careers be delivered to meet the government standards for 16 to 18 year-olds?

Mr Charles Parker: Our schools have a highly significant element of work experience as part of the model. From 16 students will often do two days a week with an external employer. At 14 and 15 they will do half a day a week or a day a fortnight. That is important for various reasons, and I will not go into all of them here because it will take too long to answer your question, but the careers advice they are getting is partly through participating in the world of work.

Mr David Nicoll: The world of work is invisible to many young people in a way that perhaps it was not—and I hate to make generalisations about the age of anybody in the room—to us. My father, grandfather and great grandfather were all shipyard workers, and for a long time I thought that I did not have a proper job because I did not work in the shipyards. However, work was highly visible to me and that pattern was common in working-class communities. Now people do not know so much about what their parents do. Take other occupations such as a train driver. It was a cliché 80 years ago that boys wanted to be train drivers. When was the last time you heard anybody say they wanted to be a train driver? Yet on the London Underground they are earning £50,000 to £60,000, and on Virgin mainline it is in the mid to high £30,000s. There are good jobs that are simply invisible to young people. We think that work experience says to them, “Here are things I could do”, or, “Here are things I don’t want to do at all”, because they have sampled that, and rather than a careers adviser sitting in an office with them for however long, they are participating in the labour market. We think that is pretty effective.

Lord Farmer: Do you have specific contacts with certain companies for work experience? Do you have a menu and if you talk to a boy or girl, do you say, “Which of these would you like to do?”. How does that work?

Mr David Nicoll: It would be going too far to say there is a huge choice. There are work experience opportunities for all young people. We see it as important that the work

experience opportunities do not relate to the specialism of the school. If you take a studio school that specialised in creative arts, the work experience could take place in the local Tesco because in Tesco they are learning about reliability, team working, customer service, and seeing how hierarchies work and things like that. The work experience is critical but it does not necessarily have to relate to the specialism.

Mr Charles Parker: We have to overcome a quite colossal image problem. One example is the phrase “creative industries”. I do not think there is any profession that is much more creative than engineering. We therefore have to get over a very large hump of what is or is not understood. We would argue that careers advice in UTCs is second to none simply because of the profound engagement that there is between the employers and the school. I mentioned the control of the governing body and you heard us both talk about project-based learning. This is done by employers both informing and being involved with the projects. One of the problems in recruitment that we did not expect is the number of students who leave us at age of 16. Why? Because they are going off to apprenticeships to work with the employers who tell me they had a two-year job interview. We have many problems, which we have discussed this morning, but this is not one of them.

Q105 Earl of Kinnoull: Can I go back to the topic of work experience? How much meaningful and high-quality work experience is currently going on in the UK? How can you measure whether it is going on into the future? What are the big challenges to obtaining high-quality work experience?

Mr David Nicoll: One of the reasons why we wanted to build in regular and frequent work experience was that when we surveyed the existing system, it did not seem to be very effective at all. Essentially, somebody was perhaps doing a week or two weeks at one point during the course of their studies. It was all done on the basis of, “Can you do us a favour?”, so the employer was asked to do a favour and the child often got nothing out of it.

If I can use a personal anecdote here, the school my daughter attended made a hash of things. I said that she could come to my office and do a week with me; I arranged it as a parent and as an employer. During that week, I received two phone calls from the school, two emails and two forms to complete. It was a bit of a nuisance actually, and all my daughter got out of it was that she never wanted to work with her father. I do not think any of that was terribly helpful.

For work experience to be really effective it has to be regular and frequent. The pitch to employers is quite different then. You are then saying to employers that these young people are part-time employees of yours, that they will be productive and contribute in different ways to your business. You are not asking them to do a favour. You are offering something for which they can do a very rough cost benefit analysis and decide whether it works in their favour. We have not found the slightest difficulty anywhere engaging employers in this programme.

Mr Charles Parker: You will probably know that virtually all 14 to 16 year-olds used to do work experience. We have no figures after 2008-09 as we think that is the last year they were collected, when more than half a million students had a placement of at least one week in key stage 4. The placements were provided by 404,000 employers, of whom 60,000 had not provided placements the year before. As David says, it is not that difficult. There is no problem with the Association of British Insurers. People understand that children must not deal with dangerous equipment, et cetera. In UTCs, work experience is built in to the project-based learning.

There are only two groups of people I am aware of who have ever been backwards on the London Eye. One group is the hydraulics engineers from Robert Bosch, who have the contract to do the job, and the other is the students from the JCB Academy for whom it is the end of their project working out how to do the job.

Lord Farmer: Coming on to this whole area of the child going into employment, I know the UTCs are funded by universities and employers, and that you have very good connections with them. With the small and medium-sized employers, it is quite complex to have a department that will say, "Let's connect with UTCs and state schools and offer them jobs for their pupils". There are practical difficulties there for each one, particularly if you are small. How do you engage with the local employers? How comprehensive is it, and what lessons have been learnt in this process? What challenges are still to be overcome here?

Mr David Nicoll: Studio schools typically interact with small and medium-sized enterprises and, if their specialism is something such as creativity, often microbusinesses rather than very large organisations. That interaction has been extraordinarily straightforward. The schools simply describe to the employers what they are doing and what they are asking of employers, and the typical response is, "We want to take part".

I am also conscious—and this applies partly to the last question as well—that although we are doing something difficult we are also in a privileged position, because there are tiny numbers of schools that are making that ask of employers. If the entirety of the state system was to do the same thing, it would grind to a halt very quickly. Although there are some wider lessons to be learnt from what we are doing, I do not think we could replicate it right through the system.

Q106 Baroness Berridge: I have two specific questions. First, do you have any statistics for the percentage of children in your school in local authority care? Secondly, have you had any approaches or are there any plans or research going into whether your model would work more effectively in the young offender institution environment, where often employers already provide work-based placements on the estate?

Mr Charles Parker: No and no. I have no information about this and I do not know the answer to your second question either.

The Chairman: Do you want to make some comments in relation to the previous question about employer engagement?

Mr Charles Parker: Yes. One of the strengths of the model of the UTC is that we are not putting UTCs into towns because some official has decided that a target must be reached. The UTCs develop because the employers and the university in a given region have decided that they need this form of provision. What that does automatically is encourage them to be interested in it. We insist that they control the governing body, as I mentioned before, and you heard about the project-based learning. As David says, we seek to achieve a balance in a given UTC between the large companies, which will typically have a certain amount of capacity to do the work that is needed—and work is needed—and the small and medium-sized enterprises that do not but are very often embedded in an area. For that reason we are developing this very happy merger between these two unfamiliar worlds. You asked about lessons learnt, and again I am nervous of generalisations, but the UTCs with more challenges tend to be the ones where the employment contribution has not been as strongly embedded as in the most successful ones.

Lord Farmer: I may be ignorant, but with the UTC being technical, is there a restriction on the work that pupils can go on to, from the point of view that they are in a technical college, and it might be engineering and what you have spoken about, rather than art or something?

Mr Charles Parker: I do not think so, for two reasons. First of all, we are obliged in the 60% of the time not spent on the technical and the project-based to provide the academic grounding that every young person needs, as we should be.

The second thing, strangely, is that we have moved into a world where, if a young person does not know what to do with their lives and they are numerate, if they understand engineering and problem solving and how to create things they are not going to be short of work, whereas individuals who have gone up the PPE track some years ago will be struggling more in the modern environment.

The Chairman: Would you like to respond to Baroness Berridge's question?

Mr David Nicoll: I am afraid we do not have any statistics on the number of children who are in care and attending studio schools. Regarding the Prison Service and young offenders, a few years ago we had a discussion with an official from the Prison Service. They approached us because they thought this might work if they looked at different ways to provide ex-offenders with the skills they needed. We know that recidivism is highly related to whether you are employed or not, and if you can make ex-offenders more employable they are less liable to fall back into crime. It is something we would like to see. We have to think about—and I hate to use this word—branding issues, but as an approach, we think it would work in the judicial system.

Q107 Lord Patel: You have both been pretty robust in your evidence and that is good, but I would like to ask what one recommendation each of you might wish to have this Committee make that would make a difference in improving social mobility, employment outcomes and opportunities for school leavers?

Mr Charles Parker: The recommendation that I would make in your position will not be popular.

Lord Patel: We are not bothered by that.

Mr Charles Parker: Good. Everyone in my little world would agree with this, starting with my chairman, and that is that the national curriculum ends two years too late. The national curriculum should end at 14. Every child should have standard education up to the age of 14 and at that point every child should be offered a chance to follow their interests where they lie. This will help children who are otherwise at risk of becoming disengaged, because they do not find the offer congenial while they are going through their adolescence and they do not necessarily have the motivation from home that tells them to knuckle down and get on

with it, which goes to your social mobility point. They are offered something that they find congenial, and, in the case of UTCs and the whole technical education piece, that will produce more of the right young people joining the workplace. That is what I would do: I would bring it back to 14 and then I would introduce a range of choices.

Lord Patel: Do we have any evidence from anywhere to back up that proposal?

Mr Charles Parker: The evidence we have is what we have been talking about for the last hour. We have been able to introduce ourselves into this monolithic system where we take children on at the age of 14 and put up with all the difficulties that have been discussed, because we are completely convinced it is right.

Lord Patel: Thank you. That is certainly radical.

Mr Charles Parker: It may be seen as radical. Forgive me, Chairman, I think that it is just following the development of children and the requirements of the workplace; the thing that has not caught up is the system itself.

Mr David Nicoll: I would echo much of that. Having what are, essentially, terminal examinations, GCSCs, in the midpoint of secondary education makes no sense at all, and it distorts everything around the education system. Since Charles has already made that request, the one I would make is slightly more modest, and it is about advice and guidance. Pupils simply are not given a proper sense of what is available to them in their area. There may be rules and regulations that say you can do this, but there are ways for people to wriggle around those. We would like to see teeth given to these regulations and sanctions applied against existing schools that do not give children the opportunity to understand what is available in their locality.

The Chairman: Thank you very much. It has been an excellent evidence session. I thank both of our witnesses and draw the session to a close.

Ofsted – oral evidence (QQ 108-118)

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Evidence Session No. 12

Heard in Public

Questions 108 - 118

Members present

Baroness Corston (Chairman)

Baroness Berridge

Baroness Blood

Lord Farmer

Lord Holmes of Richmond

Earl of Kinnoull

Baroness Howells of St Davids

Baroness Morris of Yardley

Baroness Sharp of Guildford

Baroness Stedman-Scott

Baroness Tyler of Enfield

Examination of Witnesses

Sir Michael Wilshaw, Her Majesty's Chief Inspector of Education, Children's Services and Skills, and **Matthew Coffey**, Chief Operating Officer, Ofsted

Q108 The Chairman: I would like to remind everybody present that at 11 o'clock the bells will ring and we will have the two minutes' silence for Armistice Day.

I would like to welcome Sir Michael Wilshaw and Matthew Coffey from Ofsted. Having done this before, you will appreciate that this session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and it will be put on the parliamentary website. Shortly after this evidence session, you will receive a copy of the transcript. We ask you to check it for accuracy and advise us of any corrections as quickly as possible. If you want to clarify or amplify any points that were made during the evidence session, or you want to make any additional points, you are welcome to submit supplementary written evidence. It might be useful if you introduce yourselves for the record.

Sir Michael Wilshaw: I am Michael Wilshaw, chief inspector at Ofsted.

Matthew Coffey: I am Matthew Coffey, chief operating officer of Ofsted.

The Chairman: As you know, we are very concerned about employment opportunities and social mobility for groups that could be called underserved or middle attainers, or who have

been described to us as the “overlooked majority”. In your view, should Ofsted have a greater role in improving opportunities for these young people?

Sir Michael Wilshaw: As you probably know, Ofsted was founded in 1992. If you look back at the history of Ofsted, over those 22 years, you will see that Ofsted was set up because there was widespread concern and deep anxiety on the part of government that standards were not high enough and that this country was doing badly in relation to its competitors. The youngsters who were doing especially badly were average youngsters and poor children. There was a sense of deep malaise at the time and Ofsted was founded—as one of the accountability measures brought in at the time—to try to raise standards through inspection, and by challenging the system to do better, but also supporting schools through inspection to do better.

Over that 22-year period, Ofsted has played a key part in raising standards for all children. Have we been universally successful, or successful with, for example, white British youngsters in certain parts of the country? No, we have not. However, what it was like before is not often discussed. I speak from personal experience because I was a teacher in the 1970s and saw how low standards were in London. Look at London now. In 1985, I started as a head teacher in east London and remember the terrible standards at that time. Compared to that period—what I call the lost generations of the 1960s, 1970s and 1980s—this country is doing significantly better. I want to say that at the very start. Although you read in the press that this country is not doing well against its international competitors, and all the rest of it, and that social mobility is not as great as it should be, compared to where it was it is doing significantly better for all children, although perhaps not as well for certain ethnic groups living in certain parts of the country.

The Chairman: So, in your view, who should have responsibility for guiding young people through the transition from school to post-16 provision and then into employment? We understand the focus on going to university, but what about the people who do not take that route?

Sir Michael Wilshaw: We produced a report two years ago on careers education and vocational guidance in schools. It was a very critical report. We said that not enough was being done to promote careers in schools. It was not a government priority at the time. Head teachers were not taking careers education as seriously as they should have been and, as a consequence, those youngsters for whom progression to university was not necessarily the

right thing for them to follow were being abandoned and not given sufficient help and support. It was a very critical report and, since then, inspectors have seen a bit of a pick-up, but not much.

It is now a key part of our framework for inspection. A key thing that inspectors from the HMI look at when inspecting secondary schools under the heading of personal development is what is being done to help and support youngsters to progress to their next stage of education, particularly where the route is not necessarily on to level 3 programmes, A-level programmes and on to university. They inspect what is being done to talk about apprenticeships, what is being done to engage with local employers, what is being done to bring FE providers into schools to help and support youngsters into their next stage of education. A large number of youngsters who do not go down the traditional academic route will end up in further education institutions, and they need to know more about them and what courses and programmes of study they offer.

The Chairman: So you have no role beyond that? For example, if a young person left school at 16 and was offered two days a week training and was expected to hang around for the other three days of the week, is that the kind of thing you would take up with the school?

Sir Michael Wilshaw: We inspect a school's provision for guidance and careers education. Our job is not to establish the school's policies or what the school is doing to promote careers education. Our job is to look at that, but it is really up to the school to determine what is most successful for their children.

The Chairman: So the transition from school into employment is not really your responsibility?

Sir Michael Wilshaw: It is our responsibility to inspect against that issue, but it is the responsibility of schools and post-16 providers to ensure that youngsters have the best possible opportunities to do as well as they possibly can.

The Chairman: Do you want to come in, Mr Coffey?

Matthew Coffey: I agree entirely with what Michael has said. It is within Ofsted's power to highlight the issues, some of which you are highlighting here in your questioning, and bring those to the attention of the decision-makers. In this respect, particularly in post-16, bearing in mind that post-16 providers are autonomous individual businesses, there is a significant role for the Government on policy and the way they fund providers to act. In our 2013 annual report, we were severely critical of the system and posed the question, "Is the

system broken?”, because people were not talking to each other and allowing these situations to happen. Ofsted will continue to highlight where these problems occur in an individual institution and, more broadly, take a look back so that we can spot those transitional arrangements.

Ofsted has been re-organised into eight regions, and the regional teams of HMI are able to see what is going on across a local authority area. The great challenge is always who is ultimately responsible, so we continue to publish our reports and shout louder and louder where we see these things happening.

Sir Michael Wilshaw: I think that point needs to be emphasised. Our job as an inspectorate is to go in and inspect against published criteria and frameworks. Once we have done that and come to a judgment, it is up to policy-makers to come up with solutions to the problems that we have identified.

Q109 Baroness Morris of Yardley: I just want to take that further. I accept entirely what you have just said about inspecting against a framework, but in a way this area is a victim of the success of another area. To go back to what you said to begin with, Sir Michael, about the improvement in standards and higher aspirations and most children doing better, Ofsted, among other things, has played a role over the years in putting into place incentives for working with those children. It has happened because schools have been incentivised to address those issues. Could you explore this a little? The success has been that more children go to university and more people from different backgrounds aspire to do that, and I would not want to belittle that success story at all. I know you can only speak for Ofsted, but Ofsted and the rest of the system have never been successful at incentivising schools to offer people these other routes. We yell at them that they do not do careers education properly, but they are not qualified to do it. It is the same as not having a trained maths teacher. Lots of teachers do not have the qualifications or the experience. We shout at them for not doing that, but in truth in the more academic area, the system and Ofsted incentivised schools to put children in for GCSEs and to have high aspirations, targets and all the rest of it.

Looking back, or looking forward, is there more that Ofsted could do to give that clear message that for some children going down the non-university path is appropriate and does reflect higher aspirations and ambitions? Is there anything you could do to incentivise that

discussion at school level so that it becomes something that is not second-place for schools, but rises to the top of their agenda?

Sir Michael Wilshaw: In response to one of the previous questions, the fact that we have prioritised careers education and vocational guidance in our inspections means that head teachers are now concerned about what inspectors will say about their judgments in that area in a way that they were not before. It is also up to Her Majesty's Government to say important things about this. It is not just about progression. We want as many youngsters with the capacity to go on to do academic courses, and to university, from a range of backgrounds. Of course, we want that, and many more are doing so, but there are some youngsters for whom that is not appropriate, who need to go into apprenticeships, who need high-quality vocational provision. At 16, only 5% of youngsters go into apprenticeships, 3% of whom come from disadvantaged backgrounds. That is a nonsense. It is not only up to Ofsted to say that careers guidance is important and that it should be balanced for all children; it is also up to the Government to say that they are going to promote both, that a successful school is about developing both, and making that is a strong political issue. Perhaps government has not done that as successfully as it should have done.

We need to say a lot more about apprenticeships. You probably saw what we said a few weeks ago about low-quality apprenticeships. We were very critical of existing programmes. Perhaps government should say a lot more about what it is going to do to promote a strong vocational offer in schools post-16. It is not just up to Ofsted to say what we should do.

Baroness Morris of Yardley: I accept that entirely, but is it about something other than careers guidance? Could you inspect against anything else in the inspection framework when you are in schools? Careers guidance is an obvious one. If that is poor, children will not make sensible decisions. Is there another way we can incentivise using the curriculum, school organisation, quality of leadership, or links with industry? At the moment, the incentives tend to be for EBacc and things like that. I know that EBacc is for these young people as well, but when you look at the system across the board and talk to heads, the incentives are all in one direction.

Sir Michael Wilshaw: You are quite right on that one. The EBacc figures are pretty poor. Only one in five youngsters achieve the EBacc qualification, and there will be plenty of youngsters for whom that is not an appropriate programme. The Government might not agree, but there will be some youngsters for whom an alternative programme would be more suitable.

At the end of the day, Ofsted makes a judgment on the quality of provision in the school and the sorts of programmes of study that the school offers, but even more importantly it makes a judgment about the quality of leadership in the school, because everything is determined by the drive and determination of the head teacher and senior team to deliver good outcomes for all children. A good leader will come to common-sense decisions about careers guidance. Go to any good secondary school and you will see a good secondary school head identifying a suitable, and suitably senior, person in the school who will co-ordinate careers education, who will make sure there is one-to-one tuition, who will make sure they bring local business leaders into the school and heavily engage with the business world, who will make sure local FE colleges come to the open evenings and make sure youngsters know what opportunities exist outside the school. Inspectors often go into secondary schools and find that because head teachers are so concerned about filling their sixth forms to ensure that their budgets are strong, they will give the wrong advice to youngsters and be selfish in their careers advice.

Increasingly, we are critical in our secondary school reports. I have put in a sub-judgment about the sixth form that did not exist before. The judgment includes whether you are offering good careers provision, ensuring that your children are getting the right advice, whether your sixth form is viable, with a broad and balanced curriculum, and whether some of your youngsters should be heading in different directions.

Lord Farmer: Just a very brief and direct question with regard to this. If, in your inspection of a school, you found that the quality of the careers guidance was poor but the rest of the school was outstanding, would that affect the inspectorate's decision as to whether the school was outstanding, very good, good or failing?

Sir Michael Wilshaw: That is a good question and a very difficult one. If everything else in the school—provision, progress, outcomes and behaviour—is good, it would be very difficult to mark that school down just because careers provision was not as good as it should have been. The most successful heads want everything to be good in their school, and really understand that good careers education is not a bolt-on but an integral part of raising achievement. Going back to my experience as a secondary head, once children know that by working hard they will achieve good outcomes and have a better chance of employment, they will work that much harder in school, and the school will do well. The short answer is

probably that we would not mark a school down, but we would certainly put in our report that careers education and personal development were not good.

Lord Farmer: If the heads knew that they might be marked down, it would certainly be an incentive for them to give good careers guidance.

Sir Michael Wilshaw: If the school is on the cusp, and there are all sorts of other things that are not going well in the school, that could be a tipping point.

Baroness Berridge: In relation to the point you made about post-16 provision and wanting to fill places in the sixth form, obviously good leaders should be making decisions that are in the best interests of each child. At our last evidence session we heard evidence from the studio schools and the UTCs, which I know are a very small part of the provision at the moment. They are trying to recruit from the head teachers' existing cohort at 14, which means a potential loss of pupil premium if a child in your secondary decides to leave midstream. Is there a place within the inspection framework to include what promotion there has been within the existing school of the local, small—and I recognise it is small—studio school or the UTC as alternatives, because unless you do that I cannot see very many head teachers wanting to lose a pupil at age 14 from their existing school?

Sir Michael Wilshaw: Matthew will say something, because he is the expert on this. What you have said is right: head teachers are reluctant to lose any of their children for budgetary reasons, and the ones they are prepared to lose are often the disaffected, the demotivated, and so on. That is why a number of UTCs are not working particularly well. This is a structural issue for schools. As more and more schools join partnerships of one kind or another—collaborations, federations, clusters, chains, et cetera—under the leadership of a very good leader, it seems to me entirely possible that that leader could make a decision about the constituent elements within that partnership and say that that particular institution is going to be the 14-to-19 vocational centre for this partnership, to be the UTC, and not make a decision on entry based solely on behaviour and those sorts of issues, but on whether that particular individual child would benefit from a more vocational route.

Baroness Berridge: Could it be part of the inspection process—I know it is not at the moment—to ask whether there is a UTC or studio school within a particular school's environment and whether there is any evidence of promotion of them by the school? Is there anything in principle to stop that being part of the inspection?

Sir Michael Wilshaw: No, there is not.

Matthew Coffey: That is part of the evidence the inspectors would gather in order to judge the school on its approach and success in relation to careers. They would talk to the head teacher and see evidence of the relationships that the head teacher has with local provision, particularly when they see the published accountability data, which are clearly based on GCSEs, and which is the big incentive for schools of course. I will come back to that in a second. Where they see that dropping, particularly for the free school meal children, inspectors will want to understand what the head teacher is doing to provide alternative routes for those children.

On Lord Farmer's question about careers advice on its own, I would say that poor careers advice manifests itself in a variety of ways. It is unlikely that an individual school would be graded as good for everything but careers advice, because you would see that those children who had been advised to stay on in the sixth form would not stay for the full two years of their A-levels, because at the end of the day they would realise that is not what they want to do, and inspectors would identify that as well.

To provide incentives for these schools to do much more, we have to continue to put pressure on the Government, as we have done through our successive annual reports, about destinations data. If we start to publish destinations for schools, we can ask the "so what?" question: "Where are these young people going, and what impact is it having?"

The Committee paused for two minutes' silence.

Q110 Baroness Sharp of Guildford: We have covered a lot of the careers ground. A couple of years ago you produced a report on careers. Have you seen any evidence of schools improving their performance on careers since then? At the moment we are concentrating entirely on schools rather than colleges, yet quite a lot of these youngsters shift over to colleges at age 16, and the advice they get when they arrive at college about the courses they could take and the careers they want to do is vital. You also inspect colleges. What is your opinion of the advice young people are getting from colleges at that stage?

Sir Michael Wilshaw: We have seen some improvement in our inspections and, as I said in answer to a previous question, careers education and progression to sixth form and the quality of sixth form provision is a sub-judgment in our reports in a way that it was not before, and obviously head teachers have taken note of that and are worrying about it a lot

more than they were. Many youngsters enter FE, often on very poor advice. Head teachers are very good at saying, “Stay on in our sixth form, or study A-levels and go off to university”. They are not very good at understanding what FE provides. They are not very good at understanding apprenticeships and the best routes for youngsters to go into them. They are not very good at engaging with business. The best heads and best schools are. What we have to do as a nation—never mind Ofsted and our framework—is to make sure that we give greater emphasis to strong vocational education in a way that we have not done for the last half century. We have to make sure that careers education and guidance is good. We have to make sure that those youngsters who do not go down the A-level path and on to university get high-quality provision in a way in which over the last half century often they have not.

Q111 Baroness Howells of St Davids: I have looked at Ofsted reports for a long time and have never seen anybody take on board the ethnicity of teachers in schools. The more I visit schools the more appalled I am, because some teachers are teaching classes where 40 different languages are spoken. What happens there, and is that responsible for some of the defects we find regarding the black community?

Sir Michael Wilshaw: I worked in London for over 40 years in very diverse institutions, with large numbers of children for whom English was not their first language, who came from a range of different backgrounds and ethnicities. What I was looking for in the people we appointed was good teachers who could teach in that sort of environment and who had a passion for raising achievement across the school for children from different backgrounds and different abilities. Obviously I wanted the diversity and ethnicity of the staff to reflect the youngsters in the school. Sometimes that was very difficult to achieve, but we did all we could. I always adopted a philosophy of positive discrimination, which meant that if two people of equal merit and equal qualifications applied for a job, and one represented an ethnic group that was underrepresented in the school, I would appoint that person, but they had to be of equal merit. If that was not the case, I would be falling foul of the law, never mind anything else.

Baroness Howells of St Davids: Let me say that positive discrimination was, and still is, against the law. We worked on affirmative action and I am sure that is what you meant you were doing.

Sir Michael Wilshaw: Whatever you wish to call it. It was where you had two people of equal merit.

Baroness Howells of St Davids: We do not want the standards to be lowered by anyone. You may have answered my question, but I want to follow that up by asking another. There is a real difference in people coming from the Caribbean to enter university here because they do not have any special needs, but we find that our young people here need special help outside school. Is that your experience, not as a head teacher but as somebody from Ofsted? Do you look at those sorts of minutiae?

Sir Michael Wilshaw: I was the head of a school where 80% of the youngsters came from an Afro-Caribbean background. It was mainly Caribbean youngsters, because it was a Catholic secondary school, and they did extraordinarily well. They did extraordinarily well because they were taught well by good teachers. They not only taught them well in the classroom but taught them outside school. They taught them in the twilight hours and at weekends and promoted literacy, numeracy and basic skills, and prepared them well for their examinations—a philosophy and culture almost universally supported by the parents.

Q112 Earl of Kinnoull: I want to turn to data as a subject and to the middle attainers, the group that we are interested in. How can data be used to improve outcomes for that group? What mechanisms can be put in place to improve data-gathering? Those are general questions, but there are two specific areas we have come across where data-gathering seems to be very poor. The first is for the category “current activity not known” and the second is destinations data from the independent providers.

Sir Michael Wilshaw: The first thing I should say is that the data we have on school performance is infinitely better than it was years ago. I do not know if you have had an opportunity to look at the RAISEonline data, which the school has and which we have before we inspect, which show how the school is doing regarding progress and outcomes and compared to schools with similar intakes. They will also show in great detail how particular groups of children—children from different ability ranges, children with special needs, children from disadvantaged groups—are doing in the school. They will show how the most able youngsters are doing. They will track youngsters’ progress at key stage 2 and so on. The data we have on schools now is very sophisticated and very good. It helps the inspectorate as well as head teachers to identify issues at an early stage and deal with them.

You are quite right that the data only goes so far, and is not particularly good on youngsters who fall out of the system at 16 and beyond. I suppose this is an organisational issue. It becomes the responsibility of the local authority to gather that data when they leave school

and go into FE. Some of them do not do it well. They are not inspected against it. As local authorities have declined in importance over the years, this has been one of the key consequences of that. Often they lack the personnel and the resources to do this properly. It is a major issue when a youngster drops out at 17, and goes off wherever, as to who is chasing that one up. It becomes a legal responsibility for the local authority to do this.

Earl of Kinnoull: I must interrupt because I am sure we are all dying to know. Do you have a proposal for who it should be, if it is not the local authority, or how you ginger that up?

Sir Michael Wilshaw: It should be the local authority. We should ask questions of the local authority. We have enough to do at the moment in the inspectorate, but if it became our responsibility to inspect on that issue, then we would do it.

Q113 Lord Holmes of Richmond: On local provision, Ofsted has found geographical variations in strategic planning for post-16 provision. How can strategic planning for post-16 provision be improved? What is the interplay between national policy and local planning?

Sir Michael Wilshaw: It is a mess, as you probably know. That is the first thing I should say.

Lord Holmes of Richmond: That is the tweet from this session then.

Sir Michael Wilshaw: Post-16 is a mess in relation to organisation and provision and to ensuring coherence. There are joint area reviews looking at FE colleges and sixth form colleges—but not school sixth forms—going on at the moment, and we wait to see what those joint area reviews come up with. We come back to this issue of the role of local authorities. It is absolutely essential that there is a co-ordinating body post-16 to ensure that children have the right provision, that it is not duplicated, and that the programmes of study and courses offered across the different institutions have a coherence to them and meet employers' needs.

Matthew Coffey: There is a real opportunity with the area reviews. It is unfortunate that school sixth forms are not part of that process. We are providing all the information to the Government as they conduct these reviews, including information on school sixth forms. Michael is right that it is unco-ordinated.

The LEPs were seen as a big solution. Again, in our 2013 annual report, where we identified this was such a problem we developed a tool for governors of FE institutions—a governor dashboard—and it was a fairly controversial but nevertheless very useful tool. We harvested the information from each of the local enterprise partnerships and identified their top five

skill shortage areas within the areas that they covered and reflected it back to the governors of those institutions, alongside the top provision that they were offering. Surprise, surprise, there was often a big mismatch. That enabled governors to challenge much more assertively those college principals as to the reasons why they continued to deliver training in X when the local economy needed Y. We continue to push really hard at this, but there does need to be some real oversight.

Lord Holmes of Richmond: Can I push you on the point that you have both made a couple of times about the role of local authorities and local authorities being on point in this? To me it feels that they are not necessarily quite the right body. They feel quite remote and not able to go alongside people and get the best results out of this.

Sir Michael Wilshaw: If it is not the local authority, there needs to be a co-ordinating body. Matthew has mentioned the LEPs, but if you talk to principals of FE colleges, head teachers and others, they will not necessarily think that the LEP is the answer. They vary very much in quality, and the word “remote” has been used, which they often are. There needs to be a co-ordinating body that can bring in local employers and local chambers of commerce.

In the apprenticeship report that we issued a few weeks ago, we said exactly that there needs to be a level of co-ordination by an employer-led organisation at a local level to make sure that apprenticeships are of high quality and that post-16 provision in the area is also of high quality. If it is not going to be the LEA, another local organisation has to occupy that space

Matthew Coffey: There is a compelling argument that the local authority should continue to be the responsible body with a duty to do this. There are many facets to the reasons why. Here we are interested in social mobility, but there is a safeguarding element to it as well, and it is the local authority that is responsible for understanding where those children are and if they are being safeguarded appropriately. If they do not exercise their duty to gather that information, we would be in danger of confusing or crowding that particular field by having another body responsible. It would seem to me that the local authorities are there and we just need to find a way to ensure that they do it

Q114 Lord Farmer: What are the features of good-quality work experience as part of post-16 provision? How can independent training providers work more effectively with employers to secure what you consider to be good-quality work experience? Should the provision of work experience be assessed in inspections?

Sir Michael Wilshaw: It is, and we have inspected post-16 study programmes that have work experience as a key component, along with English, maths and basic skills. We have been very critical of work experience provision post-16 and also in schools. It used to be mandatory for schools to offer work experience at key stage 4, particularly in year 10. Again, that is something that has not had a focus over the last few years and, in my view, it should have.

Again, it comes back to the issue that we have just focused on as to whether there is that middle-tier organisation, which is business-led and engages with local providers, to ensure that those work experience vacancies exist. The small employer will not have the time to give to this. All schools rely on local employers to offer places. Schools often do not have the time to run around and get those places. It needs a middle-tier organisation that can deal with this and the other issues we have just discussed.

Lord Farmer: In your opinion, what are the features of good work experience?

Matthew Coffey: It has to be well planned, organised and relevant to the programme of study. I think this is where the sector falls down. I absolutely understand that it is not an easy fix. There may be a dearth of opportunities because we are trying to train too many people in areas where the economy does not have that many employers, so there is going to be a mismatch. This is why we need post-16 providers to ask whether the economy really needs this and whether the reason they are not getting employers offering opportunities is because they do not need these skills of the future. For me, there is a simple economic response to the question, and if the need is not there you have work experience for the sake of it. The short answer to your question is that it has to be well planned, appropriate and matched to the needs of the individual.

Baroness Blood: Should the provision of work experience be assessed in inspections?

Sir Michael Wilshaw: It is part of the process of inspection of personal development in schools, which is a key framework issue for Ofsted, and post-16 as well.

Baroness Berridge: There is one question that I do not think was covered fully. Is it a requirement at the moment to have destinations data for children and young people in the independent sector in the same way as in the state sector? A theme of the evidence is that the system is very complicated for young people who are not going to university and there is no equivalent of UCAS to go to. You also said that it is difficult for teachers to understand employers. Is it your experience that the system of choices and advice is more complicated

for young people who are not going down what seems to be the much more straightforward route of going to UCAS and finding out?

Sir Michael Wilshaw: It is. I think that is what is going wrong. You mentioned UCAS, and all youngsters in schools understand what UCAS is. Head teachers talk about it a lot in assemblies and elsewhere. There is a recognised and acknowledged process to enter university.

In the apprenticeship report that we published a few weeks ago, we suggested a similar body for apprenticeships so that a youngster knows exactly how to apply for apprenticeships. You are quite right in saying that is not a focus. It should be, and access to post-16 vocational provision, including apprenticeships, needs to be simpler and clearer. Yes, that is an issue that needs to be addressed. Your first question about independent schools and destinations data I will pass to Matthew.

Matthew Coffey: I do not have the legal framework in front of me, but my understanding is that the local authority has a duty to collect data for anybody up to the age of 18 and has to be able to report on it. However, my understanding is that the local authority does not have the power to enforce that. Therefore, they have greater luck with the larger institutions and struggle with the independent providers to get the data reported to them.

Baroness Berridge: Is it right that the obligation is on the state schools themselves to collect that destinations data? Is there a similar obligation on independent schools to collect destinations data?

Matthew Coffey: That is an emerging issue. The Government realise how important destinations data is, and that will be a key accountability issue in the future. We are all getting our heads around it at the moment, but the Government have made it a priority, and we fully support that.

Q115 Baroness Blood: You spoke about apprenticeships this morning, and as we go round we hear more about people going on apprenticeships. Your report found that quality was “variable and often poor”. Can you say what makes a good-quality apprenticeship?

Sir Michael Wilshaw: I have had the good fortune to go and look at the provision in both Germany and Switzerland, where you see high-quality apprenticeships. What is very striking there is that employers take ownership of them. They make sure that the apprenticeship is of high quality, the teaching is of high quality, the accreditation process is good and will lead to employment. That is what we need here. We need employers to take ownership, to act as

gatekeepers for apprenticeships, to make sure they are not the low-quality provision that we have heavily criticised and which are not really apprenticeships but simply an accreditation of existing work, and low-level work at that.

We have talked a lot this morning about a middle tier co-ordinating body post-16. If it is employer-led, one of its key functions could be to ensure that the apprenticeships that are being offered in that area are of a high quality. It is a big priority for government and policy-makers that there are these co-ordinating bodies post 16 to ensure that there is co-ordination in the different elements of post-16 provision, but also that apprenticeships are well organised and of high quality.

The Chairman: We heard evidence from some young people that they had apprenticeships that involved, variously, six weeks wrapping vegetables, six weeks arranging flowers into bunches for supermarkets, six weeks sweeping a stable floor and six weeks working in a fish and chip shop. We are told that apprenticeships are burgeoning, but would you consider that they were appropriate apprenticeships?

Sir Michael Wilshaw: You and I recognise that the sorts of apprenticeships you have just described are not really apprenticeships.

The Chairman: Absolutely.

Sir Michael Wilshaw: All that is happening is those employers are receiving taxpayers' money to subsidise low wages. We heavily criticise that model. The Government are committed to introducing 3 million apprenticeships over the next five years. That is very laudable, but they have to be of high quality and recognised to be so by the public and employers.

Q116 Baroness Morris of Yardley: Apprenticeships is the one area where I genuinely believe it was better in the old days compared to now. Would it be helpful if you included in the definition of apprenticeships the fact it was nothing other than a level 3 qualification? At the moment it is being used for level 2 qualifications as well.

Sir Michael Wilshaw: There are level 3 and level 4 apprenticeships.

Baroness Morris of Yardley: Yes, I know, but should we stop them using the term "apprenticeships" for level 2? If you are talking about an apprenticeship, that would imply it is level 3, and it would be a traineeship or something else if it was level 2.

Sir Michael Wilshaw: That is an interesting point, and I would not necessarily be against it, but that is a policy issue, and the Government, DBIS and the DfE need to get together and make a decision on that.

Q117 Baroness Stedman-Scott: In all your inspections, and from your experience, what is the good you have seen in the use of the pupil premium and the outcomes it has achieved? Conversely, have you seen some really poor evidence of the use of the pupil premium?

Sir Michael Wilshaw: We have seen good provision, mediocre provision and poor provision. We have produced three or four reports now on how the pupil premium is going, how well the money is being spent and how head teachers are using the money to close the attainment gap between FSM and non-FSM pupils.

If I could sum up what those reports say, schools with high numbers of children from disadvantaged backgrounds in receipt of the pupil premium tend to do quite well, simply because the head teachers and governors of those schools know that because of those high numbers, if they do not do well with those children, with the large amount of money they are receiving, Ofsted will be very critical of overall performance and progress measures.

Where high-achieving schools have a very tiny number of FSM pupils, and the majority are not from disadvantaged backgrounds, again the FSM pupils do quite well there, because in a sense they are pushed along by the others.

However, the great majority of schools have between 10% and 20% of free school meal pupils, and the quality varies enormously. We are very critical of head teachers who do not have an effective strategy whereby the teachers do not know which youngsters they should really be focusing on, they do not run extension classes and enrichment programmes, the governors do not know how well the pupil premium money is being used, and where the data indicates that attainment gaps are not closing.

The overall national figure for secondary schools is pretty poor. The pupil premium has only been in operation for three years, something like that, and the overall data for key stage 4 is as bad now as 10 years ago. There is a 27-point gap between the outcomes for FSM and non-FSM children at GCSE. That has not changed in 10 years. It is moving positively in the primary sector, but primary schools are doing significantly better overall than secondary schools. I could talk at length about that.

It is important to say that head teachers know that we will be critical of the school and their leadership if they have no clear strategy to use the money.

Baroness Stedman-Scott: What is the best use of the premium that you have seen?

Sir Michael Wilshaw: Again, I would draw your attention to the report that we have produced on this subject. It is head teachers who make sure that in their school evaluation document, which we want to see when we inspect a school, they prioritise the pupil premium and have a clear strategy for how this money is going to be spent and the number of children it is going to be spent on. The focus should be on basic literacy and making sure that English and maths programmes do well, and there are plenty of enrichment opportunities for the youngsters in school, but also after school and weekend provision and revision classes in holiday periods, and so on. Tracking those youngsters is very important, and making sure on a week-by-week basis the progress of those children is well monitored by somebody who is senior in the school if it is not the head teacher.

Q118 Baroness Tyler of Enfield: Given the very compelling evidence that this Select Committee has already received, I am sure we will want to make a number of pithy recommendations to the Government. As a wrap-up question, what is your one key suggestion to this Committee for something we could recommend that would really make a difference in this area we have talked about, and improve mobility and outcomes for the group we are so concerned about?

Sir Michael Wilshaw: All of you really know this, because all of you have been to school, and all of you know the schools where you live and in your constituencies, and so on. The thing that makes for a good school is good leadership and good teachers. The two go hand in hand, because good leaders recruit good people, ensure the culture is positive in the school and lead on teaching issues. There are lots of things I could say, but if it is only one it would be a drive to ensure that we do much more to promote good leadership in our schools in the poorest areas—that is a challenge for every Government—and to make sure that we get as many good teachers into those areas as possible.

If you look at the demography, the poorest youngsters often have the poorest schools with the poorest leadership and the poorest teaching, and that has to change.

Baroness Tyler of Enfield: Could I press you on that? You would prioritise that above the sorts of things you were saying about the need for much better co-ordination post-16?

Sir Michael Wilshaw: All of that is very important, but unless we have youngsters who are taught well from the age of four and a half all the way to 16, who then have positive routes into post-16 provision, this will be academic and a waste of time. We need to make sure that

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includes youngsters, particularly from disadvantaged communities. It was always my passion as a head, teaching in the poorest areas, to try to get good teachers who worked flat out so that those youngsters achieved well.

The Chairman: Have you anything to add?

Matthew Coffey: My one thing would be obviously to support what Michael has just said.

Sir Michael Wilshaw: Thank goodness for that.

Matthew Coffey: In addition, as soon as we get destinations data as part of the accountability framework for schools, we will see behaviours change.

The Chairman: Thank you for this session. We appreciate your time.

London Councils, North East LEP, Southampton Council, and Trafford Council – oral evidence (QQ 119-130)

London Councils, North East LEP, Southampton Council, and Trafford Council – oral evidence (QQ 119-130)

Evidence Session No. 13

Heard in Public

Questions 119 - 130

Members present

Baroness Corston (Chairman)

Baroness Berridge

Baroness Blood

Lord Farmer

Lord Holmes of Richmond

Baroness Howells of St Davids

Earl of Kinnoull

Baroness Morris of Yardley

Baroness Sharp of Guildford

Baroness Stedman-Scott

Baroness Tyler of Enfield

Examination of Witnesses

Dawn Baxendale, Chief Executive, Southampton Council, **Yolande Burgess**, Strategy Director, London Councils, **Theresa Grant**, Chief Executive, Trafford Council, and **Andrew Hodgson**, Vice-Chair of North East LEP Board, and North East LEP Employment and Skills Board

Q119 The Chairman: Thank you very much. We appreciate the fact that you have given time to come to appear before us today. This session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence, and that will also be put on the parliamentary website. A few days after this session you will receive a copy of the transcript. We ask you to check it for accuracy and let us know of any corrections as quickly as possible. If, after the session, you want to clarify or amplify any points you have made, or if you have any additional points to make that did not arise during the session, you are very welcome to submit supplementary written evidence to us. Perhaps for the record you could introduce yourselves and then we will begin with the questions.

Dawn Baxendale: My name is Dawn Baxendale. I am chief executive of Southampton City Council. Good morning.

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Yolande Burgess: Good morning. I am Yolande Burgess. I am the strategy director for young people's education and skills at London Councils.

Theresa Grant: Good morning. I am Theresa Grant. I am chief executive of Trafford Council, and I am the lead for work and skills for the Greater Manchester Combined Authority.

Andrew Hodgson: Good morning. I am Andrew Hodgson. I am a business board member for the North East Local Enterprise Partnership. I am the vice-chair of the local enterprise partnership. I am also the chair of the North East LEP Employment and Skills Board.

Q120 The Chairman: Thank you very much. In your experience, how have local authorities, combined authorities and the local enterprise partnerships effectively used their powers to provide skills and employment opportunities for underserved groups of young people? We are particularly interested in what is often called the overlooked majority—people who are not going to university and not in education or training. We can start with Dawn and you can chip in as appropriate.

Dawn Baxendale: The first thing I would say is that it has been a very changing landscape over a large number of years, with lots of policy changes and new organisations appearing and then understanding how everything is going to fit together. If we could step back and talk from a local authority perspective, local authorities have statutory duties, and remain having statutory duties, even though their relationships with schools have changed over a number of years. Those statutory duties are quite clear. We have to ensure that we have enough suitable learning and skills provision in the area for young people up to the age of 19, but for those who have learning difficulties that is up to the age of 25. Also, we have to ensure that there is progression and continuation of learning up to post-16. It is fair to say that Southampton has been fairly bullish in the field where we have some of our most disadvantaged communities. You can tell from my accent that I am not a southerner; I am from the north of England. My city could quite easily sit in the Midlands and the north, and fit in very comfortably. We are clear that in relation to our community of children and young people, it is our duty and responsibility to ensure that they have the best possible start in life, and we do not necessarily see that day in, day out.

The approach we have taken is very much needs and data led in the first place. You have to understand your evidence to understand what impact you are having. Tied to that is the fact that education is important, but it is also there for a reason, and that is the relationship with the employer, so we need to understand the employer demand within our locality and

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within our region. That link goes back to where the supply comes from. That supply is our residents. We want our residents to benefit from the economic growth that is happening in our city.

We have worked very hard on that and been successful in the City Deal with Portsmouth. We concentrated very heavily on the skills agenda within that. As part of our Hampshire and Isle of Wight devolution deal, about which we hope to be meeting the Secretary of State next week, this will be a major plank of our work. That is predicated on real experience achieving results. For example, four years ago Southampton had the poorest NEETs—not in education, employment or training—figures of all the core cities and all of our statistical neighbours. Today, we have the best performing of all of those comparator cities and statistical neighbours, at 4.9%. We recognised that we could not achieve that in isolation. We absolutely had to do that in partnership with schools, with parents, the pupils themselves, and in particular with our employers.

The way we have approached that is through a whole raft of different methodologies, because one thing will not fix it, in our experience. We have used our regulatory framework, through planning, through the use of Section 106, and we have been doing that for eight or nine years, and tying our approvals to employment and skills plans. We signed our 50th skills plan last year in the 50th year of being a city. We were very pleased with that. We have used our scrutiny process in local government to look at how we can improve our apprenticeships. We have put resources into that and now have a situation where we have the best apprenticeship starts in the south-east. It is a whole range of different things that you need to use.

The Chairman: Would anybody like to add anything?

Theresa Grant: I would like to add a little to that. As you are aware, in Greater Manchester we have been fortunate enough to receive devolution over the last year—a year this week. One of the most important aspects is that that has given us the opportunity to try to join work and skills into an ecosystem. That means that people who are furthest from the workforce get a better chance and we can focus more of our resources and efforts on disadvantaged people, and do so at a local level. Some of the areas we had already been focusing on using our City Deal money, and we have invested £2 million in improving information, advice and guidance in schools. We feel that is critical to the future career paths of our young people, especially around the vocational FE sector, which is the path

many of our young people take. We have a standard, a kite mark, in place for all of our schools. And we are moving fast to having all of them being accredited to improve their information, advice and guidance. As you know, it is a duty for schools; it is no longer a duty for local authorities. The standard initially dropped when that shift happened. We understand how critical it is that it is brought back up to a consistent standard. We widely use our data around the labour market to influence and to direct our strategies around advice and guidance, and try to support schools to direct their young people, especially towards apprenticeships now that we are trying to achieve so many more hundreds of thousands of apprenticeships.

Yolande Burgess: I would like to add to Theresa's comments about careers information, advice and guidance, because I do not think we can say it enough. It does need to be better. Working across local authorities in London, but also working in partnership with the London Enterprise Panel in the mayor's office, we have begun a campaign in London called London Ambitions. That is ensuring that there is a proper, consistent framework around the entire careers offer for young people. It is not only about careers guidance, to touch on some of the things Theresa has already said and picking up some comments that were made in the earlier session. The whole issue is around work experience, but not only those two weeks of work experience; it is around the whole offer of experiences of the world of work, right from primary school all the way up. We have a campaign starting now where we are saying we want all young people, before they reach the age of 16, to have had 100 hours of experience of the world of work. That could be industry talks from employers coming into the school. What we want to see is schools having a rounded offer for young people. We will be working with schools and colleges over the next five years to make sure we get that consistent framework in place.

It is also worth noting, particularly around employment and skills related to education, that local authorities see young people through different services and so have the opportunity to integrate how they support young people through that transition period from school to work. For example, Greenwich looked at their young people who come through homeless services or leaving care, and worked with those young people to move them into their apprenticeship schemes. It is really successful, because they are well supported, but rather than simply looking elsewhere to support that young person through that transition, they

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are making sure that they are building transition support around them. I think you can only do that at a local level.

Andrew Hodgson: I would like to echo some of my fellow panellists' thoughts. One thing I would say is in the north-east of England we have really tried to embed this in our strategic economic plan, which is the foundation of everything that we do within the local enterprise partnership. Through the independent economic review, we recognise where the major gaps are, first of all at level 3-plus provisioning and uptake within our young people, but also in communities which are traditionally known as socially disadvantaged—we call them economically disadvantaged—and trying to link those communities. We understand very clearly from an economic perspective the drag that those communities have. We take a community-led as well as an individual-led approach. For us, it is about trying to ensure both the demand and the supply are in place, so getting businesses to understand what they can do as much as getting the support of other services. Obviously the constitution of our skills boards reflects that. It is about getting the inclusion piece right but also getting the demand piece right.

In our area, one of the challenges is that our business demographic is largely SME—we do not have many head offices—and it is difficult to get a strategy like this embedded through the SME community because clearly businesspeople want to know what is in it for them. Being able to demonstrate that through a strategic economic plan is the foundation of everything we do. That is the one big area where we have had success through the combination of the local authorities and the local enterprise partnerships.

Q121 Baroness Berridge: You have touched on this, Ms Grant, but I want to ask for more detail on how the local government organisations have used the labour market data to inform your approach for the area and provide the training needs. Are there any policy changes? Could any of you talk about not only the labour market information—we are predicting huge changes in the labour market with digital skills—but how you are taking the current information and what could be future enormous changes into your plans?

Theresa Grant: Not only because of our devolution, we have started and are in the process of an area-based review of our FE provision. It will be an evidence-based review, so labour market information is key in planning the future shape of our provision. We are also working not only with FE providers but sixth forms and the private sector. We are about halfway through this process. That will involve a review of the curriculum. We are looking at how

effective the curriculum is, and overlaying that with labour market information, looking at destinations and future employment opportunities, so that the model that emerges should be one that provides the right skills in the right place for employers. Employers have been very involved in the process. Our LEP has been heavily involved in the process as well, and sits on our steering group for the Area Based Review..

We work through our skills and employment partnership, where we have very strong representation from the private sector, as well as colleges, our chamber of commerce and our LEP, to make sure that all institutions are using labour market information to influence their strategies, not in isolation but using the same information to influence strategies, so ultimately they should join up. We have a fantastic opportunity now through the area-based review of our FE provision to make sure that we do produce an eco-system. I think it is a probably once-in-a-lifetime, once-in-my-career opportunity, to deliver something that is going to make a massive difference to the residents of Greater Manchester. It will ensure that we have specialist provision and we also have provision at a local level up to level 3 that it is high quality, consistently produced and monitored and that it is financially viable, but, more importantly, one which employers get the skilled staff they need when they need them. We have been doing some predictive mapping on future skills requirements, especially around digital. This is a specific piece of work we have undertaken to make sure that when we build our centres of excellence, which will be some of the outcomes of the area-based review, that those are located and delivering the skills nearest to those employers that we see developing in the future in Greater Manchester. We have done a lot of work in the past, but we are at the beginning of a very interesting and great opportunity.

Andrew Hodgson: I want to answer a very specific part of the question. I said the strategic economic plan defines where we think job growth is going to come in the next 10 to 20 years. I have to say, as an employer, it is a very difficult in a dynamic and changing environment to identify exactly what those jobs are. We have a rough idea and we have our smart specialisation areas. For us, it is offshore, engineering, automotive, the pharmaceutical sector and digital. We have a very large digital sector in the north-east.

You asked about some of the policy implications of that. For us, there are a couple of things. One is we were fortunate to win a skills pilot, which allowed us to have control over a portion of the funding for the FE colleges. That has enabled us to encourage the FE provision to move towards our strategic aims rather than immediate outputs, which is quite

challenging because we are asking colleges to build a business plan based around something in an unknown market, and that is a big change in philosophy.

The other thing I would say is that we have been pushing quite hard—and as an employer this is quite a difficult thing to say—against the employer ownership of skills frameworks because the difficulty is that presupposes that employer exists in your community at that point in time. Therefore, you are trying to create a pull with a mechanism where that pull does not exist. For example, if we were going to build an offshore wind turbine factory we might employ 2,000 people. I do not have that company in the north-east of England today, so how can they commit to that? Working together with the local authority, now the combined authority and the LEP, we know that is a strategic provision and we can help support and finance that. For me, those are two areas of policy—employer ownership of skills and how colleges are funded—where we have to think a little more laterally in how we encourage and incentivise people in those places.

Dawn Baxendale: We think about that from the perspective of our local or regional economy, but the other part is that we can also use this data to influence the EU strategic framework. Where European money is coming into national government and being distributed, it is critical that those common data are being utilised to influence how that spend can be bent. You need to think about that from the perspective of how you can look at other pots of resourcing that is not your traditional Education Funding Agency or Skills Funding Agency money. We have used an example where we have bent transport resources to assist with our skills agenda. We have directly tied that to new growth sectors around logistics, because the port of Southampton is a national asset. We have a massive shortage of driver skills.

Finally, I would say we also need to influence our young people. All of this data is not only what the strategic authorities or businesses are thinking, but how we can aid our young people to think where the future career opportunities are going to be. We have put together some specific work around the “your career” website for young people to aid them to start to think wider and broader. We have commissioned specific local research with our LEP and within our own areas as well.

Yolande Burgess: I would like to come at this at a slightly different angle. The other side of the labour market coin is that we tend to use qualifications as a proxy for skills, but are the right qualifications being delivered? We have started a piece of work in London to correlate

the qualifications that directly link to jobs and careers and to identify if those are the right qualifications. We have a huge focus on A-levels, but for some industries is an A-level the right qualification? So we are putting back on to the table a proper conversation about what good, high-quality vocational and technical provision looks like and giving it value—not parity of esteem, but value for what it is. It is technical and vocational education. We need to be doing much more of that whilst we are also talking about trying to drive up the skills base. Dawn mentioned this in the context of local authority statutory duties. Particularly when we think about using qualifications as a proxy for skills, there are some young people out there who may never get any qualifications, but they still have skills. Less than 7% of people in this country with a learning disability are in paid employment. Unfortunately, in the majority of cases it is because they do not have qualifications, but that does not mean they do not have skills.

Q122 Baroness Morris of Yardley: You are describing a really complicated scene. That has been part of the problem historically. Had you been sitting here five years ago, you would have been using completely different words, describing completely different quangos and it would be a completely different structure. If you are a 15 year-old trying to move to that area, that is quite difficult. It is difficult for schools and colleges because, although it is their responsibility, they have enough to keep up with without monitoring the changes in economic and skills planning. If we look at what you have said you are trying to put in place and provide, how can organisations in your group, at your level, work with schools and colleges to make that transition for young people easier? You mentioned the keyworker taking them through, if they are homeless, and that is a really good idea, but right across the piece—because this is not a small group of children but a very large group of young people—do you think that anything needs to be done so that transition from school to work for this group is made easier?

Yolande Burgess: Yes, definitely. It is the nature of the conversation that we as local authorities have with educational institutions. I am not using the term “schools” there because I want to encompass independent private organisations, UTCs, everybody who delivers education. Local authorities’ leverage, particularly with schools now, is almost non-existent, to be frank, so a much more strategic conversation is required.

That strategic conversation can start with the granular data that local authorities have that you do not necessarily see at national level. Local authorities really do track, and put an

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awful lot of resource into tracking, their 16 to 18 year-olds because they want them to be engaged in education, employment or training. To go into a school and say, “Did you know that you actually produce 25% of this borough’s young people who are not engaged in education, employment or training?” for some heads that has been a shocking revelation. They are good head teachers and want to do something about it. Shining a light on the fact that it is not only about where you sit in the performance tables and what your GCSE, A-level and other level 3 results are—albeit they are massively important—it is about, “What is your contribution?”, with that broader pastoral responsibility around where that young person goes after they have walked through your door.

We have some brilliant work going on in Kingston and Richmond where that strategic conversation has happened with all education providers and they are working with the boroughs through their Achieving for Children service to say, “We refuse to allow a single child to slip through the net. We want to make sure every young person has the best opportunity to achieve level 2 or level 3 at 19, if that is appropriate; for young people with special educational needs getting the right skills to enjoy a good adult life.” That has happened simply because the nature of the conversation changed. It was not about trying to find the leverage; it was recognising that when you talk to education providers they are doing it for a reason.

Baroness Morris of Yardley: Are your data good? We heard in the previous session that although local authorities have the responsibility to collect the data, it is very varied in the quality of job they do. Are you able to do that? I do not know the answer to the question. London has a particularly good record in collecting data.

Yolande Burgess: We do. Do not forget we are a sum of 33 parts, so I would have to acknowledge that.

Baroness Morris of Yardley: So they collect data at borough level and feed them through.

Yolande Burgess: One aspect of my job is to collate some of that data at regional level, where we can. London is getting better at acknowledging that regionally we can look very good on things like NEET statistics, but we know that some of our boroughs will automatically say, “We’re not very good. We need to do something about it”. They are also good at picking up the phone and ringing Harrow or Barnet and saying, “Yours are really good. What did you do? Can we come and learn?”

Andrew Hodgson: I want to go back to the educational piece and how we approach that in the north-east and get it down to a very practical level. I sat in at the end of Sir Michael's comments and I wanted to echo that that is exactly our belief. First, we think the key driver of any pathway through education is through excellent school leadership. Everything has to be school leader-centric. Particularly in a very diverse region like ours, the school leaders are the people best positioned to be able to do that.

Secondly, we need excellent school governors, and that is where the business community can take a lead. Again, it should be no surprise that our best performing schools are in the more affluent areas and the worst performing schools in the least affluent. Those are the areas where there are not businesses and, therefore, good business governors do not necessarily turn up. We have to equip those business governors with a skill set. For example, in the north-east we have a digital partnership of businesses which was prepared to put a coding club into any school from one phone call, but how many school leaders and school governors understand that? I think the business governors can play a part there.

Having aspirational young people is clearly a big thing, but we cannot forget the community. Where you have multigenerational unemployment in a particular community, all of the things I have said before do not work. We have to get aspiration into young people. We are working on some simple things with the Northern Rock Foundation and the Education Endowment Foundation to get some adult literacy skills in particular areas. If young people go home with a book, if the adult literacy is not there, they cannot be read to. Sometimes we can get very strategic about this, but if you hone down to the school level, get excellent school leaders and equip them with the things they need, which is good governorship and an aspirational community, our experience is things happen.

We are trying to collect a lot of data. A lot of data exists, but there are significant gaps. We are working with the Gatsby Charitable Foundation to try and identify outcomes from some of these interventions. It is going to take time to understand what that really means. At the moment, we have selected 18 schools to run through a pilot.

Theresa Grant: Picking up the earlier points around NEETs, across the 10 authorities in Greater Manchester we have signed up to a participation strategy, so all 10 local authorities are tracking our NEET population, which we need to do under raising the participation age legislation. We are able to track NEETs cross-boundary, which we did not do previously. When young people fall out of the system, or become NEET, and leave the borough they are

in, we can track their movement across the 10 in order that we can try to capture their needs and make sure they receive provision. That has been really successful and we are able to monitor and measure that through that process.

We are working with DBIS at the moment on the new local outcome framework. We hope that will make a difference and Greater Manchester has volunteered to pilot the framework from next year. I feel everybody should have a responsibility for young people, especially challenged young people who have fallen out, or are at risk of falling out, of the system. Through the outcomes framework we can make local authorities, schools, FE, higher education, everybody responsible through that process for those young people. We will not get social mobility unless we get young people skilled and into employment—not only into employment, but into better employment.

We have a really big challenge in Greater Manchester around low pay and getting people employed does not always help the economic system. We have the same cost for our in-work low-paid as we have for our unemployed in Greater Manchester. We are focusing on skilling young people in jobs to improve their ability to move up the pay scales and improve the productivity of Greater Manchester as a whole. We see that as one of our key challenges for the next five to 10 years.

Dawn Baxendale: There are two points I would like to raise. The first is about early intervention and prevention. We talk about NEETs as our young people come out of school and they become NEET. In Southampton we have said, “That’s not acceptable and it’s not right”. We have said we are going to look at every single pupil in year 11 and we will have a risk of NEET indicator assessment. Everybody will be assessed. For those who are in the highest risk categories we will put a wraparound to ensure that we can divert before we get to the critical areas. That bit about partnerships has been critical for us to be able to make that work efficiently, effectively, and inspire our young people to take different options.

The other part of the equation is we talk about schools as an entity, and, although teachers and heads work very hard, they are in an enclosed environment. We need to inspire our educationalists to understand the relationship with a place and their link back into their school. It might sound a little bit ridiculous, but what an eye-opener. We took our heads on a tour of the city and went round all the development sites and described to them what was happening, what the job opportunities were, and where the transitions and escalators of employment will be in the future. We linked that with our universities. We partnered with

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Red Funnel and we took 500 young people and their teachers on to a ferry, sat them in the middle of the Solent and said, “Look back at your city”. At that time we had 19 cranes spread across the sky. When you are on the water looking out, what an impact that has about your future potential in the place that you were born or living in. You do not necessarily have to go to London to get a good career; there are options for you in the place that you live. Inspiring in different ways have been some of the tools we have tried to use. We have found that very, very enlightening, both for teachers and for pupils.

Q123 Baroness Blood: We have heard about some good practice this morning. Is that passed on or used only in your own area? Do you work together?

Theresa Grant: I am already speaking to colleagues in London, certainly around the Work Programme agenda and skills agenda, and how we join those up in the future. It is important from 2017, with the new Work Programme, that our aspiration and desire is to deliver an ecosystem of work and skills, so we can focus our efforts and energy on those furthest from the workforce and less likely to get into work. Again, a key focus is early intervention, so we get to those people before they start to go into the system and deal with some of the barriers that they have to employment, such as mental health. Currently, we are running a pilot—we have recently gone out to tender—called mental health to work. That is to pick up people at the beginning of the system before they go into unemployment. They may be depressed going in but they are definitely very depressed coming out of that system, because they do not get the help at an early stage to get them back into work, which in itself is a determinant of good health. We are commencing this pilot at the moment which came out of our Working Well pilot, which has been running for almost 18 months. We see a lot of young people on the Working Well programme which is dealing with people who have been more than six years unemployed and coming off the Work Programme. We have put a wraparound service in place around those individuals and dealt with the barriers they have. One of those major barriers is skills. We have had to make sure that we integrate a skills model into the Programme—it is not only about mental health, disability or a housing issue; there are a huge skills challenges. That is across all age groups, not just young people. The Programme has been really successful with a success rate of sustained employment of around 22%, compared to the Work Programme, which is dealing with the easiest to place, of about 9%.

Dawn Baxendale: We have very similar experiences. We have shared our planning around all our partners within our sub-region. We are also members of Key Cities and we lead the skills agenda nationally as part of Key Cities. We share that across the 25 partners there. We also work very closely with people like the construction skills academies and share a lot of our practice through those routes, so that can be disseminated out into the private sector as well as the local government world. It is important that those links are made and we get things back. Local government is very good at sharing. We are always talking to each other. It is how we share with other sectors and gain information and benefit from that to help our people.

Andrew Hodgson: From the local enterprise partnership, there is a national local enterprise network. Local enterprise partnerships are business-led and we are all very busy businesspeople, so stealing other people's ideas is very much at the top of our priorities. We unashamedly do that. We talk a lot about pilots. I was talking about the skills funding pilot. There were three different local enterprise partnerships, all with different types of pilot to ensure we had something to compare and contrast. We work at a national level and sometimes at the city region level. We work with our partners within the local authorities, who have a really good network to share. There is a lot of sharing, but you have also identified that there are a lot of things going on. Like my fellow panellist said, at the end of this there will be a lot of phone calls made. For example, we are doing a mental health trailblazer in the north-east. We are copying a lot of the previous work that was done in Manchester. I am conscious I have not had the conversation to say exactly, "What did you learn? What did you not learn?" Within the skills area, London has a very famous skills challenge. It is not appropriate for the north-east of England, but there is a lot we can learn from those experiences. We work with partners wherever we can find them. Everybody is really open. The one thing I would say about skills is everybody is passionate and trying to do the right things. I have not heard anybody say, "Let's not do something to help people" on the skills and inclusion side.

Yolande Burgess: Absolutely. But we need to bear in mind that education providers are now in competition with each other. Sir Michael mentioned that when he was talking about schools with sixth forms. They can often be driven by other factors which can cause them not necessarily to deliver good advice and guidance. It is our job to facilitate some of that sharing across educational institutions. Theresa has already mentioned the amazing

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opportunity that will be coming up through area reviews. I think we have an opportunity to navigate some of that difficult, competitive territory for education providers and get some genuine sharing going on so that we have a very different skill system in the next five to 10 years.

Baroness Morris of Yardley: That is exceptionally hard to do.

Yolande Burgess: There are ways that we can include them.

Theresa Grant: We are already on our way with the area-based review. There is great consternation among the FE and sixth form sectors that the school sixth forms are excluded from the process. Whilst we have included their data for evaluation purposes, they are excluded from the process itself. I think that may produce a perverse outcome in some ways and allow a bubble effect to happen around skills, which would be a real shame because it is such a fantastic opportunity to get something right for once. I try to raise that at every opportunity.

Andrew Hodgson: Perhaps I can build on the comment that there are things you can do. I have talked about the skills pilot within FE. We have seven large FE colleges in the north-east of England—obviously multiple private providers—and it enabled us to have a conversation to get them to specialise in the sectors where they could. We did not have seven competing; we had seven relatively complementary. There are overlaps. What they are competing against is a funding mechanism. They do not have to compete against themselves. They should create a niche. Getting control of the funding enabled us to encourage them down that path. There are mechanisms that you can use.

Q124 Baroness Sharp of Guildford: It seems to me in your four areas you have a focus because you are strategic areas and you are looking at that. I worry a little about the broader areas that are rural and have no such focus. Are you sharing your very inspirational ideas with these people as well?

Andrew Hodgson: The north-east of England has a large rural population. Northumberland is about the largest rural population you could find. We have to find a strategy that deals with both city regions, of which we have multiple, and rural communities. You have probably not picked up on the accent. I am not from the north-east; I do not even live in the north-east. I am from Cumbria. On Friday, I will be spending time with the Cumbria LEP, because that is my home territory. Rural areas like Cumbria do not have the economic scale to do some of these things and be able to input them. We want to encourage them to collaborate,

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particularly around some of the border areas. We have borders with Scotland, Cumbria, Tees Valley and North Yorkshire. Those are the rural areas where maybe little hubs of skills can work together. Despite the fact we have a strategic area of responsibility, we also have a moral responsibility to do the best thing for everybody, and that means in those border areas you have to decide between yourselves what the right local solution is.

I can give one example of that. When we were putting a UTC in to support the Hitachi rail plant, I had a very open conversation. I did not care whether it was in the North East LEP area, despite it being in our strategic plan, or the Tees Valley, because Darlington might have had the best supply of young people. We had a very open conversation. Ultimately it was decided that Newton Aycliffe was the right place to put that. We had a clear conversation involving all of the colleges, schools and local authorities in that area, and the two LEPs, to come up with the right solution. We do try our best.

Dawn Baxendale: Southampton abuts Hampshire, a very rural area. Our devolution deal is Hampshire and the Isle of Wight, so it is three unitary authorities, the county council, 10 districts and two LEPs. That whole bit about collaboration is key because there are different requirements for different localities. The importance is sharing your experience to get the right solution for the local area: local can be down to the street, the neighbourhood, the city, the rural village. It is sharing that and making sure you are maximising it. We are talking with the LGA about the nature of those types of communities in that collective geography.

Baroness Sharp of Guildford: Good. Thank you.

Q125 Lord Farmer: Mr Hodgson mentioned earlier SMEs saying what is in it for them. I want to touch on employers, and particularly the SMEs. It seems to me that, if you are an SME, you are working hard to make a success of yourself, and you do not necessarily have a social altruistic philosophy. Having heard about this rather inspirational ferry in the middle of the Solent looking back on Southampton, what is there to inspire and incentivise the SMEs to take on disadvantaged NEETs people, et cetera?

Theresa Grant: I can speak about Trafford and a model that we have developed that we are looking at rolling across Greater Manchester that has been very, very successful. It is called a Trafford pledge. All the other programmes we have in place are through our various ESF funding, et cetera, but this is about engaging local employers. We have a lot of employers in Trafford. We import a lot of people to work in businesses based in Trafford from Greater Manchester. There is a huge employment base in Trafford Park, the largest industrial park in

Europe. We thought this was a fantastic opportunity to sign businesses up to help disadvantaged young people and people who are finding it difficult to be placed into jobs because of the barriers that they have. We started with a couple of big names to try and get people engaged—not SMEs, but the Manchester Uniteds of this world, which readily signed up.. Since then, we have signed up so many SMEs and large industries that we have supported all of our young people in Trafford and we now also support young people from Salford. It has been such a success. It is about engagement, honesty with employers, and helping employers. It is difficult for SMEs. You are absolutely right, they are very busy trying to make their businesses work, and so you have to help them with that. You have to make the placements easy. You have to support that placement while it is with them. That person will need more skills training or a lot of support and help if they have particular barriers. You cannot expect an SME to provide all of that support, so you have to be there to support them. We are doing that through our local authority. It has been a huge success, so much so that we are rolling it out across Greater Manchester as a pledge. There was nothing in it for the employers except some publicity, and they seemed to like it and support it.

Baroness Berridge: Is the placement an apprenticeship?

Theresa Grant: No, it is separate from our apprenticeship programme. Many of those employers already have apprenticeship programmes. Manchester United has a big apprenticeship programme; this was in addition. One of the other things we have been doing recently, which has been successful, is when we get planning applications for developments—we have a construction apprenticeship scheme which is very, very successful across Greater Manchester—adding to that we directly meet with some of the bigger developers asking, “We need you to help some of our challenged young people and I have an expectation that you will employ some of these young people”. A very good example is Hotel Football, which Gary Neville recently built in our borough. Through that process, he agreed to sign the Trafford pledge to take on disadvantaged, challenged young people from within the specific area, which happens to be a very deprived ward, possibly in the top 5% in the country. He has taken on those apprentices and, in addition, some of those challenged young people under the pledge. You can do that. We make sure we do that with every big planning application that comes through, and I am sure my colleagues must be doing the same. It is not an official process, but it is a way of encouraging employers when

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you know there is an opportunity coming down the pipeline to get those young people into employment.

Dawn Baxendale: As Theresa said, we made it an official process as part of planning, which I described earlier. Most of our places are full of SMEs. In the city 99.4% are SMEs. Often we think of that as one, two or three employees, but they go up to 250 employees. Being upfront, with one firm taking one person, we would wipe out the unemployment rate overnight. There is something about a very simple story that links your ability to do your business to the people that we have in our city. We have built our apprenticeships, but also said we will do funded traineeships before full apprenticeships and we will support businesses in that and finance that. We do grants for employers for specific targeted young people. We make it very real and easy, and that is part of the key—upfront, clear, “This is an opportunity that you can win as well”.

Andrew Hodgson: The way we approach that is slightly different, which is at the sector level. It is about education of and communication with the employment sectors. We are talking about people who need to be brought into a skills base. If sectors do not do that, they are only stealing from each other. We were seeing that. We have a rapidly growing automotive sector, a rapidly growing offshore sector, a rapidly growing digital sector, so we have to engage at the sectoral level to get the broad spread of employers. Each of those sectors in our region has their own skills groups with its own skills initiatives. If I take my own sector, the subsea sector, we used to point at each other and say, “Well, I’ve lost 10 people to you”, and we would go round the room and realise we had not created one new job; we had just moved everybody around. We had to get proactive. Whilst I think there is a lot we can do about financial incentivisation and making things easy, communicating is important. Every businessperson talks about a skills gap and skills need, so morally you have to tell them to get on with it, resolve it and sort it, but you have to give them the data to understand what they need to do.

The Chairman: Thank you. We are racing against the clock now. Baroness Berridge.

Q126 Baroness Berridge: I want to pick up a point made by Dawn from Southampton. You talked about targeting particular groups of people. We had a story told to us of a young person who has now left education and who is a carer. There seemed to be a difficulty in the system for her that when you are in receipt of carer’s allowance, if you are no longer the carer, you lose that allowance if you want to do a full-time course, so that is a clear objective

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but you are not able to get over those barriers. We hear a lot about care leavers, children in care, as well as the young people who have done caring for long periods of time. Have you had to focus on that particular group in Southampton?

Dawn Baxendale: It is fair to say we have a set of young people who are absolutely as you described, who are doing an amazing job under very difficult circumstances. It is an area that we have started to move into. Although you are right, everybody concentrates on care leavers, there is a set of our young people who are doing a fantastic job while trying to do their education. We have not cracked that yet. We have recognised it. We are trying to link that back to our youth council and understand that relationship to say what is going to work best for them rather than us trying to decide it. It is building that dialogue in the first place and we are only at the beginning of that.

Yolande Burgess: There is some interesting policy dynamic on this, particularly thinking about the middle attaining group, but also we are talking about young people here who, by dint of circumstance, are going to take a little bit longer to achieve their level 2 or level 3. A piece of work that we did with Professors Hodgson and Spours at the Institute of Education showed there is a significant minority of young people who truly benefit from a three-year programme of study at that sixth form period. We have to acknowledge that if you are 18 and you go to college or school, your institution gets paid 17.5% less for you. We are not talking about young people who are simply doing resits. This whole issue of “age and not stage” particularly affects young people, such as young people who have been giving care, potentially care leavers, et cetera. That is where we need to be looking at the national policy drivers that are hindering us at a local level to put in place really good strategic responses.

Q127 Baroness Howells of St Davids: I am particularly interested in young black men and women. I have had employers say to me that they are never offered anybody who is black and asked whether I know anyone I can recommend. We also get young people who say that when they go to these employers, they are definitely rejected because of the colour of their skin. I thought we had finished with that a long time ago, but it is re-emerging because of fewer skills. Do you do anything on race at all, and how do you manage, especially in London?

Yolande Burgess: The best thing I can cite is a fantastic programme of activity that goes on in Hackney. It is specifically to help young boys to improve their outcomes. One aspect of the programme is bringing peer mentors in, so young black men, to work with young boys while

they are in school to help them gain their attainment. Through that programme they have been growing their own mentors coming up through those systems. Young boys become young men, they become the mentors. That is a tiny part of the programme. They call this Team Hackney. This is where it can only be done at a local level. You literally harness the entire community. It is the entire community, so employers are represented, asking how SMEs in Hackney support this initiative, what are we doing to ensure that young people in school are acknowledging and recognising what those opportunities look like, looking at all of the services that young black men might engage with and making sure they are all talking to each other. It was not a single local authority approach. It was an every service approach, local authority approach, complete community approach looking at how we bring families and parents in to advocate for us and act as champions. That is a really good example of how you can make something work, but at a local level it involves significant numbers of partners.

Andrew Hodgson: In the north-east, our demographic is different. We do not see that challenge with young black people, but we do have a large Asian business community. They are doing a lot of interesting things utilising effectively corner shops and tying those to schools to give enterprise experience for primary school children through Asian shopkeepers to break down the barriers between the Asian community and the white community. A lot of our deprivation is among young white males, but one of the things that should be said is our biggest—if I am allowed to use the word—disadvantaged community is actually the female community in the north-east. We have very traditional family structures and very traditional communities. That is the biggest blocker that we have. We do have interventions there, but the message is you have to look at each of the communities and where the challenges are. That is where we recognise our biggest challenge is.

Theresa Grant: In Greater Manchester, we have a youth contract initiative which focuses on BAME as the main focus of the programme. Our providers are rewarded for the improved results they get around our BAME communities in terms of training and placement into sustained employment, and it has been very successful.

Q128 Baroness Tyler of Enfield: Can I declare an interest as co-chair of the All-Party Group on Social Mobility. Very much following on from the quite extensive discussion we have had about collaborative working, one of the key themes in our evidence has been who is in charge overall for this group of people. We have heard that there is no one in the system who is ultimately responsible for ensuring that young people, particularly the disadvantaged

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groups, make a successful transition from school into employment or further study. Could you say who you think should be responsible, and how that might work?

Theresa Grant: It would be very easy to say the schools should be responsible because that is where they are coming through the system, but I do not think that is the answer. It has to be collective responsibility. I think I mentioned it earlier. The schools, local authorities, FE provision, all the institutions that are going to be involved in the journey and transition for that young person need to take responsibility for their journey and destination. The outcome framework that is going to come next year through DBIS, and the work we are doing with DBIS, will provide us with an umbrella and a hook, if you like, to make all of those different institutions responsible, but with some clarity and a clear framework around that, so they cannot dodge that responsibility. The young people who are falling out of the system at the moment, those who are most disadvantaged, will have a path and somebody who will take that responsibility through each step of the journey.

Dawn Baxendale: I completely agree with Theresa on this. It is a single vision. That is not only about the locality; it needs to be the same for national government as well. There is something here about how we maximise UK plc in a global environment. As a nation, we are not achieving that. That impacts right the way down to the individual living in their community, that family and that child. That single vision, both at a national level and whatever your locality, is critical. That centres around what the clear objectives are, maximising the relationships and thinking about that from an individual institutional perspective and what your responsibility is in that chain, and you are held accountable for that part of the chain and feed that back in. Finally, you celebrate your success, because we are pretty rubbish at that. We are all working hard and when we are getting those successes we should be shouting about them, because that will breed confidence in the system rather than always talking about the negatives.

Yolande Burgess: I agree with Dawn. For some of the issues we have nationally we have the Department for Education with the Education Funding Agency, the Department for Business, Innovation and Skills with the Skills Funding Agency, the Department for Work and Pensions with Jobcentre Plus, the Cabinet Office with the National Citizen Service Trust, the Ministry of Justice, and they are all coming at it from their own angle. I could not agree with Dawn more, we have to look at this from a UK plc perspective. We can do really good vision on the ground, but it needs to be supported by that same vision nationally as well.

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Q129 Earl of Kinnoull: Moving back to data, we have taken a lot of evidence on data from other people and have heard from you today how you are using the data. What thoughts do you have about how the availability of data could be improved? That is really a question about quantity and quality. You might want to stray into difficulties that local authorities have in performing their data collecting duties.

Yolande Burgess: Interesting question.

Andrew Hodgson: I will go first. So much data are required. You have supply side and demand side data, but how do you collect all of that together? We were fortunate enough to do an independent economic review to get a baseline for that. We have access to the Skills Funding Agency Data Cube, but it is like trying to get into Fort Knox. We have to contract in specialist help to be able to access what should be a basic access database. However it is being collected and constructed, it is really difficult to get to the level of information. There is a lot of data, but to turn that into information that you can use properly in this environment is really difficult. There is so much data there: some of it is right, some of it is wrong. Getting it turned into something that is useful is the difficult part because of the way it is constructed. I am outside the public sector, so I do not know the complexities about public sector activities.

Baroness Morris of Yardley: What specific data are the difficulty—personal level data, destinations data, or something different?

Andrew Hodgson: All of the above. All of that is within the SFA cube.

Baroness Morris of Yardley: Every bit of data is difficult to access.

Andrew Hodgson: It is all there, it is how you access it. It is not an easy to use system.

Baroness Morris of Yardley: Is it a system thing?

Andrew Hodgson: Yes, it is a system thing.

Theresa Grant: I can sympathise, and I am in the public sector. Very recently, we gained access to some of the SFA data, that we would have liked to have previously, because of the area-based review. We are downloading that and working with SFA on the data. For us, it is heaven because we now access information that we would have always liked to get. Data sharing is a huge issue for us in the public sector. The most difficult area to access data from is DWP by some measure. It is pretty impossible to get any data-sharing agreement. We did manage to get one on the Working Well pilot, which in our view was a huge success, and that is working and nobody is in jail because we have shared data.

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Andrew Hodgson: Yet.

Theresa Grant: It would be me if anyone is going to jail. It is a real challenge.

Earl of Kinnoull: Can I probe that a bit? What was the difficulty there? Was it people waving the Data Protection Act at you or people being stroppy and unhelpful?

Theresa Grant: I have to be a little diplomatic now, because our ongoing relationships are very important. I had an incident where there were at least three lawyers in a room from the same organisation disagreeing with each other over how they would share the data with us. It is a minefield. It is a very difficult area to overcome. People find barriers, and I do not know whether they intentionally find the barriers or the barriers exist in law, but sometimes there is no willingness to find a solution.

Andrew Hodgson: Our experience is they will fire the Data Protection Act at you as a coverall for everything on the basis, “They’ve probably never read it, they don’t understand what they’re talking about”. I think the obstructiveness is somewhere beneath that in truth. Clearly government departments are under pressure and people are trying to protect their roles and jobs. That is all understandable, but we have to find a way to get beyond that.

Theresa Grant: I mentioned a piece of work we had started to do to make that direct correlation between qualifications and jobs. There is a process in place to ask for schools data. It took nine months for the departments to get it to us, after question after question, even though we followed the process.

Dawn Baxendale: I would like to give three examples of why I think we need to change. This applies to the locality as well as national government. If I take a local situation, in my own local authority, everybody used to hold their own data in their departments, so the children’s data was the children’s director’s responsibility and nothing to do with the council, and you could say the same about adult data or schools data. I have said that this is the council’s data, there needs to be one version of the truth and it needs to be in one place and everybody can access that data in the right process. Business intelligence is critical for us to be able to make the right decisions. You mirror that within government. If we think about NEET data, NEET data for care leavers, NEET data for the youth offending service, all of this comes out of the Department for Education. Each of those three is collected differently and their data sets are different, so how on earth can we get common understanding of the tracking if they are collecting it differently? Sharing between apprenticeship data cubes was only available to LEPs. It has taken us absolutely ages to negotiate to get that data, yet we

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are part of a system that generates real opportunity to deliver apprenticeships into the system. It is bonkers. It is institutionally driven rather than being, “What are we trying to achieve?” We have to turn this thing on its head.

Q130 Baroness Blood: Thank you for a very informative session. In a sense, you have answered this question. As a Committee, we will be putting forward our recommendations. What would it be if there was one key suggestion for change that we could put in?

Dawn Baxendale: For me, we have a series of funding streams and all of them are eventually trying to achieve the same thing, which is our education, skills and employment routes through all the different departments. They need to be aligned. For us, we want to see that devolved. That is aligned and devolved to meet local objectives and priorities, because we are driving to one outcome then.

Theresa Grant: I was going to say something similar to Dawn, so perhaps I can add a little bit to that and then take advantage of offering another improvement as well.

The Chairman: No, only one.

Theresa Grant: Dawn has mentioned the overlap of funding. For me, one of the biggest failures in the system is the fact that we have EFA funding and SFA funding dealing with practically the same cohort of people. To me, it is dealing with failure coming out of the school system so we should be spending it differently. It is separate and it is not devolved to us even under devolution. Where we have devolution of adult skills, we cannot get devolution of EFA funding. To me, there is a waste in the system that could be solved quite easily. It could make savings for government. It is about people giving up territory, which goes back to the point made about people working together for a single outcome rather than to protect an institution or particular department’s budget. It would be a very simple solution. There would be two huge benefits from that. One would be government funding and the second would be the people on the receiving end of those skills because they would have a joined-up system.

Yolande Burgess: It is fantastic that devolution has happened. I do not have to say anything about devolution, which is great. Particularly in educational terms, we have to get serious discussion going on about vocational and technical education; it is not all about A-levels.

Andrew Hodgson: I want to echo everything that has gone before. It has to be a single collaborative approach. There is no doubt that in this environment funding does drive

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behaviour and incentivisation. To get everything in one place, dealing with the local evidenced challenges is what it is about. If we could achieve that, that would be fantastic.

The Chairman: Thank you very much for giving your time and travelling to see us today. We appreciate it very much. Thank you.

Professor Baroness Wolf of Dulwich – oral evidence (QQ 131-139)

Evidence Session No. 14 Heard in Public Questions 131 - 139

Members present

Baroness Corston (Chairman)
Baroness Blood
Lord Farmer
Baroness Howells of St Davids
Earl of Kinnoull
Baroness Morris of Yardley
Lord Patel
Baroness Stedman-Scott

Examination of Witness

Professor Baroness Wolf of Dulwich CBE, author of the Wolf review

Q131 The Chairman: Thank you very much for coming today. We really appreciate it. As you are aware, this session is open to the public. A webcast will go out live and, subsequently, will be accessible via the parliamentary website. A verbatim transcript is taken of the evidence and will be put on the parliamentary website. I am sure you know that in a few days' time you will receive a copy of the transcript to check for accuracy and, if you want any corrections made, please let us know as soon as possible. After this session, if you want to amplify or clarify any points, you are perfectly at liberty to write to us to submit supplementary evidence. Could you introduce yourself for the record, and then we can begin the questioning?

Professor Baroness Wolf of Dulwich: I am Professor Baroness Alison Wolf of Dulwich. I am a professor at King's College London, which I think is the relevant point for this session, and have worked quite widely on some of these issues. Thank you for inviting me to be a witness.

The Chairman: Indeed, we are very grateful that we have had your body of work to draw on. You have recently focused on apprenticeships. What would be your vision for a suitable route from the age of 16 for middle attainers—that is people who are unlikely to go on to higher-level apprenticeships at that point in their educational lives?

Professor Baroness Wolf of Dulwich: May I unpack that a little?

The Chairman: Of course you can.

Professor Baroness Wolf of Dulwich: Higher-level apprenticeships, which include the sort that would very often go with doing a degree alongside, are increasingly something you go into at 18 anyway. That has become a very marked trend in this country. On the one hand, we have had a decline of traditional apprenticeships, but, where they have held on, there has been a strong tendency for employers to take people at 18 anyway, and not 16. Although the Government have been trying very hard to put that into reverse over the last year or so, they are not succeeding, and the most recent statistics show another decline in apprenticeships for 16 and 17 year-olds. Essentially, there is a major question about the future of apprenticeships for 16 year-olds anyway.

On the question of high-attaining versus middle-attaining, some very academically gifted young people will go into very high-status apprenticeships, and I am sure people have said to you often, and it happens to be true, that it is harder to get onto a Rolls-Royce apprenticeship scheme than it is to get into Oxford or Cambridge. It depends how you define it, but that is absolutely accurate and entirely rational behaviour on the part of the young people involved.

There is a large swathe of jobs which traditionally in this country, and continue to be in other countries, have been ones that are best prepared for by a combination of intensive learning on the job and working off the job. The young people employers find most suited to that are often not highly academic; they are mid-level academic. When you talk about a middle attainer—if by that you mean somebody who is doing pretty well in their GCSEs, but does not have a huge taste for highly academic work and would much rather be in an apprenticeship and learning partly on the job and partly off the job—I think that a major priority for this country is to recreate those opportunities for those young people, because they are the least well served by the decline that has taken place in traditional apprenticeships. They are the sort of people who, if you looked in the obituary columns, two generations ago would have ended up as CEOs of companies—not all of them obviously, but there was this route. One needs to be clear about what one means by a middle attainer. To me, a middle attainer is that sort of person, and that is a middle academic attainer.

One of the things that we have been incredibly slow to do is develop this demanding vocational technical route from 16 to 18. We have fiddled around for ages while destroying

traditional apprenticeships. I am modestly optimistic at the moment that the Government are finally getting a hold of this. If I am allowed to pat myself on the back slightly at this point, the fact that we now have study programmes post-16, which means that you must have a coherent programme of study of some sort, is a first step, and that came out of my review. There is now a move, which in principle I support strongly, to develop a number of clear pathways that are quite general and aim at groups of occupations, and from which it would be quite easy to move into an apprenticeship, but which are also designed to provide an in-depth and coherent 16 to 18 full-time programme clearly oriented towards a set of occupations, and allowing for the possibility for going onwards. I think that is our best bet at this point. In the next five years, we are not suddenly going to get huge numbers of high-quality apprenticeships opening up for 16 year-olds. I wish we were, but I think it is going to be slow to do. It is going to run up against the fact that many parents are nervous. It is not only employers who are nervous about taking young people at 16. I think many 16 year-olds and their families are nervous about making what feels like a final choice.

To end with another anecdote, I was talking last week to an FE principal, whom I admire greatly, whose son wanted to go into an apprenticeship at 16—and has gone into a very good apprenticeship at 18—and the family conversation was classic. It was, “I really think it would be a good idea to get your A-levels first”, or, “I really think it would be a good idea to get some more general education and general qualifications under your belt first”.

My hunch is that is the way we will go, although I hope there will still be some employers who are willing to take on 16 year-olds who are really clear and know where they are going, and they want to start now. My hunch is that the age of 18 will be the main entry point for apprenticeships. I am sorry—that is a very long answer to an apparently simple question.

The Chairman: It was a very useful introduction and, indeed, in my own family we had the same discussion with our 16 year-old. It did end with them leaving school, but it ended well, fortunately.

Baroness Blood: May I could ask you to drill a little deeper? We hear a lot about traineeships today as part of apprenticeship provision. Are they simply a diversion for lower achievers?

Professor Baroness Wolf of Dulwich: Bluntly, I think they are, to be honest. There is a real tension there. There were two things behind it. First, it was a way of offering something to young people who clearly were not going to get on to an apprenticeship. Bluntly, they tend to be young people who are not achieving well, for one reason or another. The idea was to

give them some really useful stuff—English, maths and work experience. My view is that it muddies the water to see them as a pre-apprenticeship, because the reality is that, for many apprenticeships, employers want somebody who can come in without going via a traineeship first. Traineeships allow for two things. They allow employers to offer serious work experience to people they might then want to employ, without having to sign up to a full apprenticeship programme. They also allow young people who have really messed up to get something which then may or may not lead them back into full-time education, or may or may not lead to a job, or may or may not lead to an apprenticeship.

Seeing an apprenticeship as something to which you progress via traineeships is deeply misleading and not the way to think about it. Apprenticeships are, and should be, demanding. That is what they always were. That is what they are when they are successful. The idea that the modal apprentice is somebody who has done a traineeship first seems neither true nor helpful, bluntly.

Baroness Stedman-Scott: Professor, I take your point about traineeships not being designated as a pre-apprenticeship, but for those young people you have talked about, where they have not made the right progress in an educational establishment, and therefore are not in a condition to make a good transition from education to work, could you see a more robust, well-managed traineeship, with very clear objectives, with the young person being coached well, as a fundamental part of their development?

Professor Baroness Wolf of Dulwich: I would like to. I have to say, this is the area of education about which I have the least that is useful to say. I have to make that clear because there is in every society—every society struggles with this—a group of young people who, by the age of 15, 16 or 17 have multiple problems for a variety of reasons. By the time they are 25 or 30, a good number of them will have sorted themselves out, but the reality is that at that point they and most formal education structures do not like each other. It would be a very good idea to do that. I feel incredibly strongly that, for young people such as that, a chunk of time outside educational institutions in workplaces is incredibly useful. There have been a number of excellent schemes. The problem has always been how you grow them. You end up with wonderful exemplar programmes and it seems to be extraordinarily difficult to turn that into something that is more national. My hunch is that it ought to be possible. This is one of the areas where I think financial incentives might be important. We are told constantly that it does not matter and employers do not want money

and employers do not want this or that. That is true up to a point, but if you are being asked to do something quite high-risk, I wonder whether one reason it does not grow very much is that the group of people who feel an incredible social conscience, after a couple of years, may feel they have done their bit; and, secondly, that group is perhaps not that big.

The Chairman: Baroness Morris?

Baroness Morris of Yardley: My question has been covered in a previous answer.

Q132 Lord Patel: My question is still chasing the apprenticeship issue, but on the funding side. As I understand it, you were not too keen on the old outcomes-based funding?

Professor Baroness Wolf of Dulwich: I totally was not. I was not keen in advance and it was even worse than I feared.

Lord Patel: So you proposed a levy system?

Professor Baroness Wolf of Dulwich: Yes.

Lord Patel: What does the Government have to do to make the levy system work effectively? What about some of the criticisms that have been made about the levy system, of which I am sure you are aware?

Professor Baroness Wolf of Dulwich: There are always criticisms of any system. Nothing in this world is perfect. I have changed my mind about the levy system because, after all, if you go back to the 1960s and 1970s, we had a perfectly good apprenticeship system and the industrial training boards, which operated on a levy, were not a great success. The main point about the training boards is they took a levy, gave it to a bureaucracy and the bureaucracy then doled it out, which is pretty much how it still works in the construction industry.

There are two reasons I became convinced about the levy. Obviously, it was not only me. I would love to say that I said, “Have a levy”, and the Government said, ‘Of course’”, but it was not like that.

Lord Patel: That is how I thought it happened.

Professor Baroness Wolf of Dulwich: One of the blunt and basic reasons why I argued for a levy—and why, in the end, the Government went for one—is the simple fact there was no money. However, that is not the main reason I became convinced. The point about a levy is that when people have some skin in the game, they also pay some attention to what is going on.

One of the things that happened under the previous system—and this still exists and is what almost all apprenticeships still are—was that employers became completely detached from it. At its worst, a private provider would come in—I have had them describe doing this to me; this is not me imputing things—and say, “I see you have some nice new employees there. We could turn them into apprentices and give them a bit of training. It will not cost you anything. You don’t need to have anything to do with it. They don’t need to go off the job. You don’t need to change their work patterns. Absolutely nothing. Sign here on the dotted line. We will come in and do a few things and we will do all the paperwork”, and that is it. Unfortunately, that has been a very widespread pattern.

An apprenticeship in which the employer is not involved is not an apprenticeship. It is completely different. An apprenticeship is about employers developing the skills and the human capital of a young person, who at the beginning of an apprenticeship is not worth very much to them and is a dead weight, but at the end of an apprenticeship is a really valuable employee.

Essentially, we had two things. We had a huge number of apprenticeships that were not really apprenticeships, in which the employers were not involved. Again, if you contrast this with Rolls-Royce or Network Rail, the difference was total. You also had a large number of people who, if they did not absolutely have to develop their own apprentices, were very unwilling to because, first, it would cost them money; and, secondly, more to the point, if they did it, somebody else would poach. The main reason that I personally concluded that an apprenticeship levy was the way back in is that it means that employers are all involved, because it is their own money and they are worried about what is being done, and they cannot feel they are the only mug. If they have an apprentice, other people are helping to pay for it, so you go back to where we used to be, which was a mutually supportive equilibrium, and you recreate it. I could not see any other way of doing that other than a levy. As I said, I would love to believe that the Chancellor read my arguments and was deeply convinced. I do not suppose he was, but I do think the levy was the right answer.

Lord Patel: Will it end up favouring larger employers?

Professor Baroness Wolf of Dulwich: I think they made a mistake. I do not understand why it is being paid only by larger employers. That is not normal. If you look at other countries which have apprenticeship taxes, it is a proportion of payroll and applies to everyone. If only the larger employers are paying, the larger employers will definitely be the ones who want

to get the benefits. I think it is a real issue that they have done this. I do not understand why. Maybe somebody said, “We must be nice to the smaller employers”. I do not have a clue.

I also want to say that the levy on its own will not do it. It has to be the levy plus all the other institutions. The problem we have in this country is that we are trying to recreate quite complex institutions, not in the sense of bricks and mortar, but in ways of doing things, which previous Governments in the 1980s and 1990s quite explicitly set out to destroy.

Lord Farmer: I will come to this point about the levy on larger employers and your proposal to include all employers. It seems that when you are an SME, it is more difficult to have an apprenticeship scheme. I am suggesting that. What is your answer to the Government on SMEs? Why should they have a levy? How would it work? How do you see them having an apprenticeship scheme?

Professor Baroness Wolf of Dulwich: If you look at most other countries, and if you look back at our history—again thinking about apprentices in my family, my own cousins—SMEs are the major employers of apprentices. If it is really difficult, it is because we have made it difficult. Your average SME is a very good place to be an apprentice because you get used properly.

When you look at the German system, which is the most studied of all, because it has been the most successful and stable, you find that a very large number of small businesses benefit from their apprentices. They do not get much out of the kid when they first join, but by half way through they are beginning to get a net benefit. Again, in France, which I know much more about, it is very easy as an SME to take on an apprentice. Basically, the two of you trot down to the town hall and sign a single piece of paper. You each have three months in which to pull out. As an employer you have to do a certain amount, but not an awful lot. You have to use them properly and fill in a diary, but you do not have to do all sorts of complex on-the-job quasi-educational assessments, because there is a well-structured set of off-the-job training that is specific to your trade, and then the employers are involved in assessment.

It is all about recreating a system that is quite practical and straightforward. You are absolutely right that the current paperwork for an SME to take on an apprentice looks horrendous. The biggest challenge is how we get past that and get back to a system in which what we are asking of small employers is what they can do—often much better than large employers—and not asking them to do the sorts of things for which they would need a large, well-staffed HR department.

Q133 Baroness Stedman-Scott: Professor, will the Government's current approach to apprenticeships means that they will meet their 3 million target of new apprenticeships without compromising quality? If not, what changes would you make?

Professor Baroness Wolf of Dulwich: I think the target is a big mistake. I am really worried about the target, and everything I see about it makes me more worried. If you put a target inside a government department, everybody starts running around like headless chickens, trying to think of ways of meeting it, rather than concentrating on building the thing in hand. Thank you for giving me the opportunity to say this again, because I feel very strongly about it. What worries me is that they will meet the target, although I think they will find it very hard to do. It is an enormous target. If you were going to have that size of apprenticeship programme in steady state, as opposed to rushing around turning everything that moves into an apprenticeship and then pulling back again, you would end up in a situation where almost every young person in the country became an apprentice, and that is not what the labour market needs, and not what we can afford either.

I do not know whether anybody here has, but I have not heard a single reasoned explanation for the figure of 3 million. The idea that it would be good to have even more than the previous Government, when we know that a large number of the apprenticeships should never have been called that, is extraordinary. What is worse is, I think there is a genuine reform movement going on within this Government and, apart from this target, I think a great deal of what they are doing is absolutely right. It is extremely unlikely that they will make 3 million. It is quite likely that if they continue to go on and on about it, it will distort everything else. They will get a large number, but the price will be the quality of what we are getting.

I am not alone in this. It is not only a concern of academics. I know it is also a concern of a large number of the employer organisations. It seems to me deeply misconceived. They are not budgeting for it. I do not know the details but the levy can go only so far. They have said they will put money in. They have said they will fund the SMEs. If you look at the spend per apprentice in the last five years, it was a level at which you could afford to do large numbers of only the very low-quality, short apprenticeships. I find it hard to believe that in the current fiscal climate there is the money, never mind anything else, to meet that target and still have high quality.

The Chairman: I am the daughter of somebody who did a five-year apprenticeship. A couple of weeks ago, we did a focus group with some young people about their experiences on leaving school. I was very shocked to hear them talking to us about apprenticeships they had done, all of the same duration: a six-week apprenticeship wrapping vegetables; a six-week apprenticeship putting flowers in bunches; sweeping a stable floor; and working in a fish and chip shop. That seems to demean the word “apprenticeship”. Is this kind of thing becoming more and more common?

Professor Baroness Wolf of Dulwich: It has become more and more common. Other apprenticeships that shock me equally, although I suppose they do less harm in the long term, are the ones where, essentially, you turn somebody who has been employed for a long time into an apprentice to put a qualification on them and add them to the numbers. A very large proportion of the large number of apprenticeships that were totted up over the last 10 years—and I do not want to say it was only the coalition Government, although they went for rapid growth—has been of that sort.

I have to say that I think a large number of people in government had no idea. When the Chancellor and the Prime Minister stood up and boasted about the number of apprenticeships they had created, I do not think they had any idea, but some people in government did know, and that is really worrying.

One of the problems is that anything involving a Russell group university, such as the one I work in, tends to hit the headlines, whereas stuff to do with vocational education and apprenticeships does not. It is not as though nobody knew and nobody was trying to write about it. There were radio programmes and a couple of good TV programmes. I used to rabbit on about it whenever I was given the opportunity. However, it did not really percolate down to people unless they actually had somebody in their own family who was doing it. I completely agree. I was utterly shocked. I had parents who both did serious apprenticeships. I had cousins who did serious apprenticeships. These are not apprenticeships, and they are not apprenticeships from the point of view of major employers today either. That is not what BAE Systems is doing.

I think it is really bad. One reason I worry about the target undermining reform is that “apprenticeship” is a term which still has respectability, resonance and status. That is very important, because I do not think everybody should be doing an academic university degree. There is a limited number of things that is good for and it is not the best way to learn a lot of

things. What worries me is that we still have this high-status term, and I am not sure how much more life it has in it if we mess it up again.

Earl of Kinnoull: A few minutes ago you referred to the process for an SME to take on apprenticeships and said it was very, very complex and the paperwork was horrific. I have two questions. The first is, could that be cheaply and easily addressed? Secondly, if we went to France and Germany, would we see the same complexity for taking on apprentices?

Professor Baroness Wolf of Dulwich: I cannot talk for Germany, although I very much doubt it given how many SMEs are involved, so obviously it is much more bedded down. In France, you would not. In France, the paperwork for the employer and apprentice is extremely simple and the off-the-job educational element is quite separate, although it is interesting that the employer, as is proposed here, can decide where their tax money goes. One thing that is quite interesting is that we tend to think of France as a very centralised and statist country. It is and it is not, is the answer. There is a huge number of old, not-for-profit, charitable, third-sector institutions operating within this. For example, in the apprenticeship field, there are lots of institutions that were set up originally by groups of employers, which are still the recognised apprenticeship training centres, although are now under the state umbrella, in the sense that they are inspected and there are general education components they have to follow. The only thing the employer has to do is say, “I want my apprentice to go to one of these approved institutions” and then—I do not mean they literally take the money down and put it through the front door—that means that institution gets some money because an apprentice has been enrolled in it. From the point of the view of the employer it is very, very simple.

Our system is so complicated because of this outcomes-based, numbers-based funding system we have created, in which you basically have a contract between Government and a provider of training to deliver apprenticeships, instead of this being organic, as happens when an employer says, “I really would like to take on an apprentice, I feel I should, I feel it would be useful”. One should not forget that a good apprentice is great. They are quite cheap and really good by the time they have worked with you for a while. Instead of this organic growth, we have a top-down “put in your orders” system and, “We will only pay you on delivery”, and that is what takes the paperwork.

Q134 Baroness Stedman-Scott: My question about quality is something we have been discussing. You have heard about the examples of the fish and chip shop, et cetera. I can see

people going to sell apprenticeships and almost begging those employers to take people. Should we be looking at how apprenticeships are sold and trying to drive some of the quality needed into that process?

Professor Baroness Wolf of Dulwich: We have to change the whole funding system. The problem if we do that is that we will go for organic growth, which is why I worry about the target. I would like to see the numbers go down quite sharply in the first place. What you have to try to convince employers, and that is the hard part, particularly with the small employers—you can do it only by demonstration—is that there is a new system which is not so onerous. You have probably heard that there are all sorts of new frameworks being developed which, clearly, are more demanding and better in content. You could not have a set of standards for wrapping up fish and chips, for example. The problem will be to get the employers to sign up to do this and do the on-the-job bit of it, and do it willingly and realistically. For that, you have to start quite slowly because you have to demonstrate to them that it is true that when you say it is not going to be an absolute nightmare, it really is not.

There is a slight chicken and egg issue. I do not know any way around this. A quality apprenticeship, to a degree, has to develop. They all used to be there. Some of them still are there. People still know what it is to be an apprentice in some areas. A lot of small employers know what it was like when they were an apprentice, but what they see now is that the whole system is different, and I think it will be quite hard work.

Wearing one of my other hats, I am a governor of a mathematics school for 16 to 18 year-olds that King's sponsors. We walk a budgetary tightrope, like any state-funded institution, and, like everybody else, we are worried about what the 16 to 19 settlement will be. We would love to take on an apprentice. That is partly due to a social conscience but, to be honest, it is also a cost consideration. There are a lot of areas where we feel we could use somebody. We could work things out so they could go to college for so many days a week. It would be really nice to have a high-quality, motivated person around—a classic apprentice. However, we are like any other small employer. We are not going to do it until we are sure that the paperwork is not going to be the way it is at the moment.

Q135 Baroness Morris of Yardley: This is a bit of an odd question, but what you have just said leads me into it. On the whole, I do not think things used to be better years ago, so I am glad we do not live in the past as far as education is concerned. However, the one area

where I wish we lived in the past is apprenticeships. I always think that is because I do not know enough about it. If I were to ask you a different question, as though we were interviewing you 40 years ago, in the 1960s, when I was a young person, and we were talking about changing the apprenticeship model—those of us who are of that age can look back to that period and remember when it was a matter of great pride to get an apprenticeship that led to a job—from that point of view, what would you want to change? Does that make sense?

Professor Baroness Wolf of Dulwich: It makes a lot of sense. What made it difficult to take on an apprentice at that time and which made the numbers go down in the 1970s—this is probably the point at which I lose half of you—was that apprenticeship wages had become very high. One has to accept that for an employer to take on an apprentice, it must not cost them so much that they decide it is not worth it, for somebody who is not there half the time.

If I had been sitting here then, I suppose I would have said a couple of things. I would have said that you needed to make the process of applying for apprenticeships much more transparent, because it was very non-transparent. I would probably have made myself deeply unpopular by saying that you needed to worry about apprenticeship wages. By the way, they still are the highest in Europe, and that is not a cause for celebration because it is a real problem. Truthfully, I probably would not have said that there was that much wrong with it. I would have said, “It is actually working quite well, leave it alone”.

Baroness Morris of Yardley: That is my feeling. I want to move on to further education. You have already talked about the problem of funding for 16 to 18 year-olds, and you have written about the disparity of funding between the sectors and the fact that we know they are suffering from a funding crisis that is going to get worse, not better. You also make the point, quite rightly, that they have a huge budget between them and they spend an awful lot of money on the nation’s behalf. Could you say a little about that? We know that has gone wrong, but what would you want the Government to do about that? Also, given that, to some extent, the money follows what you do, what would you do about the FE’s contribution to the apprenticeship programme, because it is a bit muddled at the moment and we do not have clarity on both those points?

Professor Baroness Wolf of Dulwich: To answer the second bit first, I would be quite dramatic. I am normally very pro-markets and pro-competition, and quite keen on the

private sector and all the rest of it, but I think in this sector it has been a bad development. This is not an area in which we should be encouraging large numbers of small, new, for-profit providers of training and education. Clearly, it has been bad. This is an area where you need established institutions which are also large enough to cope if demand goes up in one area and down in another from year to year. They must be known to employers and there for the duration, so you know that if you go away for five years and come back, they will not have vanished or changed ownership three times.

The French solved this by taking traditional, occupationally sponsored institutions and bringing them within the system, but they do not have anything where you can set up as a training provider and get a contract and then next year you sell it on, and all the rest of it. Unless you are a company that is large enough to be running your own approved training workshop, or you have a group of companies which has set up a firmly based group training association, I would put apprenticeship training in the colleges. That is where it should be. That is where it was traditionally. Some of the best colleges I know are firmly rooted in their communities and are doing apprenticeship training. In my view, part of the apprenticeship training reform should be that you make it very demanding, and college-based when off the job, unless you are a large employer, such as Siemens or BAE Systems, where you can do your own. Otherwise, the colleges should very clearly be the places where apprenticeship training takes place. As I have said, in many cases they still are, but I would stop all these hundreds and thousands of small providers coming in and coming out. It does not work. It does not have the stability and you cannot control quality that way. It would make much clearer what one of the major purposes of FE colleges was.

Baroness Morris of Yardley: Would they recruit them or the employer recruit them?

Professor Baroness Wolf of Dulwich: The employer would recruit them and then they would send them to the college—yes, exactly. As I have said, if you go to places where it is all still working quite well—there are still manufacturing companies in this country—such as towns which still have a strong manufacturing sector, but it is not one huge company, that is still going on. That is the first thing I would do.

The other aspect of further education, and it is a real puzzle to me in a way, is that if you look at most FE colleges, they tend to have very good relationships with their local MP and often very good relationships with local government, yet they are consistently invisible at national level. I guess it is partly because most members of our elite have never been

educated in them or, if they have, it has been a very specialist sixth-form college, which is a largely academic environment, and they do not see it. Most people have no conception of how big they are. They have no conception of what proportion of 16 to 19 year-olds are being educated in them. Quite often, if they are in the news, it is as likely to be because somebody is criticising them as anything else. It is a real worry and I do not know quite what one can do about it. It is a puzzle and a worry. They are an absolutely central part of our ability to educate the whole 16 to 19 cohort, let alone adults and people returning, companies that want upgrading, and all of this.

Two things have happened. First of all, there were the apprenticeship and adult skills reforms which, quite intentionally, set out to create what people seem to have convinced themselves was a competitive and effective market, even though it was not, and so you had this growth of lots of private providers. There were also two funding streams which, in a way, came not quite like flash floods, but colleges have them and, therefore, were busy coping with those and did not do very much else.

The first was the enormous increase in 16 to 19 participation. Until 10 to 15 years ago, a lot of 16 year-olds left school and found jobs. That is not the case now and we have become like the rest of the developed world in that, essentially, people do not get jobs at 16. They might get an apprenticeship, if they are very lucky, but they do not get jobs. There was huge growth. Although some schools set up sixth forms, most of that growth was catered for by colleges, coping somehow. They just kept coping.

The other thing that happened was an enormous growth at the lower end in English as a second language, basic literacy and basic numeracy. That became an enormous part of colleges' budgets. I think it was also distorting. Instead of being places that were primarily technical colleges, they became places for non-academic 16 and 17 year-olds and for doing very low-level, basic education, plus English as a second language.

Baroness Morris of Yardley: The old YOP schemes.

Professor Baroness Wolf of Dulwich: Those are not institutions that figure on the radar of people thinking about the economy as a whole. It was a combination of things.

Baroness Morris of Yardley: So, in terms of the money?

Professor Baroness Wolf of Dulwich: I suspect the adult money will become more limited, again because it is obvious. I have no idea what is going on down the street, but my hunch would be that this will not be a protected part of the budget. I think 16 to 19 is a real

problem. It is the one place that will be squeezed, and you get caught in a vicious circle. If you are way less well-funded than other parts of the system, and you do not have 11 to 16 money to send across to your 16 to 19 provision, the risk is that you get caught in this downward spiral, which is one reason why, for all sorts of reasons, if I were BIS dictator for a day and could get the Treasury on board, I would say, “Apprenticeship training goes to the colleges”.

Q136 Baroness Blood: You have partly answered this. I know you have previously criticised the relationship between employers, training providers and apprentices. What changes would you like to see to make this work?

Professor Baroness Wolf of Dulwich: There are two things, one of which is coming and the other which needs to be taken more seriously. A good apprenticeship system is one in which the employers are making a genuine contribution, but also getting a genuine return because they are getting skilled employees at the end, and, as a precondition for that, one in which they are deeply involved. The way you do this is through the funding system where they have to put some money in as well as getting some benefit back. The traditional way was you paid for the bit on the job and somebody else paid for the other stuff. I have said this again and again: we have to get the employers much more involved in the endpoint assessment. I do not mean day in, day out—employers have businesses to run. That is as true if you are running something that is part of local government as it is if you are running a small for-profit printers.

If I look at systems that are good and stay up to date, they are all systems in which the final accreditation of the apprentice is, to a very large extent, in employers’ hands. That is not about it being credible to employers or about quality control; it is about their involvement in looking at what is going on and what is happening. To jump around the map, I cannot think of a good apprenticeship system in which employers are not the majority part of that final assessment process.

Q137 Baroness Howells of St Davids: In your July 2015 report, you said there could be, “a return to the employer-apprentice contract as central and defining”. Could you outline how this could be reflected in policy and developed to be effective?

Professor Baroness Wolf of Dulwich: The employer-apprentice contract?

Baroness Howells of St Davids: Yes.

Professor Baroness Wolf of Dulwich: I think you have to start with it. I do not know if anybody else here drives down through France during the summer. It is the kind of thing the UK middle class tends to do. If you ever do it, have a look and you will quite often see a sign that says “apprentice wanted” in the window of a bar. It used to be much less formal here. Although actually, I have my parents’ articles up in the attic, so it was formal. The point is that the contract is central and everything else follows from it. If you take on an apprentice, the employer and the apprentice go and sign that contract. Without that, there is no apprenticeship and, until that is signed, nothing else in the process starts. Chairman, I do not know if that was true of the five-year apprenticeship in your family, but it was certainly true for my parents: they signed articles with an employer. That was the point.

That is not how it works at the moment. But if you put that contract in the centre and say, “Nothing else happens until you have done that”, it is not a miracle but, in my view, it is the foundation stone or the keeper of the ark. The point is that it is really simple. It does not require lots of things. Basically, it says, “I, the employer, will take you on as an apprentice. It is understood...” and the terms will probably be state mandated, “I have three months to think better of it. You have three months to think better of it. We are both going to sign this and take it down”. If this was a country under Roman law, a notary would stamp it. Here in the UK, because we do things simply, you would both sign it.

That seems the most fundamental point about a working system. The point about an apprentice is that they have an employer. It is not that they are a fully paid employee; it is that they have an employer who is their employer. Does that answer the question?

Baroness Howells of St Davids: Yes. I have a more specific question, having read your papers. How do you think black children fare in the apprenticeship system?

Professor Baroness Wolf of Dulwich: They do not fail as badly as some white working-class children. It is hard to say that is good news. In a sense, I think the answer for both is quite similar. One is generalising wildly here and there are lots of phenomenal successes. If you went to King’s medical school and looked at the first-year intake, you would find it was quite heavily black but also terribly heavily female. I have said before that there are groups of young people, particularly in their mid-teens, for whom, for a variety of reasons, a school environment is not a great one.

There are hundreds of reasons why children fail in school, and I honestly do not know about them all, so I shall zero in on one where I think there is an issue. Whether you find it easy to

find an alternative route depends to a large extent on where you live. Oddly enough, part of the problem is that this is not the usual question about the dynamic within schools. It is also about whether you live in an environment where the sort of work-based opportunities—the sort of jobs which lead through skills—are easy to get.

In this area, one of the interesting things is that the worst place in the country for apprenticeships is here in London. These have remained much more real in smaller and mid-sized towns than they have in the cities. It is terribly uneven. For the white working class, there are the blackspots of the old Durham minefields, the Newcastle suburbs and so on. One needs to unpack it. This is only an answer on the part that I know.

This is a problem in a different way with Asian kids, with mothers and fathers breathing down their necks, “You will be a lawyer. You will be a doctor”. There are groups of young people who are particularly well-suited to a non-classroom-based environment—I say “academic” but what I mean is a particular form of academic, because an apprenticeship is quite academic in some ways—and for whom sitting in a classroom doing conventionally academic subjects, particularly when they are in their mid to late teens, is not a good thing.

My suspicion is—and I would have to track this—that there is a sizeable subgroup of black teenagers who are particularly likely to find that form of education unattractive and not be well suited to it. They are disproportionately in the wrong places for finding alternative routes. I cannot prove any of that, but I am pretty sure the argument is right for the white working-class kids. Knowing what I know about where our apprenticeships are, and how bad London is, it seems to me that it is probably part of the answer for black teenagers too. I throw that out as a hypothesis.

Q138 Earl of Kinnoull: Perhaps we could turn to data. We have taken quite a lot of evidence on data, and it seems to be an area where there is scope for making things better. You have commented that there are gaps in the adult skills data. Can you tell us what those gaps are?

Professor Baroness Wolf of Dulwich: There are huge things you cannot find out. Some of you have alluded to the report that I wrote earlier this year, *Heading for the Precipice*. Thanks to the Gatsby Charitable Foundation, which is wonderful, I had a part-time research assistant, who spent months assembling numbers, including on how many people were funded from the adult skills budget to do what. Given the data requirements—the paperwork is endless—you would think this would be an easy question to answer. If you ask anybody who is a provider, they will talk about spreadsheets from hell, but they do not tell

you anything. It was impossible to find out how many people were doing what sort of programme leading to what sort of qualification.

Let me give a non-vocational example. Under the adult skills budget, I tried to find out how many adults had done a maths GCSE during that whole period. You could not find out. There are places where the numbers stop in 2011. There is what one thinks of as a mainstream further education budget for things being put on in further education colleges which are for adults walking through the door who want to be accountancy technicians or something. Can you find out how many there are? Can you find out how many are getting that qualification from private providers? Forget it. There is a vast array of outcomes, on which you get funded, which include, “This qualification is at this level and involves this number of learning hours and falls under this framework”, but you cannot actually find out what they are doing. How would I change it? You would probably have to tear the whole thing up and start again, unfortunately, and get some basic information about what people do where, which are the two things you cannot find out. The other thing you cannot find out is the number of people; you can find out only how many qualifications were taken. You cannot find out how many people did one, two or three. All you can find out is that this many qualifications were taken and this many qualifications were successfully completed.

Earl of Kinnoull: Has someone written down somewhere what data we should be collecting from an academic’s point of view?

Professor Baroness Wolf of Dulwich: No. It is always quite hard to know. Truthfully, if you started with school data as a model, you would not go far wrong. You can find out very quickly not only how many French GCSEs were taken but how many people took them. It is not that easy, but you can if suddenly you are allowed to demand things from the analysts. You can do it. The school data seem to work fine; it is the adult skills data which seem to be crazy. That is because their primary purpose is to pay people. That is what they exist for. They exist to allow the funding agency to make payments.

Q139 Lord Farmer: I would like to ask what you think might be good data to collect. As this Committee is about social mobility, should we be collecting data about what these pupils’ parents did, or some other socioeconomic data of parents’ income as a proxy for that?

Professor Baroness Wolf of Dulwich: One can overdo the data. You collect the data, but what do you do with them? We have some really good, big national databases—including longitudinal studies and the Labour Force Survey—which allow us to look at the broad social

Professor Baroness Wolf of Dulwich – oral evidence (QQ 131-139)

parameters and whether there are links between people's parents. You have to collect a certain amount of family background data for people under 18 because you need to know if they are eligible for bursaries and free school meals. Personally, I am not that keen on collecting data for the sake of it. The reality is that most of the time there is nothing useful you can do with them, except find out what people have found out already, which is that, on the whole, the kids who at 18 are failing academically do not come, for the most part, from advantaged professional families. Truthfully, I would collect less data, not more.

Lord Farmer: I think time is up. Thank you very much. There is one last question. In one sentence, what is your one key suggestion for a change that this Committee could recommend to improve upward mobility, employment outcomes and opportunities for school leavers?

Professor Baroness Wolf of Dulwich: It would be to lengthen the amount of time in your lifetime in which you can cash in your entitlements. We focus enormously, all the time, on 16 to 18 or 16 to 19, but people have a lifetime ahead of them. One of the things that we know about many young people who are not doing that great a job at 16 to 19, is that they pull themselves together later, and they come back if they are able. At the moment, an awful lot of things you can do are tied to your age group. This is true for higher education as well, where we have this desperate drop-off in part-time students and adult returners. I would like us to move gradually towards thinking in terms of lifetime entitlements, which does not mean you can go to university 16 times, or that you can do 16 apprenticeships, but that we think of it as an individual entitlement that you can have when you want, rather than, effectively, having to cash it in when you are 17.

The Chairman: Professor Baroness Wolf, thank you very much. All I can say is that the young people of this country are very lucky to have such a passionate and knowledgeable advocate.

Professor Baroness Wolf of Dulwich: Thank you very much. Thank you for making my day.

Professor Anne Green, Professor Sandra McNally and Dr Stefan Speckesser – oral evidence (QQ 140-149)

Professor Anne Green, Professor Sandra McNally and Dr Stefan Speckesser – oral evidence (QQ 140-149)

Evidence Session No. 15

Heard in Public

Questions 140 - 149

Members present

Baroness Corston (Chairman)

Baroness Blood

Lord Farmer

Baroness Howells of St Davids

Earl of Kinnoull

Baroness Morris of Yardley

Lord Patel

Baroness Stedman-Scott

Examination of Witnesses

Professor Anne Green, Institute for Employment Research, University of Warwick, **Professor Sandra McNally**, Director of the Centre for Vocational Education Research, LSE, and **Dr Stefan Speckesser**, Chief Economist at the Institute for Employment Studies, LSE

Q140 The Chairman: Thank you very much for coming to appear before us today; we are very grateful. As you probably appreciate, this session is open to the public. A webcast of the session goes out live and subsequently it will be accessible via the parliamentary website. A verbatim transcript will be taken of the evidence, which will also be put on the parliamentary website. A few days after the session, you will receive the transcript to check for accuracy, and we would ask that any amendments be notified to us as quickly as possible. After the session, if you want to amplify or clarify any points, you are perfectly entitled to submit supplementary written evidence to us. Before we start, would you introduce yourselves for the record?

Professor Anne Green: Hello, I am Professor Anne Green. I am from the Institute for Employment Research at the University of Warwick. For background, I work using mixed methods, so I use quantitative data sources, case studies and qualitative methods. I am currently involved in an Economic and Social Research Council-funded project on ‘Precarious Pathways to Employment for Young People?’, which hopefully provides some insights for the kinds of work your Committee is doing.

Professor Anne Green, Professor Sandra McNally and Dr Stefan Speckesser – oral evidence (QQ 140-149)

Professor Sandra McNally: I am Sandra McNally. I am a professor of economics at the University of Surrey. I am director of the Centre for Vocational Education Research at the London School of Economics, which is a BIS-funded research centre launched in March for three to five years. Stefan is also involved in our centre. We are aiming to do rigorous quantitative analysis to inform the issues of concern to your Committee about vocational education. We are economists; and use an economic framework for analysis. The provision of data is absolutely essential to the quality of what we are able to do.

Dr Stefan Speckesser: I am Dr Stefan Speckesser. I am chief economist at the Institute for Employment Studies in Brighton. I have been working on youth transitions in recent years. My background is that I am an applied econometrician and have worked on labour economics and education economics for most of the last 20 years, mainly focusing on administrative data. One of the reasons why I am part of the Centre for Vocational Education Research and why, I suppose, I am here today is that I have a lot of knowledge coming from all the years of using administrative data for education outcomes and impact assessments. I have worked on a couple of projects for the Department for Business, Innovation and Skills, in particular on learning below level 2. I have recently published a series of discussion papers, practically a week ago I suppose, available on the BIS website on youth transitions into the labour market and within the labour market, focusing on long-term outcomes.

The Chairman: Thank you very much. What are the key data sets you use to analyse patterns of provision and progression into the labour market for young people, for underserved groups and the people who are called middle attainers? What are the strengths and the limitations in the data that are consequently provided?

Dr Stefan Speckesser: Generally, compared to the situation we had about five or six years ago, the data situation has improved very dramatically in that many administrative data sets in the Department for Business, Innovation and Skills were merged so that we can see who is participating in post-16 education and we can track their later employment and earnings trajectories in HMRC administrative data.

This is going to be the major resource for research on young people's transitions to the labour market and progression in the labour market in the coming years. It is a mixture of education data coming from schools, essentially, which is partially linked already, and is to be linked in the near future, so that we have an exact account about individual participation

in compulsory and post-compulsory education, or post key stage 4 education in the country. That is the primary resource we are going to use.

Vocational education is a very complex field of education, with very different pathways people could choose. The available survey evidence from the large youth cohort studies—longitudinal studies of young people in England—is not really large enough in terms of size to look into particular details of education pathways and subsequent trajectories. Some of it is available as large-scale administrative data, some of it is emerging, and we work on this as we speak. There is an interdepartmental working group preparing administrative data to be used for this purpose. The Centre for Vocational Education Research will access these data and provide research to look into education and employment trajectories.

In addition to this, traditionally, a lot of research on young people's outcomes in the labour market was based on the available cohort studies. These are people born in particular weeks, in 1958 or 1970, who are in the recent Longitudinal Study of Young People in England, but there are various limitations when you use such data sets, one of which is that some of the cohorts are now in their 40s or 50s, so the results may no longer be indicative for today's transitions in the labour market. One problem with the cohort studies is that the Longitudinal Study of Young People, for example, currently covers people up to the age of 20, so you do not really have the long-term outcomes in the labour market that everybody is interested in.

I can add one more thing. Available surveys, such as the Labour Force Survey, have been used a lot in the past in research on vocational education. The Labour Force Survey is the survey that is used to provide official unemployment statistics, but education is an important characteristic included in the data set, so many of the studies that emerged on the outcomes of vocational education are based on these data sets, such as returns to vocational education and the impact on adult employment trajectories. A lot of that comes from survey data, such as the Labour Force Survey, but, by and large, the level of detail that you could achieve with survey data will not be as detailed as what we can do with administrative data.

Q141 The Chairman: Professor Green, could you share with us the findings of your project on Precarious Pathways to Employment for Young People? Are there any emerging themes?

Professor Anne Green: Yes, there are certain key emerging themes. Interestingly for you, we are looking at young people who, perhaps, leave school at 16 and then go on to a college course—people who do not, perhaps, go through the five GCSEs A to C and A-level route—

but we are also looking at graduates. We are finding, in particular, that a lot of people in this middle group are not really clear where to turn or what pathways there are. Some are feeling that the schools are pressing them to stay on and they do not have key knowledge of the other routes that are there.

We are also getting quite a lot of people who are quite proactive in going to college for some of their time, and it is not quite what they wanted. Some are transitioning quite a lot between agency and other jobs in quite a rapid fashion. With this information we are able to provide insights into the lived experience of what the transitions are like, and I think some of this information can provide context for some of the quantitative information—so I am very much of the view that having the quantitative and the qualitative alongside each other is particularly powerful.

We are finding as well that within this group there are quite a lot of people who are quite proactive and are trying to give out their CVs, get employment and try different things, but they can be stifled by the lack of success they sometimes have and the lack of response they receive. Those are some of the issues we are finding.

We are finding as well that people are engaged in multiple activities—being at college, volunteering and working in one or more jobs that may be fairly non-standard and quite precarious. The other thing that is coming out is that, compared with the graduates we are interviewing, the younger people in this middle group do not really have clear access to guidance and information and are much more reliant on their peers, parents and friends to direct them. That is a bit of a preview of some of the things we are finding.

Professor Sandra McNally: Our priority is to use the administrative data from the National Pupil Database, which is linked to the further education Individual Learner Records and HESA, and to link that, in the future, to earnings. It is great that we are going to have this link to earnings and employment because we are going to be able to look at these things in a far more contemporary setting: how do people doing vocational education now perform in the labour market; what are their chances of getting a job? These data are not yet available to us, but we are hoping they will be available to us in June next year. My biggest concern is that the data are made available to us soon because we have three years of funding and I want to make sure that our research is as good as it possibly can be in the time we have funding for. The other thing I would say is that we are in a rather privileged position of being

funded by BIS as a research centre, meaning that we are going to be able to access this linked data set without any constraints.

Other people have to be funded by BIS or DfE in order to be able to access linked earnings/education data. You can easily fix this, and it is very important that you do, because you want the social science community to be using these data sets, even if they do not have funding for a particular BIS or DfE project. That is one of the most important things I want to bring to your attention. The ILR data set is extremely complex to use, much more complex than the school-level data. Part of our contribution is to try to code those data better and help make them more accessible for ourselves and other people in the future.

The complexity is not really the fault of the people who are collecting the data; it is partly to do with the system itself. If you are on the academic route in education, you have a very clear progression route of GCSE to A-level to university, and that is very easily understandable. However, only 40% of people do A-levels. The other 60% do something else, and it is harder to classify what those people do. They can be doing all sorts of things, and the coding is extremely complex because the system is complex. So we have spent many months trying to organise the data so that there is one learner per record in the data and to classify how you would describe what these people are doing. That is an issue which is broader than the data and goes into what the system is like itself.

Q142 Baroness Stedman-Scott: Do you find the data available in a form which make them useful for practitioners, researchers, young people and their support networks?

Professor Sandra McNally: The data have come to us in a form that we have found very difficult, but we are getting to grips with things now. It is part of our skill set and role to be able to use these data sets and try to put them in a more usable form. We have very good relationships with the analysts and have been working quite well together on these things.

Dr Stefan Speckesser: May I add a point on this? On the ground it is a fragmented scene when it comes to who generates the data, in a way. Obviously, the schools have destination information that they give to local authorities, who collect whether anybody has no destination after the summer holidays, because they have a duty to follow up on those youngsters without a destination. The local authorities collect a lot of information on young people's early post-key stage 4 activities—whether they go on to further education college, or whether they go on to an apprenticeship or to sixth form. This data set is key to understanding the participation and is more important than the school-level data to

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understand what people do, because, basically, the precarious biographies can be found only in such data. It is important that the development of data that is out there in various parts of the Government—in the Department of Education, in the Department for Business, Innovation and Skills, in HRMC on earnings—continues so that the data quality improves and we have better information about what young people do, so that we can see their initial situation in the labour market, from where we follow what they then do in terms of education and work. So there is a lot that can be improved in the data infrastructure.

Professor Anne Green: There is also an issue that at local level, outside the research community and universities and consultancy organisations, there is dependence on the skill sets and experience of the people at local level for the use they may make of some of these data sources. Some of the cohort studies, and the Labour Force Survey, can be readily accessed via the Data Archive, but, as has been mentioned, some of the linked data are much more of an issue, as Professor McNally has just outlined. So there are issues about skill sets to be able to make maximum use of the data, and time and availability once you get out to local-area level.

Baroness Morris of Yardley: I am still pondering over answers to previous questions. I want to try and link it to what you have said, as to why BIS will only let BIS-funded researchers use its database. Is it the complexity we have been talking about that means it is nervous about people's ability to use it? I am trying to think of a justification for that.

Professor Sandra McNally: BIS will allow people to apply to the Individual Learner Record database and link that to the National Pupil Database. That is not an issue. The issue is the earnings part of the ILR/HMRC data. The linked data set on earnings can be made available to researchers only if they are funded by BIS or DfE.

Baroness Morris of Yardley: What is the reason for that?

Professor Sandra McNally: A legal reason, apparently; it does not have to do with BIS not wanting to share the data.

Baroness Morris of Yardley: Do you think people at BIS want to solve that problem?

Professor Sandra McNally: I think they do, yes. I have spoken to civil servants in both DfE and BIS and I think they would like that to be resolved.

Q143 Earl of Kinnoull: Perhaps I can probe that a bit more. We were hearing last week—I have the quotes in my book—from people from the three different departments saying there are data protection legislation problems, but often people clearly were not qualified to

talk about data protection issues. Also, there was evidence of at least one department being simply unwilling to share the data it had. I wonder whether you could comment a bit further, and I would encourage you to be very open here. It is really a question for all three, although I am looking at Professor McNally. Do you feel that there is this resistance? Could changes be made to data-protection legislation? Are you in a position, in your admirable unit of the LSE, where you cannot actually share with other people a lot of the information that you find out from the data because they are not within the envelope that you are in?

Professor Sandra McNally: To deal with the last point, our plan is to make our coding available and to make the data easier to use for people who have permission from BIS or DfE to use the data, but we will never own the data ourselves, so we will not be in a position to say yes or no to other researchers who want to use the data.

My experience of BIS and DfE is that they are good about making the data available, and they want to make the linked data available. I hope they can do so as soon as they say they will, in June, for the earnings data linked to the education data. That is my primary concern. I do not doubt their good intentions in that respect at all.

My experience of data with other departments is limited. I cannot really say what DWP, for example, or other departments are like to interact with on data. I think it would be a great development if administrative data across government could be linked, as indeed it is in other countries, in Scandinavia for example, which would allow us to address more pressing questions quickly. There seems to me no good reason why that should not be done. I appreciate you have to protect people's privacy and have data protection, and you have to make sure that the institutions and people are using the data in an appropriate way, all the right security arrangements are in place and they are using it for the right purposes. However, once you have those things set up, it seems to me really important that researchers are allowed to use the data so that we can answer the questions that you are interested in quickly and well, and do cutting-edge research. We do not necessarily need to be funded explicitly by, say, a BIS grant or a DfE grant to do that work. A lot of people would willingly do that in universities. It is a question of making the data available and putting in place the proper arrangements. It is wonderful to see the National Pupil Database being linked to earnings, but I hope that the conversation does not stop there and that we can be more ambitious about what we do.

Dr Stefan Speckesser: Perhaps I could add some smaller points. Obviously, the legal basis of the Data Protection Act, with which we all have to comply, sets out clear regulatory requirements on how to handle such data when undertaking research. So I believe the processes are probably all in place to handle such data in the research community, as it is done in other countries, for example in Scandinavia. To find more answers out of available data in public administration, the investment should be in a clear legal framework for data from different government departments to be linked, to answer questions that we currently cannot answer.

There are many other questions, apart from earnings and employment outcomes, which we could, in principle, look into—well-being, health, and crime—as an outcome. The international evidence base shows the crime-preventing mechanism of education, and this is an important element of the research that we cannot currently represent.

I believe the regulatory requirements to bring such data into a research community are very tricky, because it is obviously very personal, sensitive data, if we talk about people in prisons participating in learning. But, ultimately, a larger picture of what can be done with the data emerges, and I believe that if we progress working towards this, it can give us a better evidence base.

Earl of Kinnoull: Can I clarify one particular thing and put on the record that the ultimate genesis of the Data Protection Act 1998 was an EU directive? The same directive would apply in Scandinavia, yet somehow they have managed to transpose that directive into their domestic law in such a way that academics can work in safety, but we have managed to transpose it here in a way where it is more difficult. Is that what you are saying?

Dr Stefan Speckesser: To be honest, I am not sure that it is a matter of the Data Protection Act mechanism, as such. It may be a matter of the different government departments' remits on how to share data internally to facilitate the creation of data sets rather than whether or not you can legally access it under this mechanism. I am not a lawyer, I am an economist, but I suppose the regulatory framework in Scandinavia is equally compliant with the European directive as it is here. There may be options for facilitating this under existing regulatory frameworks. It is more of an institutional issue and an issue of the resource that would have to be considered to set up such resources, as in Scandinavia, which probably would materially change the situation.

Professor Anne Green: Just briefly, we can think of three themes here. There is the legality issue, the staffing issue and the understanding issue. We have made progress on the understanding issue. It is the staffing and regulatory issues which seem to slow things down more as opposed to the understanding issue. Obviously, for the sort of work you are interested in, it is an area and age group where you do have several different government departments all having a role, from DWP, BIS, DfE and all the rest. That makes it all the more complicated when you come to interdepartmental issues. That is a more general point, I think.

Q144 Baroness Morris of Yardley: Given our report, I want to be clear we have understood the data on the vocational route participation. You answered a lot of this question in some of your comments earlier on, so I wonder if I could ask for clarification. A young person in that age group going through the system leaves school and, let us say, might start an apprenticeship and might stay on the apprenticeship. What is the chance of being able to follow their route from school to employment? What is the chance of being able to monitor and have data on the route to employment of a youngster who, perhaps, does not go via an apprentice route and then drops off, so their route is a bit more varied? You did say it was getting a lot better, which was heartening.

Professor Sandra McNally: We will be able to do that when we get the HMRC data linked. We cannot do it now. We can only follow them up to age 20 or so, into higher education. We have looked at the NCCIS, which Stefan has been using, which local authorities have to keep. In practice, we have found that we cannot follow people after about 18 because they get lost. It is a reason why we need the HMRC data and, preferably, more information than that. For example, it would be useful to know occupation. That would require ONS linkage to the data. That is not standard. This will not be available with the data we are going to have, and it is another reason why we need more things to be linked together.

Baroness Morris of Yardley: You mentioned local authority data and we have been told about the responsibility of local authorities to collect data when young people leave at 16. You are not referring to that, are you?

Professor Sandra McNally: It is that.

Dr Stefan Speckesser: Maybe I can give you an example of how we look into people. We are currently working on a project looking into one cohort of 16 year-olds leaving after GCSEs, which is basically the end of secondary education. Formerly, it used to be the end of

compulsory education, but that does not apply any more. We are currently looking at the leavers' cohort from secondary education at census level, so everybody in the year 2011. We have been able to follow these people for about four or five years now, practically. The data we have, to understand what they are doing, is the information collected by the local authorities about their initial September status. Then we have information on whether they participate in key stage 5 or further education. Then we have information eventually on whether they go into higher education or continue in the further education sector. We can already look into achievement and progression in the qualifications they acquire. The problem we have is that we cannot clearly say what the labour market trajectory coming out of that is, because, for that, we obviously would have to know their employment status further down the line—hence we need the merged data.

From the merged education data already available we can see how people participate in compulsory and post-16 education generally, what sort of learning they participate in, their achievement, whether they progress within the system and what the pathways are from, say, initial further education into apprenticeships or other valuable programmes.

If we focus now on vocational trajectories only, this is already a quite complex world in itself, because if you are navigated through that system by a very good college to an appropriate further education format, if your GCSEs are too weak, they would start you on level 1 in some field. Equally, the regulatory environment changes. We now want everybody to be better in English and mathematics so, if the GCSE results are too low, they will have to re-cover some skills in that direction, and that changes the participation pattern.

By and large, there are different trajectories. People may start on low levels and they may or may not progress to a level 2 qualification, which is where a lot of people drop off. The colleges aim to try to retain people to progress on to level 3, if their level 2 is suggesting they should, because there is a higher benefit, but at the same time we see more complexity; people may change subjects and may side-track at the same time, or they may start at level 2, it is going to be difficult and they go back to level 1, which could be a useful decision to progress to level 2, ultimately.

So if you look into 600,000 people leaving key stage 4 in 2011, which we have done, you see that there are very, very different patterns emerging; some are pre-vocational progression to vocational; some re-cover GCSEs; some go to level 3 directly because their GCSEs are good enough, and they may or may not go on to higher education, the kind of non-standard,

non A-level way, and the FE colleges have a clear role in this. All this complexity has never really been described very clearly in terms of the economic meaning of all that. Why do they do it? Some of what we do in our world is to provide clearer descriptions of what actually happens to these people.

The missing bit is the non-education participation. For the initial September after key stage 4, most of the cohort are seen in local authority data. The problem is that local authorities should always follow up on people until age 19, so if they leave further education college there should be a destination and a follow-up from local authorities on whether these young people actually made a successful transition, whatever they are doing if they are not working. Currently, we do not know this because the local authority collection of data is not good enough, and our data on employment are not there yet. Even if they were there, young people's earnings are often very low, so they may work and you do not find them in HMRC data. If they do apprenticeships, the minimum wages are too low to even go to the threshold.

These are real issues in describing what is going to happen, but I believe, after five, six or seven years of work, I have learnt a lot more now in what I can say about young people in their different trajectories within vocational education at different levels of skills: better GCSEs, a higher level of learning and longer participation in programmes; lower-level skills, a more fragmented pattern of participation. We have to understand what drives this participation and how we can facilitate it leading to something useful.

Baroness Morris of Yardley: That was really helpful. Thank you.

Professor Anne Green: Can I add something about keeping in touch with young people? We can learn something from some of the cohort and panel surveys as well, which are complementary to this administrative data, but we do face, with this group, the fact that this tends to be a group that is geographically mobile and difficult to keep in touch with. We know that surveys, such as the Labour Force Survey, have problems in getting responses from, in particular, young men in large cities. So perhaps some of the groups you are probably most interested in are the most difficult to capture in any of these data sources.

Dr Stefan Speckesser: Which is where education can make the biggest difference, I would add.

Professor Sandra McNally: To add to this conversation about people, particularly people at the lower end who drop in and out of education, it does suggest that it is important to link

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the administrative side to benefits data—DWP, presumably, has that—and, also, crime data. We should certainly find out if education prevents people from going into illegal activities. But we need the data to be able to look at that.

To add to the issue of particular gaps in the data, you probably have heard before that UCAS is one of the big missing links in the administrative data. This mainly applies to people who would be applying to higher education, but it is very annoying from a research point of view that we do not have that link, and I do not see why UCAS will not provide the data.

The other problem is that a lot of public funding for further education goes through private providers. There are fewer good data available on private providers than public providers. They are getting public money, so they should have to provide more information about themselves and it should be more accessible to us. We are finding that very difficult.

The other aspect is teachers. We do not have good linked teacher information anywhere in the system—not in schools or in further education colleges. The major public expenditure in education is on teachers and we should be able to link that for research purposes, but we cannot.

Baroness Morris of Yardley: Do you mean information about teachers?

Professor Sandra McNally: What teacher is linked to what student, or what class. I can see why teachers may not want that to be used, for example, for assessing their value added and paying them—and I do not agree with that, either—but for research and analysis we should be able to link the information together.

Baroness Morris of Yardley: That is a different ball game. I am thinking about secondary level, where any child in any one week could come across 10 academic teachers as well as two or three pastoral teachers, and wondering what useful conclusions you might be able to draw from that.

Professor Sandra McNally: If you were able to link the teachers in core subjects, such as maths, English and science, which everyone has to do, you could maybe link teacher characteristics, such as qualifications and experience, to pupil outcomes. How important is it for teachers to be qualified in maths or to have a 2:1? How important is it for people to be well paid? How does that link to student performance? Those are the sorts of questions we could look at. If you see the same teacher with different students, how important is the teacher in explaining performance? That sort of thing.

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Baroness Morris of Yardley: I agree with that. You could do that by comparing pupil achievement data, for different teachers, could you not?

Professor Sandra McNally: You could do that. If we had some identifier code—we would not need to know who the person was, as obviously that is anonymous—and if you could link the teacher to the class, even just for core subjects, that would really help a deeper understanding about that relationship.

Q145 Baroness Stedman-Scott: You have been very helpful to us. I would like to ask you two things. First of all, when you talk about private providers being very difficult in terms of not keeping data, et cetera, the driver there could be that they only keep what is in their contract, and what they are paid to do. If it is not there they will not do that. The other point is that once you have achieved an outcome for somebody—you have found them a job—then that is it. It is enlightened providers, and there are some around, who will continue to track those people afterwards and have independent verification that the outcomes are being sustained. The best way to get those people to respond is to offer financial incentives, such as vouchers. It is costly but it gets powerful information, which is interesting.

Professor Sandra McNally: I take your points, but I also think if you could follow people in administrative data you would not need to worry so much about whether institutions can follow their students or not, and could be saving money by not pressing providers to actually track students.

On the private provider issue, we should be able to get things such as how much funding goes to private providers exactly. What is published by the SFA refers only to contracts above a threshold, for example. We want the whole thing. I do not know whether or not that is available; that is a question I have asked BIS. You would think things like that would be easy for us to get, but they are not that easy for us to get. There are lots of other things we might want to know about private provision, given how much public funding goes through this route. I do think that they should be obliged to submit a return to BIS or to the SFA for getting public money, in the way that schools and further education colleges have to.

Dr Stefan Speckesser: The destination information coming through administrative data has improved dramatically over the last couple of years. When I started looking into these, assuming there would be something informative, it was very sparsely populated, but obviously the colleges and private providers are improving in supplying us with such information, so it does deliver a lot of useful information now.

I believe one of the core problems is that six months after leaving education you cannot say very much about whether a trajectory has settled, so, to some extent, some more long-term tracking has to happen. One way or another, you will not be able to facilitate that by approaching providers or colleges. To some extent, we have to have independent research on looking into records to see whether this is going towards something sustainable.

The other thing is what unconditional destination statistics tell you in areas where there is a bad local labour market. That may have nothing to do with people's characteristics or education success; it can be a matter of what is the surrounding area effect.

In a way, I believe a lot has happened for the better, to be honest, and we have to do more to contextualise that and bring it into some meaningful narrative rather than looking into a cohort leaving, and then having success or not. I believe that the success is materialising in the adult employment trajectory: that is what we have to look into, rather than destination statistics.

Professor Anne Green: One of the challenges referred to is that these transitions are taking longer, and young people are taking longer to settle. As you say, a snapshot of a few months might be somebody trying it out and thinking, "This isn't for me", and then going on to something else. Transitions are not always unidirectional; it may appear that they are taking a step back to go forward.

We also have to keep in mind that there are some things we cannot really get a handle on even through linking to admin data. For example, we cannot assume that people who are not in employment or education are going to be on JSA or a benefit, because some people's parents will feel that they want to support them in that period and will help them out. So they are hidden from the statistics in any case.

This point about needing tracking for longer is a very important one, given the contemporary transitions that we are finding, as is linking to the deprivation data at the neighbourhood scale and data at a more local labour market area level, to look at the issues of tightness or slackness of the labour market and how different groups of people fare according to local labour market conditions.

Q146 Lord Farmer: Coming to demographics, there are likely to be differences in patterns of participation and progression for young people from different backgrounds who do not follow the academic route. Is data analysis currently being undertaken that offers a

breakdown by different demographic factors? What does this tell us about differences in patterns of participation and progression?

Professor Sandra McNally: There has been a fair amount of work on this, and there is current work being undertaken on this which will develop. Before I pass over to Stefan, who has done most of the work, my big take from it is that family background and prior attainment are the most important things. That is it.

Dr Stefan Speckesser: This is, basically, the finding of a recent research project for BIS, which we had started under the assumption that we could provide some long-term outcomes of particular pathways. We found that these data were insufficient. We then did a systematic literature review using all the published econometric research on the topic. There is very clear evidence about certain demographic factors influencing participation as well as attainment. They are the usual suspects. Good GCSEs help you to progress; there are gender and ethnic group barriers that are obviously visible; there are local area effects; and then there is a whole area of parental background and traditions in the family. It is not only income or social status; you may also find some vocation orientation in the family's trajectory. The truth is that the administrative data will not be extremely helpful in shedding more light on this.

In the administrative data, we have a clear indication of a household's income, because there is free school eligibility information, and that shows whether people come from a poor background. You also have information about the local areas and deprivation that you can link via postcodes, or other mapping. You can aggregate these data to school level, and that can show the percentage of free school eligibility in a school. That gives information about the sort of area environment in which education participation happens. In the ideal world of a researcher, you would like to have more tangible family background characteristics, one of which I believe you cannot really get out of data unless you look into cohort studies where there is very well-documented parental information. Are the families actually positive about vocational education as a trajectory, or is it the mainstream, everybody wants to go academic anyway? There may be different lines of segmentation rather than income or local deprivation that can influence trajectories if families have traditions or they have certain businesses. They may have a taste for vocational education or they initiate vocational education, rather than seeing it as a second-best solution as opposed to high academic achievement. Unfortunately, we do not have much information about such data. I guess

there is a lot of qualitative research about this. We probably can use some of the research data from Essex, or wherever it is archived. For example, the occupational codes of the parents could give you some information. I have not seen very much on this yet and we probably should complement administrative data by such a component, if possible.

Professor Anne Green: The cohort surveys and the panel data do complement the administrative data to get those sorts of insights, but when you have a cohort or a panel that you want to break down by gender and ethnic group, and all the rest of it, the sample size numbers are often relatively small, which can be an issue. But the qualitative work that we are doing does back up what you were saying about parental background. The openings through parents, friends and siblings are very important for this particular age group.

Lord Farmer: It sounds to me as though that is an important area in which data should be collected, yet you are saying that it is not. So what can be done?

Professor Sandra McNally: There are some excellent cohort studies: the Millennium Cohort study, for example. These cohort studies, and the Labour Force Survey, are all complementary to the administrative data sets, and the question is, how do we get the most out of it all? In an ideal world, you would want to link the cohort data to the administrative data. The difficulty is that you need explicit opt-in consent by participants in order to do that, and that is a pain. We would much prefer opt-out consent rather than opt-in consent—it would make our lives so much easier—but that is apparently in the Data Protection Act. If we can do that, it is important.

One thing I would like to highlight is that sometimes BIS and DfE commission researchers to do surveys and the raw data are not necessarily deposited with the government department. An improvement would be to make researchers who collect data on behalf of any part of government deposit their data in the data archive as a condition of getting the grant. That is probably an easy way to make data more available to others to do subsequent research.

Baroness Morris of Yardley: Can I go back to what you said about your findings, which is what we expected, that parental background and family background, home circumstances, made a difference? When you say that, do you mean their socioeconomic background? We believe that aspiration makes a difference as well. You can be poor and still aspire for your children to do well. Do you have any way of talking about aspiration separately from family income? I worry sometimes that we associate low family income with low aspiration. Although it might be truer now than it was two generations ago, it is almost labelling people

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in a way that might not be helpful to change that situation, even if it was the case. Do you ever make that difference? I realise it is difficult, quantitatively, but I wonder if it is something that might be seen in a different form of research?

Professor Sandra McNally: I think you can in some surveys which have information about aspirations as well as background. The reason we focus a lot on background is that you can observe it in all sorts of data sets, as well as international data sets. It is objective; we can see if somebody is on a low income, or poor, or on free school meals, and we know exactly what that means. The troubling thing about our findings in the UK is that it seems that family background is more strongly linked to progress in education and labour market outcomes than it is in other countries. That is a big issue for policy. At the same time, it is saying that being from a low-income background is a “sentence” and there is nothing that can be done. Clearly, there is some heterogeneity, and some people from poor backgrounds have high aspirations. That is something you can see in research as well, but I am not quite sure what you do about it. I would not come to the conclusion that all you have to do is raise the aspirations of poor people and that is your problem solved.

Q147 Baroness Blood: Thank you for the information you have given us this morning. Could I change tack here and talk about the role of the Government? Could the Government do more to ensure that information about this middle group of learners is shared? Or do you think you are where you are because of what the Government have done in moving the situation on?

Professor Sandra McNally: My priority as a researcher is to make sure that the raw data are shared with us so that we can do some analysis, produce findings, and disseminate those findings to a broader public who can use it, such as policymakers or practitioners. There is another issue of parents and local authorities and teachers, and how you make data more accessible to them. It seems to work better in some parts of the system than others. For example, it is very easy to get information about schools; you can get Ofsted reports and you can get data on schools. I do not think that would be as true for FE colleges and private providers, for example. So there is probably more that can be done there, but the starting position is to get the better raw data out to researchers—although the other issue is important.

Dr Stefan Speckesser: Could I add one point? As I said earlier, the local authorities’ duty to follow up on young people should result in a good database on what activities are

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undertaken. We all know that these data are not collected very consistently, and there has been movement to improve it, but this is a moving target. We have to continue working towards better evidence on what young people do. I believe that that has to be interconnected better with the education institutions on the ground, because information is not very often shared between FE colleges and schools. Schools know a lot about parental background and how pupils have performed during compulsory schooling, and that information is not handed to FE colleges either, for example, so it would be easier to access the data not only for researchers but also for the people who run education programmes on the ground, to have better information on the people who are participating in their programmes.

Q148 Baroness Stedman-Scott: Do you think that the collection of data could or should be linked in a productive way with incentives on performance measures for schools and colleges?

Professor Sandra McNally: I do not have a strong view on this question, except to say that however the data are collected should not give providers the incentive or opportunity to cheat or misreport findings. I am a bit suspicious of linking things too much to incentives.

Baroness Stedman-Scott: That is a fair point.

Professor Anne Green: Our experience when we have done surveys of young people themselves is that incentives do work; entry to a prize draw can be helpful. That is at an individual level as opposed to a school or college level. These things can work to some extent, but are probably not the whole answer.

Q149 Baroness Howells of St Davids: Do you have one key suggestion for change that this Committee could recommend to improve the quality, quantity and application of data in policy related to school leavers?

Professor Sandra McNally: My one recommendation would be to make administrative linked data efficiently done across departments, and to make it available to researchers who have the right institutional requirements and have gone through the security checks, - and to make access to that data available to those people regardless of whether they have funding from BIS or DfE to do a particular project.

Dr Stefan Speckesser: I can only say I agree.

Professor Sandra McNally: We talked before.

Dr Stefan Speckesser: She is the director, after all.

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Professor Anne Green: It sounds sensible to me as well—and she did not tell me that beforehand. That would obviously be a common-sense way forward. I cannot disagree with that.

The Chairman: Thank you very much for coming today and sharing your expertise with us. We have found it very useful.

Organisation for Economic Co-operation and Development – oral evidence (QQ 150-159)

Evidence Session No. 16

Heard in Public

Questions 150 - 159

Members present

Baroness Corston (Chairman)

Baroness Blood

Lord Farmer

Lord Holmes of Richmond

Baroness Howells of St Davids

Lord Patel

Baroness Sharp of Guildford

Baroness Stedman-Scott

Examination of Witness

Claire Keane, Economist, Directorate for Employment, Labour and Social Affairs, OECD

Q150 The Chairman: Good morning and welcome to this meeting of the House of Lords Select Committee on Social Mobility. I confirm that this session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and also be put on the parliamentary website. Shortly afterwards you will receive a copy of the transcript. We ask you to check it for accuracy and let us know as soon as possible of any corrections that you would wish to make. If, at the end of the session, anything occurs to you that you would like to clarify or amplify, you are very welcome to send us supplementary written evidence. Perhaps you could introduce yourself for the record and then we will get going.

Claire Keane: First of all, thank you very much for having me. My name is Claire Keane. I work as an economist at the OECD. I specialise in the area of youth, particularly focusing on the more disadvantaged youth and the NEET group, which a lot of people probably know as the group not in education, employment or training. Currently, at the OECD, we are focusing on this group and examining the kinds of issues you are interested in: the transitions from school on to further education and into employment; links between vocational training, apprenticeships and more academic routes; the routes young people are taking; and the routes that are less accessible for young people. Currently we are conducting more in-depth

country reviews. We go out to a number of different OECD countries, visiting schools, employment centres and lots of different places, and talking to young people and teachers. Shall I start by giving a bit of an introduction as to how the UK is doing in a comparative sense?

Q151 The Chairman: We will start with the questions and I am sure that evidence will emerge during the session. If you wish to add anything subsequently, you are very welcome to do so.

I am not saying that we are not interested in the people who are called NEETs, but we have been particularly concerned about the people who are sometimes called the “overlooked majority”, or middle-attainers, who do not follow academic routes into higher education. What does your research show to be the key components of effective and high-quality education, training and skills development which would be valued by employers and young people? Does the UK have any of these features and, if not, which are lacking?

Claire Keane: If I may mention a few values, first of all, as I said, I focus mainly on the NEETs. What is interesting in the UK and across the OECD countries is that the drop-outs—those who do not attain upper secondary education²—are more at risk of being NEET, but in the UK and across the OECD, as education levels are rising, this middle-attaining group—those who have an upper secondary qualification but do not go on to this third level—form the major part of this NEET group, as the numbers with secondary education below the upper secondary level start to decrease.

One thing you can point to in the UK as being favourable is that the UK has successfully managed to reduce its drop-out rate of young people leaving school before finishing upper secondary education. That has more than halved from around 30% down to 16% since 2000-01. That is one success story in the UK and those drops have been much sharper than across the OECD on average.

If we are talking about this group of middle-attainers—those who do not go on to third-level education—the apprenticeship and VET systems are very important. There are some people who do not want to go on to the third level, those who perhaps cannot fund it or who want

² Ms Keane subsequently confirmed that “the official OECD definition categorises upper secondary as education that:

- prepares students for university-level education
- prepares students for entry to vocationally oriented tertiary education
- prepares students for workforce or for post-secondary non tertiary education

to have some employment income, and they are often more likely to come from poorer backgrounds or have parents with lower educational attainment themselves.

In the UK we see that engagement in apprenticeships and apprenticeships are very useful. Countries that use apprenticeships well and are very successful for this middle-attainer group—Germany, Austria, Norway and some of the other Nordic countries—have a very high proportion of young people who are engaged in them. In Germany, for example, around 16% of 15 to 20 year-olds are engaged in apprenticeships. In the UK, it is less, at around 2%, so in the UK the numbers who actually follow these routes are very low.

These routes also need to be quality routes. They need to have some kind of incentive for young people to engage in them, some kind of payment for young people, particularly for young people who are facing the need to try to earn some income for themselves and their families.

A recent Ofsted report looked at apprenticeships in the UK. There has been an increase in the numbers engaged in apprenticeships since 2010, but a lot of this increase has been in lower-skilled areas, for example in the service industry, which are not really building on skills and human capital for these young people.

It is quite promising that some apprenticeships in the longer term in the UK have been shown to have higher returns than getting a university qualification. Some of the modern apprenticeships—engineering and finance—have a better pay-off, and they have the advantage of the young person working and getting this balance. Often when we go to different OECD countries we see this issue of young people not being prepared for the workforce. They are in academic education and they are learning academic subjects, but when they go out into the workforce, it is a bit of a shock because they do not have all the skills that they need.

The UK in particular has quite a low proportion of young people in education who are working as well. Only around 10% of young people are engaged in both employment and education. In countries such as Australia and Germany it is a much higher percentage. This can be part-time work or it can be work that is related to the area of study the young person is doing. It helps to build on soft skills that are often very hard to put your finger on. We were in Sweden recently, and a lot of employers said that young people were not able to arrive at work on time and that maybe the work ethic was not there, and it is very difficult to

know how you teach those things. Simply being in a work environment and having interaction with employers can help young people try to improve those skills.

There have been mixed reviews on the vocational system in the UK. It is a typical economist's answer of "on the one hand/on the other hand"—you will get lots of those. Some vocational routes have been shown to have pay-offs further down the line, so people are more likely to be in employment and more likely to be earning higher wages, and some of them do not seem to be paying off. It is a bit like apprenticeships; it depends on what the young person is doing and the skills the young person is learning. This building of human capital and educating young people while they are learning both academic subjects and work skills is extremely important.

The Chairman: What do we know about other countries in the transition from school to work for these middle-attainers?

Claire Keane: The big thing in the countries that are very successful in getting this group into work is this balance between academic skills and work skills. Sweden has an issue with the apprenticeship system in that there are not enough people taking up apprenticeships and there is no involvement by the employers. The entire syllabus is dictated by educators and the employers do not have much of an input into it. The employers are reporting that they are having difficulty in getting the skills that they want. One thing they are doing in Sweden is using technical colleges. These are upper-education VET routes where companies have taken it on themselves to get involved with vocational training. The funding comes from the Government but additional top-up funding is available from companies that are involved, and they work with local-level government to dictate what goes on to the courses. We do not want to close off pathways. If there is too much involvement by employers, the risk is that you close off the pathways for a young person, and perhaps they cannot go on to the third level if their skills are very specific. The Swedish Government specify a range of skills that have to be taught and attained as part of the course, and they are funding it so they have that right. The employer gets an input and young people spend time out on work experience and interacting with employers. Employers often top up the funding that the schools provide by providing extra machinery, or whatever it might be, to try to train young people in the skills. This mismatch between the skills that young people are getting and the skills that are demanded in the workforce can be closed by closer involvement of employers with schools.

In Germany, they are very successful at this. A very high proportion of people go on to vocational training or apprenticeships and much less stigma is attached. In some countries it can be seen as a negative route to go down: that you go down this VET route or apprenticeship route because you do not have the ability to go on to third-level education. Germany has been very successful in reducing the stigma, mainly because such a large number of young people engage in this and their options are not closed off, so if they go the vocational route they can still go on to third-level education.

Baroness Blood: Could I take you back to what you said previously about the international experience? You said that the UK is reducing the number of drop-outs. How do you assess that, because we have had other people give us evidence that there is no way of quantifying that group of young people? How do you do it?

Claire Keane: We do that using the Labour Force Survey. We look to see what proportion of 25 to 34 year-olds do not have a minimum of upper secondary-level education. This is a standard approach used by the *Education at a Glance* publication, which is the big OECD publication in this area. That is simply from the Labour Force Survey, where people are asked for their highest level of educational attainment. There have been quite sharp reductions in that in the UK. That is one piece of good news.

Baroness Blood: Is there a reason for it in the United Kingdom as opposed to internationally?

Claire Keane: There is a general trend across countries that is hard to distinguish. There is a general trend of a reduction in drop-outs from school. The UK seems to—I am going to use the word “punish”, which might be a bit strong—punish its low-attainers more. The percentage of the NEET group that I was talking about, the group who are out of employment who do not have an upper secondary-level education is 58%. That is much higher than across the OECD. They are around five times more likely to be out of work and out of education compared to somebody who has a third-level qualification. It can also be a recognition that you have to have this as a minimum standard. The UK has been successful—and I cannot tell you exactly why, because I am not an expert in the UK area—in retaining more people past 16 to at least get their upper secondary-level education. It is a general trend across the OECD that we see fewer and fewer people leaving school early.

Q152 Lord Farmer: Following along that line, we have reduced the drop-out rate, but how do we compare percentage-wise with other European countries on the drop-out? I guess in 2001 we were pretty high. How do we compare now?

Claire Keane: In 2001, you were around the OECD average and now you are slightly better than the OECD average. The OECD average is around 18% of young people in that 25-to-34 age group of people who do not have upper secondary, and it is around 15% or 16% in the UK. You are doing slightly better than the OECD average but are behind countries such as the Nordic countries, where there is an extremely strong push to remain in education.

What is important in these countries as well is not only remaining in education but giving young people a way back if they have already left. In the Nordic countries—I have Sweden in my mind because I have just been there—they have what they call introductory programmes. These are to catch people who do not have even the basic or primary level skills to go on to upper secondary. Often it is immigrants who have arrived in the country at an older age and who do not have skills. That programme is part of upper secondary education. You go to an upper secondary school, but you take this introductory programme, which then allows you to transfer on.

What is also very important is second-chance programmes for adults. You have to remember that you cannot treat younger adults the same way you treat teenagers. If you have a 20, 21 or 22 year-old with basic literacy and numeracy problems who does not have their upper secondary qualification, you need to have an option for them to go back to education. That may be different for a 17 or 18 year-old. The Nordic countries do this quite well. They have what they call folk high schools, where older young people of 20 or 21 can go back and take an introductory programme over the summer if they have a problem with basic literacy and numeracy, and perhaps over a longer time period can get an upper secondary educational qualification. What has been found to be quite important with these programmes is that often they offer accommodation, so for very disadvantaged youths, who may not have family support, or are not able to live with their parents or who, in extreme cases, may be homeless, they offer accommodation. Having somewhere to live is a very basic requirement, so a lot of these schools offer accommodation. The Job Corps programme in the US is very successful at targeting disadvantaged students to get them up to this basic level of skills. They have what is called a pre-apprenticeship programme. In the Ofsted report on apprenticeships in the UK, some employers reported problems with basic literacy and

numeracy skills. These pre-apprenticeship programmes allow young people to get up to a certain standard and then perhaps go on to an apprenticeship, VET or further education.

Lord Farmer: Coming back to the original question, would you say that the UK is lacking in giving these older people in their 20s opportunities to further their education?

Claire Keane: Yes, there can be a lack there. Often people need financial support as well. The UK has the Foyer model of accommodation, which seems to work, particularly for young people who want to engage in certain education programmes, where they are at least offered accommodation. That has been rolled out in other countries as well and has been quite successful. I think the whole adult education system could be looked at. I am not an expert in the UK adult education system, but I have not found a huge amount of evidence that it is very strong here.

The Chairman: Could I clarify something? You referred just now to upper secondary attainment. Does that mean attainment of an outcome or that they just stayed in the system?

Claire Keane: When I say drop-outs, I mean those who have not attained an upper secondary qualification at the end. They could have stayed on in upper secondary, but they have not successfully received a qualification that would allow them to go on to further education.

The Chairman: Thank you for that.

Q153 Baroness Sharp of Guildford: Can I pick up some of the issues that we have already discussed? I was very interested in what you said about the proportion of those who combine earning and learning—those who are in part-time schooling and part-time work—being rather low in the UK as compared to other countries. Again, as you mentioned, the UK has relatively few young people who go on into apprenticeships. You said 2%. We reckon that something like 6% of the 16-to-19 cohort go on to apprenticeships, and most of the apprenticeships are in the older age groups; a surprising number are over 25. The problem is that the growth has been in relatively low-level apprenticeships. We are particularly worried about those who are not going on to university and do not go into apprenticeships. That is about 50% of that age cohort. They look to vocational education and training, in both the 16-to-18 period and of course as young adults, because if they have attained their qualifications, many of them stay on in further education colleges to take English and maths at GCSE, which one might regard as the appropriate qualification for going on to work, but

then look to some form of further vocational training of one sort or another and do not go down the golden route of education. We would be very interested in how what we provide for these young people compares with other countries. You have talked about Australia, but which are the really successful countries in taking that group who do not go to university or into apprenticeships?

Claire Keane: First, it is important to rethink vocational education, because this golden route to university is often seen as key and vocational education is seen as second rate. The really successful countries do not make that distinction. Across the OECD, on average around 50% of students take the vocational route. In the UK it is only 30%. The UK has one of the lowest rates across the OECD of those engaged in vocational training. In Germany, it is closer to 75%. I was surprised when I saw that. I know that in Ireland vocational education is certainly seen as a second-class route, and you would never be advised to go there if you had done well in school and had an option to go on to university.

There are an awful lot of middle-attainers—we call them middle-attainers but they can do quite well—who are not picking these routes. University is not desirable for everybody. It is a large investment and tuition fees have been increasing in the UK. The UK is coming out as one of the more expensive countries to go on to university in, and of course that is going to have an impact, because you want to know that if you are going to spend however long being in education and paying fees you are going to have a positive outcome. It is important to point out that a lot of those vocational routes have positive outcomes as well. It is important to monitor the ones that are doing well and the ones that are not doing so well. I do not have it here, but some of the BTEC City & Guilds qualifications, for example, are shown in the longer run to have a good pay-off for people, and some are not.

The German system has a really good system of constant revision of the qualifications that it gives at vocational and apprenticeship level and the skills that are taught, and it gets there by working with a wide variety of groups. The department of education is in charge of it, you have the Government funding it, you have employers who feed in, and there are frequent meetings and constant feedback among the groups. This is important as well. There has been evidence that younger people are pushed slightly into VET by careers guidance counsellors. Sometimes there is bias in the UK and other countries towards more academic routes and away from vocational training. Careers guidance counsellors also need to be involved in knowing what skills are required and what jobs are out there, and the research

says that the VET programmes work for people. Again, you need this feedback between careers guidance counsellors and companies. Other countries have careers guidance counsellors who are external to the schools. They bring in companies, go to jobs fairs and employ a wide variety of techniques to show people where the jobs are and where the skills are needed. The technical colleges in Sweden that I talked about have a 95% employment rate once the person finishes, because they have a really strong link with the workplace. They are certainly not looked down on. In fact, they get a higher-calibre student. You have to have quite good lower-secondary results to get into these, so it is not looked down on in any way.

With this push for university education, unfortunately, the UK has come out across the OECD as the country with the biggest field-of-study mismatch—the overskilling of workers. On the one hand, you have problems with literacy and numeracy, as they do in other countries, and on the other hand you have around half of young workers in the UK working in areas that are not their fields of study. This may be choice, but we are also seeing that the majority of those people are overqualified. People have received university degrees and they are working in areas that are not using them, which is impacting generally on the wages they get because they are overskilled. They are not always doing this by choice; it is simply that the education they are getting and the skills that are needed out there are not matched up. It is quite difficult to predict what skills will be needed. The European Commission has a strategy at the moment to try to predict what skills will be needed and where the jobs will be, and to try and feed that back into careers guidance and education and to teachers, who have such a large role to play in helping to guide students.

Baroness Sharp of Guildford: We are aware of that and we are aware of some of the failures that we have. We are interested in the countries that are very successful in these areas. Obviously Germany is a model that many of us have looked at and studied for some time. You mentioned Australia, and what you are saying about Sweden is also very interesting.

Claire Keane: Austria does this quite well. We always think of Sweden as one of the golden children of Europe, but the apprenticeship system there is not actually working. There are these skills mismatches, mainly because the content is pretty much entirely decided by the educators and not by the employers. The funding issue is important here. It comes back to the fact that it is fully funded by the Government. Employers do not actually pay young people to engage in this training. Employers may not want to pay. I suppose it depends on

the tax levels in those countries. However, by paying, they get to have a say and they get to encourage young people to take this route, so the young people are getting a financial benefit, and they get to have an input into exactly what skills will be needed. The focus in Sweden relates to the fear of blocking people off from the third level. If you go down the vocational route you can go on to third level with no problem in Sweden, but you lack the practical skills because the employers have not been involved and there is no substantive component where you actually go out into a company. That is true of Austria, Germany and Australia.

Interestingly, Australia has a new apprenticeship programme that is not based around a fixed time period; rather, it is based around a certain skill level being attained. This has been quite popular for young people and it has worked quite well. If the young person comes in and is very good and can get to a certain level of skill within an occupation, they are certified as qualified. There is no time limit on it. Some young people may fear signing up to a two or three-year contract, and workers may also fear taking people on for a fixed amount of time, whereas this programme is quite flexible, and once a person gets to that skill level they are qualified.

The Chairman: Is the implication of what you are saying that you would recommend that we did not have private awarding bodies that compete and instead had government and social partners having control of qualifications?

Claire Keane: Private bodies are not necessarily bad. Australia has a similar system to the Work Programme in the UK, which has a combination of private and public funders. I am talking now about employment services, which are different; if somebody comes in who is out of work, they may go on to a private sector company to help them find a job. If I am right, the Work Programme in the UK is going down this route as well. It has not been shown that private is necessarily bad. Private can be quite good, because the private companies sometimes have a stronger incentive.

In Australia, there is a higher premium in getting more of these middle-attainers and disadvantaged young people into employment than there is in other countries. Are you asking more about the involvement of the private sector in vocational training and apprenticeships?

The Chairman: Yes.

Claire Keane: I think you have to have that; you have to have the companies involved as well. If it is purely public and the department of education is mandating what is on different courses, you have the problem that you are not preparing young people with the skills that employers actually need. We keep coming back to this idea of a skills mismatch at the OECD. In some areas employers are reporting that they cannot get people to work, and in other areas we have this overskilling of the workforce. There is that lack of connection. I think it is essential to have the private sector and private companies involved in the decision as well, and, importantly, they are there to help provide work experience, so the person is not only in a school setting but is also out getting practical work experience.

Q154 Baroness Stedman-Scott: How do other countries involve employers, educational institutions, employer representatives and third-sector bodies in the preparation of young people for the workplace? Who is responsible for it? Is it effective, in your view? What would work in the context of the United Kingdom?

Claire Keane: I wrote these down so I would not forget. I know I keep coming back to Germany, but Germany and Austria are known for their strong apprenticeship and vocational training routes, and a large proportion of young people engage in them. Part of the reason why they are so successful is this combination of groups. In the German apprenticeship system, for example, there is a wide variety of different employment options. When I first started thinking about apprenticeships, I thought of construction or hairdressing and certain narrow routes. There are quite a lot of different employment areas. The Government are in charge and funding the majority of it, but there is also involvement at a local level—in the municipalities in local government. A country-wide approach is not going to work because different regions have different skill needs. That is when you need to bring in local players. Local companies get involved, and generally, as I said, particularly in apprenticeships, they pay the young people, and in a way this gives them buy-in to try and match the skills that are needed. It is also important that the Government remain in control of the programme, because we do not want a scenario where the programme is used to train young people in very narrow skill sets and then blocks off their future options. We want a basic agenda where certain subjects have to be studied and certain levels have to be attained.

In Germany, around 50% of the time in apprenticeships is spent in a school setting and at least 40% is spent out in the workforce. I think that combination is essential. They also

frequently revise the skills that will qualify you as an apprenticeship, which goes back to this link with the employer. The employer gets to feed into this, so as skills needs change this can be built in. It is important to realise that it does not stop at a certain age. The adult education system and the continual building of skills help countries to adapt. As we move towards more skilled and technological jobs, there is a need for older workers to reskill as well. In Ireland and Spain, we have seen a massive drop in the construction sector, and it is essential that those mainly younger male workers are able to reskill into something that is going to give them a future career.

The Chairman: I asked you just now about awarding bodies. I think it is important to point out that we have private qualifications bodies such as Pearson, AQA and C&G. Is that effective? Is that common across the OECD?

Claire Keane: I do not know a huge amount about this, but it is important to look at the outcomes for these different bodies. That is the only way we really know: through constant analysis of how people fare further down the line. As I said, I am not sure whether City & Guilds, the ones that seem to fare quite well, are awarded privately or publicly or how they are actually awarded. There is a need for constant analysis of how people are doing out of these and whether the programmes are working. I do not think that private sector accreditation is a particular problem. If the outcomes further down the line are that these people are not getting jobs or are finding themselves stuck with not being able to do further education if they want it, that is an issue, but I do not think public/private itself is a particular problem.

Lord Farmer: On apprenticeships and Governments working with employers, et cetera, I am curious. A lot of employers are in the SME class, so the jobs are specific and need specific skills which may not be general. How does Germany, for instance, cope with that? There seems to be this wonderful working together in Germany, which produces very successful apprenticeships, but do they get fed into the SMEs as well? Are they involved in it, because that is a large part of the economy?

Claire Keane: The Ofsted report on apprenticeships in the UK highlights as an issue that small companies were finding it difficult to get apprentices and that the larger companies were more successful. One reason for that is that skills can be very specific. That is where you fall back on the requirement to have at least a certain skill level in all apprenticeships. In other countries, a certain proportion has to be dedicated to the basic skills of language and

maths, and companies are allowed to be involved in on-the-job training. As a young person I guess it can be slightly risky to go down a very, very specialised route if you feel that the employment options will not be there. I think that is why it is important that the awarding bodies monitor to see that a person, who has certain skills but the apprenticeship does not work out, is able to go on to other apprenticeships or to third level, so long as a certain proportion is reserved for generic, basic skills.

Lord Farmer: Do they get fed into the SMEs in Germany?

Claire Keane: In Germany, they are not necessarily restricted to a particular company. Apprentices can move around between different companies. You do not have to go with one company and stay with them for the entire period and you learn different skills. In Sweden the technical colleges do this as well. You work with different companies so that you are not pigeonholed into a certain area.

Baroness Sharp of Guildford: I was interested in what you were saying about how in Germany the apprenticeship system also opens up opportunities for the upskilling and reskilling of older workers, because this is one of the problems that we face in Britain. Once you have completed an apprenticeship, unless your company is prepared to pay to train you further—and they are not always—this route is blocked for quite a number of people.

Claire Keane: Yes. You need to be careful because some countries actually require a certain proportion of apprentices to be taken on with a company. It has backfired in some countries because employers are reluctant to take on apprentices in the first place if they feel they are going to be forced to take on a certain number of people.

I keep coming back to the need for more generic skills in apprenticeships as well as the more specialised skills, which should allow apprentices, if they are not kept on by the particular company, as long as the skills are recognised and there is a description of what the apprenticeship means and what skill level you have attained, to be valued by other employers as well. It should not be simply about one employer and if they do not get taken on they are lost.

Q155 Lord Patel: I would like to explore the relationship between education levels, particularly in secondary education, as that is the one we are concentrating on, and subsequent employability and earning potential, within the United Kingdom. I would also like to compare the United Kingdom with other OECD countries. Would you go beyond that and explain the reasons for the difference?

Claire Keane: I can attempt to say why. First, I can tell you the numbers. In the UK if we compare somebody who has completed an upper secondary qualification with somebody below that level, the person below that level earns around 30% less than the person with upper secondary. That is one of the largest gaps across the OECD. The OECD average is 20% to 22%. On both the wage side and the probability of not being in employment, as I was saying, those with low education—and when I say low education I mean those who have not completed upper secondary—are five or six times more likely not to be in education and training compared to someone who has a third-level qualification. Again, the UK has one of the larger gaps. In the UK, somebody who has completed a qualification in third-level education earns a premium of around 55% compared to someone who has not completed an upper secondary qualification, and that is pretty much the same as the OECD average at 55%.

It is very difficult to say why there are these differences, but in some countries there is a bias against lower levels of education. I am Irish, as you can probably tell by my accent, and Ireland has one of the highest wage inequalities across the OECD. There can be this really strong bias towards below upper secondary. It becomes the minimum that you have upper secondary level education. If you do not have that, there must be something wrong as to why you have not reached this level, and you are less employable. I guess employers are taking the information they have available to them and saying, “If you could not complete upper secondary, I am not going to employ you”, or you are going to get paid a lot less.

It is really difficult in some countries where there is this bias towards higher education. We saw it on our trip to Sweden. Young people who were not able to get employment, or those who had upper secondary education, were going for jobs that 10, 20 or 30 years ago they did not need a third-level qualification for, and they would get on-the-job training. Now there is a push, and as the whole population improves its educational attainment there is more and more bias against those with very low levels of education. Years ago, if you did not have upper secondary level or third-level qualifications, there were lots of other people like you, whereas now, as the proportion of those with lower levels of education and who do not have lower secondary falls, the bias is becoming stronger against this group of people. That is why introductory programmes that allow people to go back and at least get to this minimum standard of upper secondary are very, very important.

Lord Patel: So you are going to make a guess as to the reasons?

Claire Keane: Yes. We do not know why in some countries there is a very large wage premium. Of course, we have to have wage premiums. It is normal across the OECD that this happens. As a young person, especially in the UK, where fees are high, why would I pay for a three or four-year third-level programme if I am not going to earn a wage premium? I have taken three or four years out of my life, I have invested in my education, financially and timewise, so I need this kind of premium. There need to be incentives. As a young person, I know that if I do not at least stay on to get my upper secondary qualification and get this basic level—and this can be quite important because it can often open up further avenues—in a lot of countries I cannot go on to third level. In Sweden you will not get into an apprenticeship if you do not have an upper secondary qualification. So this group of those who do not get upper secondary, who fall behind, are one of the most disadvantaged, and we see it in NEET rates. They have much higher NEET rates, and those people find it harder and harder to get employment. Again, it differs in different countries, because depending on where the jobs are, as countries build more skilled jobs, there are fewer and fewer low-skilled jobs available for those with lower education levels.

Lord Patel: You are saying that if you compare the reason why those in the UK who have not reached secondary education have a higher premium in that the wages they get are much lower compared to, say, Germany, it relates purely to the attitude towards education levels.

Claire Keane: Yes, I think a large part of it is related to the attitude of employers. Also, I am not sure of the skill demand here, but it may be that, as the economy is trying to grow, there is a squeeze on these lower skilled jobs, less of them are available than before, and it becomes a minimum requirement to have at least an upper secondary qualification. I am not sure whether in the UK you have to have an upper secondary qualification to get into an apprenticeship, but I think it is important to not let people fall behind if that is the case, as in some other countries, and to have pre-apprenticeship programmes. With employers reporting lacks in basic numeracy and literacy skills, it is important that there is some way of tackling this so that people are allowed to go on an apprenticeship if they want to, and it is not blocked off to them.

The Chairman: Given what you have just said, if more people were to achieve a level 2 qualification, would that mean that the inherent bias would just be pushed higher up the scale?

Claire Keane: What generally happens if you have this increase in education in a country is that the premium falls. In countries where more and more people have third-level education, the premium commanded by third-level education falls because employers now have more of a choice in the workers that they have, and if a larger chunk of young people have third-level education they are going to command slightly lower wages than they did before. I had a look at the UK and across the OECD, and these premiums, at least in the last 15 years since 2000, have not changed very much. The gap between lower secondary, upper secondary, and upper secondary/third level has been constant. There has not been a massive change there, but over the longer period the premium certainly has changed, as I said, as more people get third-level education. It used to be that there was a wage premium if you had at least achieved upper secondary level. Now there is a push to go even further than that.

Q156 Lord Holmes of Richmond: What has your research shown are the differences in participation in education and training in groups that may be considered to be disadvantaged due to socioeconomic, ethnicity, gender, disability, and how does this compare across the OECD?

Claire Keane: Obviously the education system can be helped to level some of the socioeconomic gaps that young people face. What is hard, as somebody who works with young people, mainly 15 and over, is that we know that an awful lot about how you fare as a teenager is set down at quite an early age, at pre-school age, so investment there is very important. I will get to your point about the differences between different groups, but what we have seen and what is promising is that the UK has been quite successful in increasing enrolment in pre-school education. Forty-five per cent of 0 to 3 year-olds are engaged in formal childcare; it is only around 30% across the OECD, so that is quite good news. Also, over 90% of the 3 to 5-year age group are now involved in a formal pre-school programme, and that is still only around 80% in the OECD. That is quite good news, especially for the current generation of young children.

A major issue with socioeconomic background is its impact on outcomes, mainly in literacy and numeracy, and that follows young people throughout the education system. I had a look to see how the UK fared, and if we look at the performance in basic numeracy and literacy skills, if you are from a low socioeconomic background you are 2.3 times more likely to have low literacy skills, and this, as I said, will follow you throughout the education system. That is

around the OECD average. Where the UK is doing quite well is in parental education, which is better than the OECD average. If your parent has had lower secondary education, compared to someone who has third level, you are twice as likely to have low literacy skills. That is better than the OECD average, even though it is still tough. It is in immigrant status and gender where the UK is doing quite well. If I am a 15 year-old in the UK who has an immigrant parent or parents, I am around 1.4 times more likely to have low literacy. It is more than double that across the OECD, so that is quite good news. Also, we know there is a gender gap in performance. In the UK boys are around 1.6 times more likely to have low literacy; it is 2.2 across the OECD. So on the immigrant side and the gender side, the UK is doing quite well. There have been improvements as well in parental education.

If we look at the PISA study, the OECD study following 15 year-olds, we see there is a strong link between basic literacy and numeracy skills at primary school level and how you perform later on. If you do not get these skills early on, it is very hard to catch up. It is promising that the UK is doing quite well in some of those areas and some of those gender gaps. What is really important as well for young people from more disadvantaged backgrounds is often something that is really difficult to quantify. We visited a school in Sweden and you could see that there was much stronger interaction between teachers and students. It is often very hard for people from disadvantaged backgrounds, if their parents did not achieve at third-level education, to guide their children to the best route. This could be done by teachers, careers guidance counsellors and mentors. The US has the Big Brothers Big Sisters mentoring programme, people who volunteer to work with younger people, and even just to know that there is someone there who you can talk to, maybe outside your family if they are not able to offer that guidance, is really, really important.

The Chairman: I think our literacy levels are helped by the fact that English is becoming such a common language worldwide.

Baroness Howells of St Davids: May I just ask one question before I ask my main question? I looked at the composition of the OECD—you may not be able to answer this—and I have not seen one African country listed. Is that by design or is there something I do not know?

Claire Keane: Basically, countries apply for membership³. The OECD was until recent years seen to be more of a rich countries' club, but we have been trying to address that, so there are more poor countries, but from different continents. For example, Mexico and Chile are now members. I cannot say why there is no African country, but I know that there are countries trying to gain membership, and the push in the OECD is certainly towards trying to expand so that we do not focus just on richer, maybe European or American, countries. I know that there is a process, that formal applications have to be made and analysis done, et cetera, but it is certainly expanding. I agree with you, and I certainly hope that it expands further in future.

Q157 Baroness Howells of St Davids: Now for my main question: how does the United Kingdom compare with other OECD countries in funding for intermediate or technician-level vocational education and training? Does more funding equate to better, more sustainable employment outcomes and increased participation in the labour market from those most distant from it? Does funding come from national Governments, regional governments, employers or individuals?

Claire Keane: I might not be able to answer your second question fully. I looked at the breakdown in spending, and for some reason, out of the 34 OECD countries, only 19 are able to provide a spending breakdown by vocational training. Unfortunately, the UK is not one of them, so I was not able to find those statistics, but I was able to see the spending at least at primary, secondary, upper/lower secondary and tertiary level.

The first thing is that the UK has increased its spending on education by 10% since 2008. This has bucked the trend in a lot of countries, because with the recession a lot of countries cut back or kept it stable. Spending at primary level is the equivalent of around \$10,000 per student in the UK; across the OECD it is only around \$8,000, so the UK spends slightly more on primary. I should also mention that the UK is spending a larger amount on pre-school attendance as well. That might help to explain part of the rise in pre-school attendance. If we look at the secondary level, spending is around \$9,500 per student in the UK and around \$14,000 for third level, which is pretty much the same as the OECD average. As I said, unfortunately I was not able to get at the spending at vocational level, but across the OECD,

³ Ms Keane subsequently confirmed that “the OECD was originally established in 1948 to implement the US-financed Marshall Plan to help reconstruct a Europe negatively affected by World War II, hence the string European/US focus, originally at least.”

for the 19 countries for which the information is available, the countries with larger enrolments in this dual system, so with a larger proportion of people engaged in vocational training or apprenticeships, spend slightly more than those who have lower levels of engagement. I am not sure what is driving that gap. I cannot say that more spending necessarily means better outcomes, but I do not think it is a coincidence that countries like Austria, Finland and Germany spend more on their vocational students than they do on the more general upper secondary level education. However, as I said, I was not able to find that for the UK.

Baroness Sharp of Guildford: Am I right that the figures are in dollars, or are they in euros?

Claire Keane: They are in dollars. Sorry. Very well spotted. They put it in dollars so it takes account of purchasing—

Baroness Sharp of Guildford: It seemed a bit high.

Baroness Howells of St Davids: Does funding come from national Governments, regional governments, employers or individuals throughout the OECD?

Claire Keane: Across the OECD, again, there is a mix. Primary, and certainly lower secondary, are usually funded by national Governments, but in other countries municipalities or local governments will also have an input. I noticed that even though spending in the UK at tertiary level is the same as the OECD average, the largest proportion of funding at the third level actually comes from individuals, driven by these quite high fees. So there is quite a lot of spending at the third level that is not taken into account in these figures because it is not spending by government, but it varies depending on the size of the country. In Sweden, for example, the municipal governments are pretty much responsible; they fully fund education, with some top-ups from the national Government. Then, of course, you have different fees at third level, with the UK coming out as one of the highest, up there with the US. In other countries you have a free third level, with no contributions by individuals. That, of course, causes its own issues, in that if fees are not charged in the third-level sector, either the Government have to pay quite a lot more or there is not as much funding available for students.

Q158 Lord Farmer: I think you have touched on this, but what is the balance in other countries in their policy focus on vocational and academic routes throughout secondary education and on to tertiary education? Does this make a difference as to how academic and vocational routes are valued?

Claire Keane: Certainly in the UK, in Ireland, and in other countries the vocational route is a lot less valued. It is hard to say why that is, but we know that careers guidance has often been biased towards pushing people to the academic route and not into vocational routes in these countries. In the UK you have less than a third of students on the vocational route, and they tend to be lower-performing, more disadvantaged students; they have a lower performance going in, and they come out with a lower skill set, so either the poorer students are being pushed in that direction or the vocational training is not providing them with the skills they need, or both. In countries such as Germany and Austria, where three-quarters of students are taking the vocational route, a substantial component provides generic skills and generic training, and I think you then get away from the stigmatisation. In Ireland, if you went the vocational route it would immediately be thought that you did that because you did not have the ability to go on the more academic, upper secondary route. In terms of numbers, there is a pattern that when larger proportions of young people take these vocational routes, less stigma is attached to them.

Lord Farmer: You said that before, but what about the policy focus? In Germany the apprenticeship scheme, et cetera, has historically always been strong. Does the policy focus of the Government affect this?

Claire Keane: I suppose it affects the range of programmes that are on offer. If at government level there is a desire not to have the vocational route as the key focus, that is going to feed through. For example, in the UK, if people were more aware that the vocational route can have quite positive outcomes for young people, that you can earn more when you go on certain apprenticeship routes than if you go to the third level, I think it would start to feed down. The careers guidance aspect would also then be important. If as a careers guidance counsellor I see that we are trying to push people to have more of the skills that are required in the workforce, that will feed through, especially if the curriculum or the way careers guidance counsellors are trained is set at a government level. As you say, in some countries there is this recognition at the policy level. A lot of OECD countries have people who are unemployed who do not have the skills that are necessary for employment, and there is overskilling in certain areas. The Government need to get involved in what kind of skills are needed, what kinds of places will be available at third level, and what kind of vocational routes will be taken. The German system of constant revision works very well.

Q159 Baroness Blood: Given your experience looking at other countries, what approach should our Government be taking to improve upward mobility and opportunities for school leavers who do not follow an academic pathway?

Claire Keane: It has been found that apprenticeships can be particularly good for those who are from a more disadvantaged background, and there are different reasons for that. One may be that these younger people do not have someone in their family or in their wider circle with third-level qualifications, and they do not have that aspiration, that person to look up to. Also, there may be a financial necessity; they need to earn an income while they are engaged in education, particularly when fees are so high. In Canada a premium of \$1,000 a month is paid to people from disadvantaged backgrounds, so they have actually targeted this group to try to attract them in. They have also provided tax incentives to employers, so the employers receive tax breaks for taking on people who may not have completed upper secondary or are from disadvantaged backgrounds, or have an illness or disability that may make it more difficult to work but they can still contribute. France has done something similar; it has offered financial incentives to employers and to workers from more disadvantaged backgrounds to try to increase their take-up of apprenticeships. That is something that could perhaps work in the UK.

The Chairman: What you have said gives the impression that it is accepted that an apprenticeship is of a lower order, but yesterday we visited Rolls-Royce in Derby, and getting on to a Rolls-Royce apprenticeship is as difficult as getting into a Russell group university. Is not part of the problem the impression you have just given that having an apprenticeship is not really as good as going on to university? Is not the view in Germany an indication of why they are so much more successful?

Claire Keane: Yes, certainly. The technical colleges in Sweden that I mentioned are heavily oversubscribed. These are vocational routes; you will generally go on to work in a skilled company, usually manufacturing, and they are not looked down on at all. In fact, as I said, they are highly sought after; there is a waiting list to get in, and you have to have a very high performance even to get into these, so you have to have done well at primary and lower secondary level. As I was saying, that is where attention needs to be drawn: to the programmes that are working, the modern apprenticeships where the outcomes are better than going on to third level. It is going to take time to shift that. In Germany, it is accepted that you may do lower-skilled jobs or you will move around different companies, and it is not

frowned upon. Also, if you finish upper secondary, you do this for a while, so you are a bit older when you finish, say, a third-level qualification or an apprenticeship.

It is a matter of adequate research. Often programmes are brought in and they are not adequately examined to see whether or not they have actually had a positive outcome. As a researcher, I am always going to ask for more research, but we need to follow the apprenticeships that work and feed that back to the careers guidance counsellors and those working with young people.

I would never have dreamt of doing an apprenticeship when I was leaving school. It was not one of the options that would have been set out for me. Careers guidance counsellors need to be informed about the benefits of apprenticeships and vocational training, and that needs to be fed back to the students. It will take time, but we have seen the expansion of apprenticeships and the different types of apprenticeships that you can do. It is not focused in very narrow areas. I think more focus on what it is that works and feeding that back to the students and counsellors is important.

The Chairman: Thank you very much for coming here today and sharing your knowledge and enthusiasm with us.

Social Mobility and Child Poverty Commission – oral evidence (QQ 160 - 173)

Evidence Session No. 17

Heard in Public

Questions 160 – 173

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

The Rt Hon Alan Milburn, Chair, and **Jack Feintuck**, Head of Policy, Social Mobility and Child Poverty Commission

Q160 The Chairman: Welcome to the 17th evidence session of the Select Committee on Social Mobility on the transition from school to work. It is a great pleasure to welcome the witnesses, who will in due course introduce themselves. I know one of you does not need this reminder, but it is important for me to say that this session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence and will be put on the parliamentary website. A few days after this session you will be sent a copy of the transcript. We ask you to check it for accuracy and advise us of any corrections as quickly as possible. If you want to make any subsequent comments, or clarify or amplify anything that you have said during this session, you are perfectly at liberty to submit supplementary written evidence to us. We have met you both before, but if you could introduce yourselves and we will get going.

Rt Hon Alan Milburn: I am Alan Milburn. I chair the Social Mobility and Child Poverty Commission.

Jack Feintuck: I am Jack Feintuck, head of policy for youth at the Commission on Social Mobility and Child Poverty.

The Chairman: Thank you both very much. In your report last year, you referred to what you thought central, national and local government should do, in that they should, “Actively engage employers in improving earnings, tackle youth unemployment and address imbalances in the labour market”. How is this best done?

Rt Hon Alan Milburn: Some of it is being done, and frankly more needs to be done. Two-thirds of a million young people are still unemployed. It is obviously very welcome that unemployment rates among the young are falling rather than rising. In some regions it is clearly worse than others. Where I live, in the north-east of England, two in 10 young people are unemployed, and that is true of Wales. It is moving in the right direction, but the problem has definitely not been solved. Underpinning that are some pretty deep and fundamental structural changes in the labour market, which the Committee will have been exploring in the evidence that it has already had. We all know that the phenomenon of the hollowing out of the middle tier of the labour market is real and, if anything, is set to get worse. All the projections suggest growth at the top, with more professional jobs, probably some modest growth at the bottom in low-paid jobs, particularly in care sectors, and a massive hollowing out in the middle—the scientific, technical and manufacturing-type jobs. So we have a problem, and, frankly, if the market is left to its own devices, that will get worse.

It is a binary choice for public policymakers: either to step in or not. There are some welcome signs that government has got the message. It is interesting that apprenticeships have become a really big focus, not just for the current Government or the coalition Government but the previous Labour Government, too. That is welcome.

In my view, the biggest change we need is not so much a policy change as a mindset change: these labour market changes, which are profound and have huge impacts on the prospects of young people to progress in their careers and get better pay, if left to a non-active labour market policy will get worse rather than better. That means that local or national government cannot second-guess what employers are going to do. We have tried that, and other countries have tried it, and it has not exactly been a happy social or economic experiment.

However, it does seem to me that there are a couple of areas that are worth exploring. The first is to think about the role of government. The Government do not think of themselves in these terms very often, regardless of who is in office. The Government are a huge employer,

and in very many parts of the country they are by far the biggest employer. Certainly in my old constituency of Darlington they were: the DfE—Estelle is very familiar with it—the Student Loans Company, the National Health Service, local government, and heaven knows what. Almost by accident, there has been a series of policy decisions over the last 10 or 20 years that have been conducive to addressing this intermediate jobs market problem. If I think of education policy, for example, the advent of classroom assistants to sit alongside teachers was about an active labour market policy as well as a good education policy. When I was doing my health job in government, trying to devolve responsibilities and roles from doctors to nurses and other paraprofessionals helped to create a new tier of intermediate-type jobs. You saw it in criminal justice with PCSOs sitting alongside the police. One thing that Government could do is think about that holistically as a public policy drive: how can we better devolve roles and responsibilities within the public sector workforce to ensure that we can break the cycle of grade inflation and the greater requirement to have a degree in order to have a professional career, because it goes on and on. Nurses now have to have a degree. Nursery teachers will have to have a big qualification. If we continue to do that, we lock a lot of people out of the labour market who could be in it, particularly young people. That is perhaps a different way of thinking about it, but I think that Government have a role. Finally—and then I will stop, as I am sure people will want to come back on this—the focus of the Government on apprenticeships is a really welcome step in the right direction. There is a “but” and that is that if it is overwhelmingly going to adults rather than youngsters, and if it is focused at level 2 and not level 3 or level 4, we have a real problem. I looked at the numbers the other day. In 2014, 2,900 young people aged 19 to 24 started on a higher apprenticeship, which by the way has better economic returns than most university degrees over the course of a lifetime. In that same year, there were 170,000 undergraduate starts, so right now there is a discrepancy in where Government and public policy are laying their bets. They continue to lay their bets overly on the higher education route to the detriment of the vocational educational route. I think that comes back not to policies but to mindset and focus.

Q161 The Chairman: Thank you for that. You have referred to a “hollowing out” in the middle. It had been suggested to us that we should describe these young people as the “overlooked majority” in that numerically they are the majority.

Rt Hon Alan Milburn: Absolutely.

The Chairman: You have talked about the ways in which the public sector could address this, with classroom assistants and policy community support officers. What role could private sector employers play?

Rt Hon Alan Milburn: A big one, and some are. I think the penny is beginning to drop. Today, there are around 50,000 vacancies in scientific and technical trades and around 25,000 to 30,000 in the construction sector. You only have to look out of the window from this place and see the number of cranes in London to realise that we are in the middle of a construction boom, and that is a great thing, but it will not be a boom if there is a skills shortage. The numbers in the supply side are very odd: around 13% of young people who take a vocational course end up doing sports, recreation and leisure, which is six times as many as do construction and three times as many as do engineering. We know where the best outcomes lie. I am sure there are lots of people who have a great career in sport and so on, but the real opportunities, economically and socially, lie somewhere else, and somehow or other there is a mismatch between supply and demand. The people who could make the difference in this, the swing voters so to speak, are the employers.

We produced a report recently with Business in the Community to look at what employers can do. One way to look at it is to think about what professional employers can do—there is some stuff there—but for these types of jobs the really difficult questions are: what about the low-paying sectors, what about retail, hospitality and care, where the low-paid jobs are predominantly concentrated? Can anything ever be done there to create intermediate-tier jobs? With the professions, I think we are looking at a cascading down of responsibility in the way I described earlier. With the low-paying sectors, we have to think about what it is possible to cascade up.

With the Business in the Community report we recommended a number of things. For example, we know that when managers in these sectors are incentivised in the right way to focus on job progression and retention rates—guess what, they do. When there is an incentive to focus on job design, so that jobs are deliberately designed to create career ladders for young people so they do not just go into a job and get stuck there on low pay—guess what, they do. The other day we were looking at evidence from the retail sector and comparing what happens in Germany with what happens in the UK. It is very clear that some of the big German retailers, for example—and, by the way, these are the guys who are on the up in the UK market, and maybe these two things are related to one another—very

intentionally design jobs in such a way that young people in particular get the opportunity to multitask. They are not just stuck on a till—tills are disappearing from shops anyway—or just stacking shelves; they are doing a range of tasks. That is all about the notion of creating career ladders. That is very important for one reason, which is that there is a big focus now on lifting levels of low pay, and that is a good thing, but to be sustainable we also have to lift levels of productivity. To do that, we have to think about jobs in a different way—not being stuck here and not moving, but being able to move from here to there. There are some very tangible things that employers can do and need to do.

I would make one final point. We are at a critical juncture, because this Government have in mind quite a big shift in responsibility from the state to employers. You see that with the national living wage. You see that with the apprenticeship levy. You see that with the way public procurement is being used as a policy tool for social ends. Each of those instruments is fine, but they add up to a wholesale renegotiation, if you like, of the informal contract between the state and employers. I think that has been done quietly but not publicly; it has been done incrementally but not strategically. The Government need to enter into an open conversation with employers about what their expectations are of employers, otherwise the risk is self-evident. I support all these things. They are all undeniably good things, in my view, but the risk is that we end up loading responsibilities on employers and, rather than improving productivity, we do the reverse.

Q162 Baroness Blood: We have heard a lot about improving level 3 vocational qualifications. Have you any thoughts on the learners who are not ready for level 3 or training?

Rt Hon Alan Milburn: Yes. I guess that is not just a question for vocational education. As you know, unfortunately, there is a very strong social correlation to some of these things. I was going to say that it begins in school, but it begins before school. The elements of a better jigsaw puzzle are there, but I am not sure to what extent they are harmonised. Obviously, we focus a lot on disadvantaged children and their educational prospects, and at every level they are underserved by the education system, if we are honest about it. By the age of five, half of poor kids—and I am thinking about kids on free school meals, the poorest sixth in society—are not at the appropriate level of development, so they are not school-ready. School-ready is pretty basic things, such as knowing how to dress yourself, how to take a simple instruction, and how to toilet yourself. Do I honestly believe that early years services

think it is their mission in life to ensure that children are school-ready by the age of five? I do not think they do, because that is not how it has been communicated to early years services. They are conflicted between two objectives, one about raising maternal employment and the other about doing something about child development. Their principal purpose concerns child development—they are called early years services—so there is a failure there. There is a failure in primary school. Two-thirds of kids get to the expected level in reading, writing and maths, but a third do not if they are on free school meals. Most seriously of all, at secondary school only one in three kids on free school meals achieve five good GCSEs, including English and maths. That is despite Herculean efforts and quite a lot progress. If you take a big step back, it is not only a national scandal but a moral outrage that we have allowed the education system to systematically fail the poorest children in the country. That is not good enough. When we are talking about level 2 and all that, we are not going to get more kids up from level 2 to level 3 or level 4 unless we do something earlier in the system. That has to be a mission in life for the education system.

I give a health warning right now: in my view, a lot of what the Government are doing on schools policy is broadly in the right direction, and I can welcome and applaud it, but if what I am hearing is a move away from closing the educational attainment gap in schools towards focusing purely on the raising of school standards overall, that would really worry me, because we have to do both things simultaneously: we have to raise the bar and close the gap. It seems to me that a lot of this is less about the vocational education system, with all of its faults—no doubt we will come to them in a moment—and more about what happens before then.

Jack Feintuck: May I add a point on that? Ofsted's annual report has some interesting facts on GCSE English and maths retakes. The Government have a policy in this area aimed at everyone who did not achieve good GCSE English and maths to achieve them by the age of 18. If you look at the performance on retakes in schools, sixth form colleges and FE colleges, in relation to maths at least there are really big differences in outcomes. FE colleges have the largest proportion of kids who do not attain those grades by 16. Only 4% of those who go in for a maths retake attain it by 18, which compares to 31% in sixth-form colleges and 22% in schools. It is clear that you can make some difference, although we might want to see more than a fifth or a third. There is a big challenge in FE colleges in getting kids up to a level where they can then go on to access those level 3 courses.

Q163 Lord Farmer: Coming to the failures of the educational system, in your 12 key recommendations you mention that four in 10 children are missing out on good parenting and recommend a national parenting campaign to be launched to help more parents become excellent parents, or maybe to become good parents instead of bad parents. There seems to be a general acceptance that sometimes parents are bad and they pass on their habits to the next generation, but if there is a campaign to improve parenting quality, would that help with what you have just been talking about, the early years, and could there be a fundamental change?

Rt Hon Alan Milburn: Yes, I think so. It is a difficult area of public policy, for obvious reasons. Governments do not raise kids, parents do, and it is not the easiest job in the world, but most people do a good job.

Lord Farmer: But they need help.

Rt Hon Alan Milburn: Believe me when I say I know why no one wants to go there. It is because everyone is concerned about the nanny state accusation, and so on. As a Commission, we try to be as informed as we can by data and what the data tell us. Of course you have to make judgments alongside the data, but the data are very powerful, and unfortunately there are some strong social correlations that should worry us all, such as the proportion of better-off parents who regularly read to their children, with all the benefits that brings, and the proportion of less well-off parents who do not read to their children. That is not about blaming anyone; it is about recognising that if you are a poorer parent struggling with multiple responsibilities, caring and working, where life is pretty tough and you have lots of transport difficulties and a low income and are struggling to make ends meet, that is where the state has an obligation. The state's job is to sit alongside, but not over, people and support them. When you look at the data, it is very obvious that the uptake of these types of parenting support programmes tends to disproportionately benefit middle-class parents as distinct from low-income parents, maybe for obvious reasons. We have to try to do something about that.

There are a lot of very interesting initiatives—in this country, in the States and elsewhere—around good parenting and what can be done to offer that type of support. None of them has ever been brought to scale. We are looking at this in our next annual report, which is due out on 17 December. One thing the Government could genuinely think about is incentivising some interesting pilot programmes in different areas, focusing in particular on

where we know that there is a big gap in access by lower-income families to these parenting programmes and maybe trying to fill it. This has to be a combined effort. It is not only the job of early years services, schools, colleges, et cetera; it is about parents and communities, and so on. I am very much with you.

Baroness Morris of Yardley: I think those parenting courses do exist, and there is quite a good evidence base for some. Rolling them out is a huge challenge. It is challenge throughout public policy. You know what works; it is getting it to everybody. I do not disagree with you, but if you put something in your annual report on the structure that needs to be put in place to roll it out, I think that would be really helpful.

I just wanted to go back to the point you made about teaching assistants and police community support officers and the change that has happened in giving them a better income and all the rest of it. I think it is an excellent initiative, but I had not quite seen it in the way you had about making that new middle tier, which is interesting. If you tie that together with your answer about level 2, I accept completely that 18 is too late. I absolutely buy into that, but living in the real world, no matter how much more effort goes into the education system, which is very age structured for lots of reasons, whether because of new arrivals in the country, late developers, or whatever, you are always going to have people who get to 16 or 18 who still need adult chances.

This is a pondering question to put some structure around this. I always thought that one of the great advantages of the classroom assistant initiative, which I know best, was that most of those classroom assistants went in unqualified because it fitted in with their family responsibilities, so it was almost a second chance. It gave a structure to people for whom school had failed and who had opted out. One thing that worries me is when I meet youngsters now. I ask them, "What do you do?" and they say, "I'm a teaching assistant", and I say, "That's fantastic", and then they tell me they have a degree. They have been recruited straight from university. Once it becomes important, it is about the upward inflation of grades. I can quite see why, in a time of high unemployment, a school would go for the 24 year-old graduate and the skills and knowledge they have. However, that makes a nonsense of what I thought the great idea was. If those things become a career, you roll it back into schools and the careers people talk about it, so it becomes your ambition: "I am going to leave school and I am going to be a high-level teaching assistant". That has not happened yet. The minute you do that, you have taken away what has been a really successful way of

getting people for whom school has failed on to some sort of career ladder. I am not sure there is an answer, but could you say something about that in the context of how you see it affecting the labour market?

Rt Hon Alan Milburn: I think that is a really good insight. There are a couple of squeezes on the youth labour market. There is a squeeze on the range of jobs available, which is narrowing, and there is the demographic squeeze, because we are all getting older, but people want to work, and the big growth over recent years, as you know, has been in the over-50s in the labour market, so people who in a previous era might have retired are now coming back or staying, so that squeezes the options still further for young people.

The third point, which is the one you make, Baroness Morris, and which I think is absolutely right, is that the graduate labour market is quite a fluid market. The data is a bit iffy on all this, but there is what we would all recognise as a graduate job and then there are people working in Costa Coffee or, as you say, going into an arena that was designed not to be graduate employment but somehow ends up being graduate employment. That is a real problem and, as you and I both know, sometimes the design of policy up here and how it is interpreted down here can be in slightly different places. It is beyond messaging, but I think there is something around the messaging and what type of person we expect to be doing these roles. That feels like a nebulous answer to your question, but, like you, I am not sure there is a precise, easy answer to it. We have to stop this nonsense where everybody has to have an extra qualification in order to be able to do a job. None of us is going to be able to get into university at this rate. Recently, I became the chancellor of the University of Lancaster, which is my old university, and I often joke there that it is so good nowadays that I would not be able to get in. It is not a joke; it is tough. I think there is something about the intentionality of how we go about doing some of these things.

A final point—and you touched on it—is that if you were being hypercritical you would say that the choices that young people in particular are making are not the greatest ones. Some 13% choose sports, leisure and recreation against 2% in construction or engineering, or whatever it is. That is for a whole variety of reasons, including the lack of transparency in the system. In fact, to grace it with the word “system” seems to me to be a complete misnomer. This is not system; it is a jungle. Interestingly, it is not a jungle if you are in higher education. If you are on the higher education track, you have total clarity and a portal of entry, but you do not have that on the vocational education track. There is something quite fundamental in

the way the system is designed. It is designed almost to induce more complexity and the wrong choices. If policymakers are serious about focusing attention on the so-called other 50%, they have to imbibe some of the medicine from higher education and translate those lessons into how we structure and guide people through vocational education.

Q164 Baroness Berridge: It has been suggested to us in evidence that the first priority of the education system should be to prepare all young people for adulthood and the world of work. In fact, someone said it should be to produce future taxpayers.

Rt Hon Alan Milburn: As we all think of ourselves.

Baroness Berridge: One of the ways to do this might be to add employment and education destinations data as part of the accountability framework within schools. What are your views on that suggestion?

Rt Hon Alan Milburn: I think it is a really good idea. Again, interestingly, building on the previous answer, taking the lessons from higher education, the Government's recently published Green Paper on higher education by Jo Johnson is pretty good overall, in my view. The new Teaching Excellence framework has a proposal to make what teachers actually achieve distinct from what they do, in other words a focus on destinations data and outcomes. We are doing that for one part of this thing that we glorify with the name of a system of education in higher education, so why are we not inculcating that at every point in the system, so that for early years services the outcomes are about how well a child is prepared to enter school, for a primary school it is about how well they are prepared to enter a secondary school, and for a secondary school it is how well prepared they are to enter the world of work?

Why is that important? It goes back to the Chairman's question about employers. Employers are asking a question of young people that is not, "Do you have decent academic qualifications or skills?", but, "Do you have good enough character skills that would make you attractive to employ?" The game has changed. It used to be that you achieved five good GCSEs and you were on the pitch and scoring goals. Now, five good GCSEs might get you on the pitch, but they do not allow you to score goals. To score goals you have to demonstrate that you can do more than that: that you have communication skills, that you can work with others as part of a team, and that you have flexible and analytical thinking. All these are character skills and it used to be thought that they were innate and either you had them or you did not. Now we know that some schools are able to inculcate those character skills and

others are not. The one thing private schools are absolutely brilliant at is the development of those character skills. There are many things that private schools do that state schools probably should not, but this is one area where they should learn the lesson, in my view.

I think that it has to become part and parcel of the way that we think about, assess, measure, inspect and reward our schools, which is not so much about getting to the five good GCSEs, or whatever it is going to become in the better education measure, but where we are assessing schools in part on what happens to a pupil once they have left, once they have gone beyond the school gate, and whether they have gone on to pursue a good career, whether they have good further or higher education, and whether their status in life has improved. Then we shall start to get some interesting answers and some concerning ones.

Only one in 10 young people today, whose highest qualification is an A-level or the equivalent, goes on to become a professional or managerial worker in our country. The consequence is that this bifurcation of the further and higher education systems leads to two quite different outcomes. In higher education, by and large, you are guaranteed pretty good outcomes. There are many people who progress extremely well, and many colleges, apprenticeship providers and work providers ensure that young people on the vocational route go on to lead a fantastic career, but too many do not. If we are producing two grades of worker, one stuck here and the other flying up here, that does not seem to me to be much of a one-nation labour market, or, indeed, education policy.

Q165 Baroness Blood: Leading on from what you are talking about, we have heard during this inquiry about careers advice. We have heard from groups of young people who have had very poor careers advice and we were in Derby last week and heard about people getting brilliant careers advice. We also heard that careers advice would be better delivered by an independent organisation. What are your views on that?

Rt Hon Alan Milburn: To be honest, as with all these things, there are pros and cons with either route. I will come to that in a moment. The critical point is that there needs to be careers advice. In the architecture of our education system, the one thing that is conspicuous by its absence, in my view, is information, advice and guidance, as it is called nowadays, and what we all think about as careers advice. Where is it? It has been allowed to wither on the vine post Connexions, which had pluses and minuses, and now we have a vacuum. It needs to be revived for one big social mobility reason as well as a labour market reason. Choices in the labour market are complex for young people. There are more

opportunities and choices than there have ever been. It is a really complex place to be to decide where you want to go. For those who are fortunate enough to have parents who are smart, know their way around and understand the higher education system and the labour market it is great, because those children come with all sorts of inbuilt advantages regarding social capital and know-how. For those who do not, they rely on a third party. That is where the state is important, in my view.

The first and most important principle is that it has to be part of the education system. I am more in favour of making that a school responsibility than having it off, for the following reason. I think back to the earlier question on destinations. It has to become part and parcel of what schools think of themselves. Their responsibilities do not begin and end when the child is in the classroom. They have a responsibility post the classroom, post the school and beyond the school gate. Careers are a very important part of that. The Gatsby Charitable Foundation published an interesting report on this relatively recently. The other self-evident reason to think about it being located in schools rather than independently is that it allows careers advice to be focused and personalised according to the individual child's needs, because the school will actually know the child. There is an argument either way, but on balance, if I could design it, I would probably design it that way.

Q166 Baroness Sharp of Guildford: Picking up on what you were saying about the education system, or the lack of a system in some senses, one of the areas where we have had a lot of evidence has been on the transition between school and work, and particularly the post-16 transition system, where, as you have been saying, on the whole those who get on to the GCSE/A-level/university route have a very clear ladder of progression. If the Prime Minister is to be believed, we want everybody else to go into apprenticeships. We have also received a lot of evidence that we need a more co-ordinated system post-16. Back in 2004, the Tomlinson report suggested that we ought to have perhaps a more co-ordinated system in which vocational education was a part of the mainstream, instead of being a side issue, and in which there was a system based on core learning and the generics—the maths and the English—and then the main learning where the individual was able to concentrate on particular areas they were interested in and develop those. Do you think this notion still applies today? Do we need more co-ordination? You talked about the elements of the jigsaw in the education system. Do you think we need more co-ordinated elements of that jigsaw?

Rt Hon Alan Milburn: Absolutely. Let us be clear: we do not have a system, we have an absolute jungle. It is unsurprising that young people make the choices they do. I do not think it is informed choice, to be perfectly honest. If you have 75 pages of performance league tables listing all those endless courses, you have up to 16,000 courses to choose from. Compare that with higher education—and I keep returning to this because not everything in HE is right, but it does have the admirable qualities of clarity and transparency—where we know what the 80 or so A-levels are that, in particular, the more selective universities want from young people in order to gain admission. It is almost impossible to navigate. In fact, there is no way of navigating through it. There is nothing like the UCAS system. That is a really difficult thing to do, but we have recommended in previous reports that the Government should look very seriously at that. It needs to be in part based upon outcomes and destinations data so that people can make informed choices. It is fine if people want to go into recreation and leisure knowing that the average salary is X, but they might think again if they understand that a science, construction or technical qualification is likely to more than double the X salary. Right now, I do not know how young people are able to make those choices. By and large, I think there is a default choice, which is that you go very local, because it is the local supplier, the local college, the local employer, the local apprenticeship provider, or whatever it is, and there is no sense of whether that is good or bad, both regarding quality and the outcomes that it will guarantee for you. Those are not characteristics of a social mobility-friendly system. They are not characteristics of a system that is geared to get the best from young people, or, indeed, to get the best for the labour market or employers. We have to do some serious rethinking about all of this and almost go back to basics in the design.

I do not know whether you have asked young people about a studio school versus a UTC, a national college for HS2—really—versus a further education college, an apprenticeship provider, a voluntary sector provider? How is it that there is such a multitude of organisations, institutions and qualifications? It is almost impossible to make a trade-off between them. It is more complex because vocational education has to do more than higher education, but, heaven help us, if there was ever a need for simplification, it is here.

Q167 Baroness Tyler of Enfield: I wanted to pursue careers and, in doing so, could I declare an interest as co-chair of the All-Party Group on Social Mobility and, indeed, former deputy chief executive of the Connexions service, although that was a few years ago. As we have

talked about careers, quite a few people have pointed out how important it is to understand the distinction between careers education delivered as part of the mainstream curriculum and independent careers advice and guidance, where schools have a duty to ensure that independent advice is being delivered but might not necessarily be doing it themselves. Do you think that distinction is important and well-understood? Do you feel that there could be changes in the ways that schools are funded, and indeed in the inspection regime, to ensure that they are incentivised to make sure that a full range of information and advice about all the options is available to all their students, in a way that, patently, from the evidence we have received, is not happening at the moment?

Rt Hon Alan Milburn: You know what my answer is because you have heard me say this before. I would say yes to the second question. When you look at what Ofsted expects its inspectors to focus on in schools when it comes to careers information, advice and guidance services, it is not bad, but the truth is that Ofsted has to do a multitude of tasks and over time, of course, it gets loaded with more functionality, because that is what happens.

The question I ask myself is: if you are a head teacher and the Ofsted inspector is arriving, how high up your worry list is the quality of your careers education or, for that matter, information, advice and guidance? If one is honest, it is pretty low down. Should it be right at the top? Probably not, but if we are going to move to a world where we are asking schools increasingly to be clear about their role in the world of work and not just in the world of education, we need to move that pendulum.

On rewards, the one thing I learned from doing a public policy job, not in this particular area but in healthcare, is that although we like to think that the public sector is entirely different from the private sector and money does not really talk, boy oh boy, it does. People respond to incentives and organisations respond to incentives, alongside a whole host of other levers. There is an opportunity for the Government to think about the range of levers they want to deploy. That is about performance tables, because in my experience no one but no one in the public sector wants to be in the bottom decile; everybody wants to be in the top, so you have to go with that and give them some tools, support and data to make those judgments. Inspection is an important aspect because it brings transparency, and it should bring objectivity to the table, so that providers, wherever they are, are being held accountable. That is really important. In the public policy arsenal—and this applies in further education, too—the one underdeployed tool is financial incentives.

Today, in further education we have nearly 400,000 students who are in colleges that are rated as less than good, to be polite, and some of those colleges would have been rated less than good for some considerable time. There is insufficient intolerance of endemic failure. Most people are pretty good, but where there is endemic failure we should do something about it. Nor are there proper reward mechanisms for organisations that are doing the right thing. I can tell you that it was the bane of my life when I was the Health Secretary, because you were always sent to the good places, and whenever I talked to the chief executive of a hospital that was doing really well and asked them what their top complaint was, it was always that I bailed out the bad rather than helped the good. That is a really powerful demotivator for improved performance. We have to imbibe those lessons in this part of the public sector and not only in healthcare.

Jack Feintuck: May I build very slightly on that? You asked about independence, and one really important element of independent advice for kids in schools is the links with businesses and how much the businesses are going into schools. Ofsted has commented that less than 5% of their inspection reports commented positively on any aspects relating to links to business, so fewer than one in 20 reports. The Government set up their Careers and Enterprise Company, which will try to fill some of these gaps. The Commission has written about the potential for this and has made some suggestions about how it could focus slightly more narrowly on a few elements. For example, it could make sure that it is targeting less advantaged areas and pupils, that the board represents expertise in advice and guidance in the education sector and applies some regional consideration, because the requirement is going to be different between different places, and that the impact of it is evaluated as well, because there is quite a big investment here. There is a challenge regarding business engagement, but there is the potential to do something about it as well.

Rt Hon Alan Milburn: We have talked a lot about what colleges, schools and careers services, and so on, should do. Going back to an earlier question, I think there is an issue for employers here. Again, it is a jungle of relationships out there. If you are a school in Hackney, you are probably inundated with offers from financial services firms to do twinning and mentoring. Whether or not Hackney needs more bankers, I could not possibly say, but I know that in my old constituency in Darlington there are no financial services firms. I think one thing the new company could do is try to bring some order out of chaos in those arrangements, in particular between schools and employers. The evidence base tells us that

the relationships only work if they are long-term relationships and both parties are committed to doing it. It does not work if it is somebody showing up and giving a nice speech in the school hall about the virtues of working in X industry or for X employer. There are some expectations, both on how we organise employers' interaction with schools and also on what we ask employers to do.

Q168 Baroness Morris of Yardley: You have talked about the inequalities or lack of clarity between further education and higher education. Finance is another example where that is the case. Taking into account the present financial situation, what would you recommend we do now to try to solve the further education funding difficulties or the adult learning funding difficulties?

Rt Hon Alan Milburn: As you say, there is a very marked discrepancy in per pupil/per student funding between further education and higher education and also between higher education and schools.

Baroness Morris of Yardley: And they are not protected.

Rt Hon Alan Milburn: And they are not protected. I know that colleges probably breathed a bit of a sigh of relief at the Chancellor's Statement last week, but, let us be clear, it is not growth, or not growth as we have known it, and obviously per student it is falling rather than rising, so there are some real challenges there.

On the plus side, the apprenticeship levy could be of benefit to FE. The Government have projected that should realise something like an extra £900 million. If that happens, that is a good thing, and the introduction of loans for level 3 and 4 again could help. I do not think there are going to be enormous levels of growth. The question is what the sector could be doing better with the resources that it has. There is a resourcing issue, which I think is acknowledged, and there is what the sector could be better doing with the resources that it has. I think the obvious thing is to focus more attention on those courses and qualifications that are best able to guarantee good outcomes. Some of the statistics that I was quoting earlier are a real worry, particularly about the apprenticeship model. We could end up with the Government's target of 3 million extra apprenticeship places being fulfilled and the overwhelming majority of those new apprenticeships being over 25.

Baroness Morris of Yardley: Or at level 2.

Rt Hon Alan Milburn: And definitely at level 2, which is where 70% are today. There is something about protecting the brand of what an apprenticeship is, because most people

would not think of them as that. They would not think of them as for adults and they would not think of them as being at that level. They would think of them as being at a higher level and that they were about getting skilled, or getting a trade in old parlance. Really it is about the back-door conversion of in-work training into something called an apprenticeship. That is not adding a lot of value. The sector has a lot of challenges with the funding constraints that it has, but there is also a challenge to the sector about where it places its bets and what it focuses on.

Baroness Morris of Yardley: You have mentioned two parts of the education sector—higher education and schools—and they are both better funded. In our days in Government, for the extra money that was put in, further education did not get as much as either schools or higher education. Is there an argument for doing something about that now, i.e. switching the money? There is not as much public money in higher education as there was, but, in the absence of a growing economy, should we be switching it about a bit?

Rt Hon Alan Milburn: If you do a massive switch then, as you know, it creates enormous destabilisation, and higher education is going through—although nobody describes it like this but this is what it is—a wholesale transfer of responsibility from state funding to private funding. That is what fees are. It is about moving the responsibility from the taxpayer to the individual parent. I know. That is what is going on there. Does it mean that higher education has somehow, as people predicted, suffered enormous cuts in overall funding? It does not, and universities are continuing, thank heavens, to expand and grow, and, indeed, the Government have encouraged that. It is very interesting that the Government have taken the cap off higher education student numbers, but we have a cap on vocational educational numbers. Think about the number of people who apply for apprenticeships and the number who get them. The ratio is eight to one right now, and in higher apprenticeships it is appallingly low. The long-term answer is more equalisation between FE and HE. You have to be very careful that you do not end up destabilising a sector that is going through quite a painful funding change right now in higher education.

Q169 Lord Holmes of Richmond: The Social Mobility and Child Poverty Commission—you may be aware of its work—has said that the Government need to establish a gold standard for what local partnership arrangements look like. What are the important factors for successful local partnership?

Rt Hon Alan Milburn: There are a number of them. The first is that there needs to be a shared local goal between all the players: local government, other public sector bodies, and employers and their representatives. Part of the shared goal should be about improving youth transition arrangements from pre-16 to post-16 education. That is what we have called for to be embedded in city deals, in LEPs, and the myriad regional and local organisations that have sprung up over recent years. They should ensure, as part and parcel of their job, that there is good youth transition. For example, they might want to set themselves an objective that in every local area no one should ever be NEET.

Baroness Stedman-Scott: Absolutely.

Rt Hon Alan Milburn: Why do we have 140,000 NEETs, 16, 17 and 18 year-olds? It is an absolute disgrace. I know it is lower than it was, but we write off 140,000 young people. Somebody should own that responsibility and it should be owned at a local level as well as at a national level. It is a shared responsibility between the education system, public sector bodies and employers. A shared goal is the first objective.

The second point in partnership arrangements is that the focus should be on growth sectors. The truth is that retail, to take a low-paying sector, is going to go through a really difficult transition, and is already there. I do not mean Aldi/Lidl versus Tesco/Sainsbury, I mean the move from bricks to clicks. Was it not interesting that on Black Friday people were buying online and not going to the shops? We know that is happening. It is going to go through a painful period of transition. Is it going to be the source of a lot more jobs? Probably not. We know where growth is going to take place. It is going to take place in professional employment, in science and technology, because these are aspects of the economy that will continue to grow, and it is going to take place in areas such as construction. The partnerships should be focused on growth sectors in the local economy that are good for the local economy and also good for young people.

The third thing they should focus on is job design. As discussed earlier, if the design of jobs is simply left to market mechanisms, you end up with ghettos of low-paid employment. I think other organisations outside employers have a responsibility to challenge employers on how they could better design their jobs to ensure there are genuine careers ladders.

The fourth and final characteristic is that there has to be a focus on outcomes, so that everybody is clear, particularly young people, that when they choose a particular route they

have some line of sight as to where they might end up, both in status and, critically, in income.

Jack Feintuck: I have one quick point. It is not unknown and places already do it well. Last year, for our annual report we visited Suffolk County Council, which has a whole suite of measures already in place for careers advice. They have an overlay on to their current system to show what the local career options are. They have a brokerage system to get employers in schools and they have a youth careers and employment centre on the high street in Ipswich. Where there is the will and the effort in the right place, it can be done. Part of the challenge is that local authorities have so much on their plates there is not necessarily the scope for them to share best practice and make sure that everyone is trying to emulate those who are doing really well. Last year, we emphasised that there is a role for central government in collating what works and communicating that effectively and in a simple way, so, where people are pressed for time, they can find out easily what they could do to improve things.

Baroness Berridge: Could I ask for some clarification? You said that there would be a growth in professional jobs, but some of the evidence is that the technology is about replacing intellect and the mind, so if you look at accounting firms, some of them in the top 10 are not involved in classic accounting; they are processing using intelligent documents and such like. Can you clarify what you meant by a growth in professional jobs rather than a hollowing out of professional jobs?

Rt Hon Alan Milburn: It is pretty obvious that some of the administrative functions within professional services are already being hollowed out by technology and by outsourcing. In mainstream professional employment, whether that is engineering, law, medicine, these are professions that everybody presumes will continue to grow over time. I think the numbers are pretty startling. Was it an extra million professional jobs over the course of the next 10 years?

Jack Feintuck: A lot of the numbers in this come from the UK Commission for Employment and Skills, which has done a lot of work to look at the growth of jobs in Britain between 2012 and 2022. Professional jobs are roles which are described as managers, directors and senior officials, or professional occupations, so those together, if you net out replacement demand—i.e. people retiring or leaving—and new jobs being created, amount to 1.7 million. Within that, there will be a range of different kinds of jobs and different kinds of trades, but

where they sit in the socioeconomic scale, in those top groups you have that growth of 1.7. It is very interesting work.

Rt Hon Alan Milburn: The categories that will be under a squeeze are in particular those administrative and secretarial jobs.

Jack Feintuck: And skilled trades. This is a continuing effect of the jobs that were being squeezed in the late 1970s/early 1980s onwards. The hollowing out is carrying on in those sectors.

Q170 Lord Farmer: The Welfare Reform and Work Bill is going through our House at the moment. It is going to remove child poverty targets and will introduce a new duty for the Secretary of State to report annually on “life chances”. What is your view on the impact of this Bill? What is the significance, if any, of the renaming of social mobility to life chances?

Rt Hon Alan Milburn: It has been pretty obvious for some time that, although there has been good progress made over the course of the last 15 years in reducing child poverty, which is very welcome, the 2020 targets that were set in the 2010 Child Poverty Act are going to be missed, frankly, by a country mile. I think that is regrettable, for one obvious reason: there are still well over 2 million children in this country who the Government officially classify as poor. For the fifth or sixth wealthiest nation in the world to bear that scar on its back is something that I think is intolerable and wrong.

I understand why, if the target is going to be missed, the Government might decide to change the target. The targets in the 2010 Child Poverty Act are not perfect. For example, we have argued, as the Commission, that there is a very strong case for a more rounded and nuanced means of assessing poverty, in particular taking account of causal or risk factors. We know that good parenting, or a good education, or a good job, will make a difference as to whether people avoid poverty or fall into it. The Government’s proposals to introduce indicators around life chances when it comes to educational attainment and worklessness make a great deal of sense. I am supportive of that.

However, the most obvious symptom of poverty is lack of income, and, if there is no income measure alongside the worklessness and educational attainment measure, it does rather seem to me to be missing the point. Poor people are, by definition, poor because they do not have enough money. We might want to focus on that and, indeed, government policy and government objectives and targets should be focused on that. I think there is a deficiency there. The second deficiency is that although Government are right to focus on

life chances in this more rounded way, they are proposing to measure but not to set an ambition to change. As I understand it, there is not a proposition to set a target or an ambition. There is a risk that the Government, in moving the agenda from child poverty to life chances, look as though they do not have a big ambition. I presume the big ambition must be to improve the life chances particularly of the poorest. I would say that these are two areas where more attention needs to be focused.

My final point is that you can change the target, but it does not change the reality. There are still 2 million plus children in our country who are poor and the ONS will continue to publish those annual statistics, and lots of people, I suspect including this Committee and even my Commission, will continue to look at those statistics. Frankly, the issue for me is not so much about how it is measured, but what is done. I welcome what the Chancellor did last week in changing tack on tax credits, because I think that was the right thing to do, and I think your House did an admirable job in that regard. However, we still face the phenomenon that two in three of the children who are officially classified as being poor in this country live in a household where someone is in work. The nature of poverty is different today from what it was 20 years ago. It is no longer a problem of the workless or the workshy exclusively; it is a problem of the working poor. They are the people who, by the way, do all the right things. They probably listen to the politicians who say, “Stand on your own two feet, strive, don’t shirk, go out work, look after your family”, and there are five million of them, mainly women, who earn less than the real living wage, set by the Living Wage Foundation, and they have to be the focus of attention. We have been discussing some of that today, what the education system can do, but there is also something that Government have to do. They have to make working poverty a thing of the past. They have to ensure that if you get a job, it is a good and worthwhile job, and it pays enough for the person or the family to be able to live a life free from being poor.

Q171 Lord Patel: Alan, it is nice to see you, and I am sorry for all the hard times I gave you when you were Secretary of State for Health.

Rt Hon Alan Milburn: That is why I left.

Lord Patel: If I was the cause of you leaving, forgive me and come back. I will not start on health now. The question I am about to ask about some of the recommendations that we might be able to make in the report is probably irrelevant too, hearing all the evidence that you have already given, but I must ask it nonetheless. Obviously an important part of the

report is the key recommendations that we might make on how we might improve the opportunities for the so-called disadvantaged group of people to move them into higher mobility and improve their outcomes or employment chances. What would your key one or two recommendations be?

Rt Hon Alan Milburn: There is a generic recommendation that we make continually to Government as a Commission, which is to make this a focus. Higher education is a focus, schools education is a focus, and, thankfully over recent years, early years has become a focus. I think there are some signs of focus here, but I do not see clarity. This is about a mindset as much anything else, and it is about recognising the importance of what the last census told us, which is that two in three young people in this country did not have a degree. This is not the other 50%. This is the majority of young people who end up on this route. It is an odd thing that they get a system that is more complex, less transparent, with more variable quality, and less guaranteed outcomes than the other one-third who are on the higher education route. Not everything in higher education is right, by any means, but it does contain some lessons for where vocational education should go. One way of thinking about framing the recommendations is that what is good enough for higher education is good enough for vocational education. Higher education has UCAS, but there is no UCAS here. It has one route in, but there is no one route in here. We are moving to destinations data when it comes to higher education, but we are not when it comes to further education. We focus on higher-level skills, not lower-level skills. There are many priorities, but it is the overall attention that is given to this issue that is the really important thing, which is why I very much welcome the Committee's deliberations and focus on it, because I think it will be more water dripping on that stone to make this a priority. It has to be a priority for the nation, not an afterthought.

Q172 Baroness Berridge: I have one follow-up question. From your experience in the Commission, do you think this is linked to the fact that the majority of policymakers come through that one-third route and not the two-thirds? Is there a case for skilling up and adding to the expertise in the sense of the people making the policy?

Rt Hon Alan Milburn: I think it is a very interesting area. After I leave here, I am going to Scotland to make a speech on elitist Scotland. I have just done an interesting piece of work with the David Hume Institute looking at who gets the top jobs in Scotland. It is a little better than it is in England. Overwhelmingly, unsurprisingly, about 6% of people in Scotland go to a

private school, but around 40% of judges in Scotland have been to a private school, and you can replicate that across the piece with politicians, senior professionals, and so on. It is very much an echo of what we have found here in England and, incidentally, very much an echo of what the former Prime Minister, Sir John Major, said a year or so ago: that in every aspect of British public life the upper echelons of power are dominated by a small elite. It is true. It is not that we do not want the best people to be in the top jobs, we do, and there are very many good people who are in the 6% in Scotland who went to private school or in the 7% in England who went to public school, but it is the degree of domination that is the concern here. I do not think anybody in the country seriously believes that all the talent in Scotland resides in 6% of the population, any more than it resides in 7% of England's population.

It is a very important point that what you know and what you are familiar with very often tends to be what you do. I think it requires policymakers there to go the extra mile and give attention to an area of public policy which might not have been directly pertinent to their lives, but is pertinent to the majority of people's lives.

Q173 The Chairman: Following on the question from Lord Patel, Mr Feintuck, what would be your one key suggestion or recommendation?

Jack Feintuck: We have talked about apprenticeships in the Committee. I think the enthusiasm for creating lots of apprenticeships might be usefully focused on creating lots of good apprenticeships. Three million is a huge number, but over the past five years we have seen almost no growth in apprenticeships for 16 to 18 year-olds and very little growth in that group doing the highest level of apprenticeships that are connected to the sectors which can bring great career progression and career opportunities. With employers now having an incentive to invest through the levy, there are discussions that Government can have with firms in a different kind of way about how they can make sure more young people are on those routes that can lead to social mobility.

The Chairman: Thank you very much. You will gather that we are extraordinarily grateful for your evidence and interested in it, which is why we have been happy to run over time. Thank you both very much for coming.

Professor Ann Hodgson and Professor Kevin Orr – oral evidence (QQ 174 - 183)

Evidence Session No. 18 Heard in Public Questions 174 - 183

Members present

Baroness Corston (Chairman)
Baroness Berridge
Baroness Blood
Lord Farmer
Lord Holmes of Richmond
Baroness Morris of Yardley
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witnesses

Professor Ann Hodgson, Professor of Post-Compulsory Education and Co-Director, Centre for Post-14 Education and Work, UCL Institute of Education, and **Professor Kevin Orr**, School of Education and Professional Development, University of Huddersfield

Q174 The Chairman: Welcome to the 18th evidence session of the Select Committee on Social Mobility and the transition from school to work. We are very grateful for the attendance of our witnesses today. You will have an opportunity to introduce yourselves in a minute. This session is open to the public. A webcast of this session goes out live and is subsequently accessible via the parliamentary website. A verbatim transcript will be taken of your evidence, and also put on the parliamentary website. A few days after this session you will receive a transcript. We would ask you to check it for accuracy and let us know of any amendments you want to make, as quickly as possible. If, after this session, there are any points you want to make of clarification or amplification, you are perfectly entitled to submit further written evidence. Please could you introduce yourselves for the record, and then we will begin?

Professor Ann Hodgson: My name is Ann Hodgson. I am from UCL Institute of Education.

Professor Kevin Orr: My name is Kevin Orr. I am professor of work and learning at the University of Huddersfield.

The Chairman: Thank you very much. If we are looking at labour market policies, what policies would be useful in stimulating the development of intermediate and technician-level roles within the labour market?

Professor Kevin Orr: I am very supportive of what the Government have suggested with regard to the 3 million apprenticeships. We have heard this morning how many of those apprenticeships are at level 2 and are going to those over 25, which is not what we might think apprenticeships are. None the less, I think apprenticeships can at least be part of the solution. There was some research carried out by Demos last year. They asked 1,000 parents of 15 to 16 year-olds what they think of apprenticeships. You will be glad to hear that 92% of parents think that apprenticeships are a good idea for young people. When asked the same question about their own children, the answer was 32%. So even within apprenticeships which have high status, there is an issue. I am concerned that if these 3 million apprenticeships are not meaningful, employment-based routes to achievement and to work, that status might be further damaged.

I also like the work that the Gatsby Charitable Foundation has done on the registration of technicians as a way of involving well-established professional bodies and institutions, such as the Institute of Engineers, Institute of Mechanical Engineers, and so on, as a way of registering technicians, providing them with status, and also taking some responsibility for the kind of training that they might have.

These kinds of things will help in certain areas. We have a national problem, but it has very local features. It was referred to earlier this morning as a “jungle”. If we could simplify the system, that would help enormously. According to the Whitehead review, we have over 19,000 regulated adult vocational qualifications in this country, and that is absurd. How can any employer understand what qualifications mean if there is that kind of complexity?

So apprenticeships is part of the answer, though clearly not all these young people are going to do apprenticeships. It has to be part of the answer, but there has to be much more than that. Registration is perhaps part of the answer. A simplification of the vocational education offer is also part of the answer.

Professor Ann Hodgson: Can I add to that, Lord Chairman?

The Chairman: Yes.

Professor Ann Hodgson: I agree with everything that Kevin has said. I would want to add a couple of points. First, we do not really have the same licence-to-practise arrangements in

this country as they have overseas. That is, you do not have to have a qualification in order to call yourself a builder or a plumber. Of course, a lot of people do get registered, but it is not part of the system. If we had a much clearer licence-to-practise system, that would be particularly important at the technician level.

Careers education, information, advice and guidance have already been mentioned, but what young people need to know is not only which qualification they should take or what occupation they want to go into, but what are the pathways through to do that; what is the clear transition route through? It adds to what has already been said in the previous session. It is very unclear how a young person gets from A to C, and does B in between, so what kind of training leads to meaningful technician jobs, and, as importantly, what links there are with higher education routes that might be done either part time or full time, so that people can see their way through.

That is easier said than done, of course, because there are so many occupations out there that have not been there in the past that it is quite difficult to know how you find your way through. That is something that needs further work. Hopefully, the committee, which Alison Wolf is on, will help with that. It is getting that information down to parents and young people, and getting employers to come and talk to parents and young people. Where we have had projects that we have been facilitating in that area, hearing from employers about the route ways through and how you might do it is much more effective than hearing, frankly, from a careers education teacher or anyone else in a school. That is part of a later question I think you might be asking.

The Chairman: Professor Orr referred just now to supporting some of the measures that the Government are undertaking. As you know, there will be a duty imposed by the Welfare Reform and Work Bill to report on full employment. Do you think that will have a positive effect?

Professor Kevin Orr: It may well have, but I am concerned that the duty to report on simple achievement of figures with regard to the streaming of apprenticeships may have the effect of incentivising people to be encouraged to take apprenticeships which perhaps are not as worthwhile as they might be: low-level, over the age of 25 perhaps. I do not think that reporting in and of itself will achieve the end of having a decent vocational offer, which is what all of us would like to achieve. Indeed, it could lead to an unintended and damaging consequence.

The Chairman: Would you suggest that local labour market policies would be more effective?

Professor Ann Hodgson: I would say the links between education and work are forged largely in the vocational area at local level. That is where we need to have a focus. It is employers working with schools and colleges, and indeed universities, so that you get the full skills escalator through, that will make a difference at local level. That is difficult in some areas where there is not the range of employment that there is in other areas, so it cannot be a solution on its own. It is difficult to involve a lot of the small and medium enterprises that will provide work for young people. So it is not an easy answer. I think that it is localities that need to be the focus as well as national policy. It is helpful that national policy sets targets and guidelines for equity reasons, because localities can vary very much one from another, but the business part of it happens down at the local level.

Q175 Baroness Blood: This is an area I work in at home. What about learners who are not ready for level 3, either in training or anything like that? What do we do about that cohort of young people?

Professor Kevin Orr: In many cases, further education colleges provide a very good service for those young people, attempting to bring them up to level 2 and giving them access to the kinds of skills that they need to be citizens within the UK. But I have a concern, which is that if vocational education and training is associated with remedial education of whatever kind, or low-level education, that serves to strengthen the lack of status that vocational education and training has. This is something that other countries have struggled with. In Denmark in particular, they are being asked to use vocational education and training as a means of bringing about social justice for the most disadvantaged, including those with special educational needs, who are being channelled towards vocational education and training. This is having the effect of making certain vocational offers less attractive. I would be concerned about that happening here. So the issue that you are talking about is extremely important and one that we need to take very seriously as a society and policymakers. But I am concerned that the discussion will begin to say, "The route for these people is a vocational route", because that demeans what should be a route for all young people.

Professor Ann Hodgson: I would absolutely concur with that. Another issue is the question of time for young people. A lot of young people can succeed at 19, whereas they may not be able to succeed at 18. When you look, in comparison with other countries, at our post-16

offer for young people, it is short both in terms of the number of weeks in the year that are offered and also the number of hours in each week. In comparison with other countries, we expect people to get to a certain standard in a very short period of time. It is really unhelpful that we are expecting all types of education to be assessed in the same manner—in other words, via external examination. For some young people, that is not valid in terms of a lot of vocational education and training, which is much better assessed through observation or the production of artefacts, and also effectively excludes an awful lot of young people who could get there over time were they given longer programmes, access to workplaces as part of those, but not necessarily the whole thing, and allowed more time to develop and get to level 3. If a young person does not get to level 3 by 18, we see that as a failure. That should not be seen as a failure; it should be seen as a step on the way, and we should be thinking about lifelong learning, not cutting people off at that point.

Q176 Baroness Morris of Yardley: I agree very much with what you said about the role business can play at a local level in talking to young people and parents. I have always had a bit of a bee in my bonnet about this—it comes from my years long ago of being a teacher. I have had some lousy employers. I have lost control of a class because the employer who is talking to the kids has not been able to communicate, structure the debate, respond to kids and make his or her voice heard. I know things have changed a bit, but you think, “Never again”. I have a bee in my bonnet that the Government think at the moment—it makes me really cross—that just because you are an employer you are going to be brilliant because you have the knowledge. There is a set of skills that teachers have that needs to be brought together with the knowledge that businesses have. There is a difference between somebody teaching and somebody learning. We are doing a lot of the teaching and the kids are doing the learning. So where is the quality control in this? I am not for a minute suggesting that Ofsted inspects employers coming into school—that would not be good—but where is the quality control and the message that employers are not top dog and it is about a partnership with the skills of teachers rather than coming in because they have all the information?

Professor Ann Hodgson: That is a very good challenge. We have been doing some interesting work with the Education and Training Foundation on something called Teach Too. That is nothing to do with Teach First. It is the idea of employers coming into colleges and work-

based learning providers as part of the teaching team. What is quite interesting is that a lot of the employers are very nervous about doing that for all those reasons.

Baroness Morris of Yardley: Absolutely, for all those reasons.

Professor Ann Hodgson: So there needs to be adequate preparation and discussion about what the needs are. You cannot just invite someone in to do a session; it will not work. The whole preparation of careers education, information, advice and guidance needs to start early, needs to be negotiated, with different kinds of experiences at the right kind of level and age. It may be visits to employers' premises rather than employers coming in to tell young people what to do. It is also to prepare the young people for what they might hear.

I know that sounds like a bit of a cop-out, but I do not think it is, I think it is to do with genuine partnership, which you hinted at, between employers and providers, and that is planned, there is preparation, a menu of things that are on offer, which is not all employers coming in and telling the schools what to do, and there is follow-up work that relates to the curriculum, so it is much more integrated within the whole curriculum package.

Baroness Morris of Yardley: Perhaps I may have one follow-up question. I agree with all that. You have described a perfect system, but that is asking a lot more of employers. When we approach employers, we are not very good at saying, "But it'll be the preparation, the follow-up, it's a lifelong relationship I'm asking for, not a one-night stand sort of thing". So who in the system is trying to bring about what you have just described?

Professor Ann Hodgson: Where you still have education/business partnerships, they are excellent at this.

Baroness Morris of Yardley: I agree.

Professor Ann Hodgson: You do need a kind of broker organisation that can do this. It is not something that is either in the teacher's experience or necessarily the employer's experience. An independent body needs to bring that about. One of the things that employers complain about is that they have multiple demands on their time and multiple institutions that are coming to them. Again, that is why having a co-ordinated response, a body responsible for that, is essential. You cannot do it ad hoc, this school asking an employer to come in, and so on.

Interestingly, the CBI has just done some work on employer and education provider relationships. They say that a deep relationship between a school and an employer is what is needed. I sort of understand that, but that is not possible for every school and every

employer. You need some kind of brokerage service so that all schools get that, otherwise some schools and colleges will be very lucky and others will not.

Professor Kevin Orr: Further education colleges are pretty good at this, on the whole, because they have developed relationships with employers over time.

Baroness Morris of Yardley: I agree, they are much better.

Professor Kevin Orr: They know who can do it.

The Chairman: We have a question on the role of employers later on, so we will no doubt return to this.

Q177 Baroness Stedman-Scott: It has been suggested that the first priority of the education system should be to prepare all young people for adulthood and the world of work, and one of the ways to do this might be to add employment and education destinations data as part of the accountability framework. We would like to know what your views on this are, and does it go far enough?

Professor Kevin Orr: I think it is right that we talk about curriculum, not just systems of education. I like the question that the Nuffield review, which Ann was involved in, asked some years ago: what counts as an educated 19 year-old today? That is a reasonable question for us to ask and to argue about what the answer might be. For example, I think part of the answer would be that a young person today needs to be able to judge the provenance of information, to make a judgment as to whether something is valid or not, given the overwhelming amount of information that young people have access to. It is right to talk about curriculum, and what young people learn. Whether it is about simply preparing them for the world of work I do not know. I heard in the earlier session about preparing future taxpayers: that is a rather reductive view of humanity, if I am completely honest. I pay my taxes each month, but it is not my defining feature as an adult human being in the UK. That said, it is absolutely right that careers education, education about work, about how work has changed within the UK and internationally over the last few decades, is extremely useful for young people. If that is part of preparing young people for the world of work, absolutely, but it has to be seen as a broader question about what curriculum we want our young people to have access to.

Professor Ann Hodgson: To answer specifically your question on employment and education destinations, I think that is a good start, but it will not be enough. It needs to be something that Ofsted focuses on as well, because that is what drives what schools and colleges do. I

am very pleased to see that there is a new DfE committee being set up to look at the purpose and quality of education. I hope that that committee will also look at 16 to 19 and will not stop at 16. My concern is that it might stop at 16 because it is DfE. One of the things that this Committee might suggest is that they should focus up to the age of 19.

It is very odd that we have no educational aims and purposes for the 16 to 19 phase. They are not hugely explicit in the national curriculum, but they are certainly not there for 16 to 19 year-olds, whereas they are in other countries. We need a set of purposes and aims for what we are trying to do with young people. Particularly now that we have the raising of the participation age and young people have to stay on, we should say what we want to happen during that phase. So I hope that the work you do, your raising of this question, and the work that the DfE committee does, will make a difference.

Professor Kevin Orr: Perhaps I can say something more about destinations. There is also a question of when you look at those destinations. Some of those prestigious jobs will take a long time to get into, perhaps after years of unpaid internships, but at the end of it the salary might be very good—so at what point are schools judged on what they give their young people?

Also, we need to be careful about how much schools are judged on this because there is a play-off between taking a risk with going to university, perhaps not knowing what you are going to do, and eventually earning quite well, and having a secure job at 18, which may not pay very much, and may incentivise schools to want to get their young people into work at all costs rather than into work that may earn more in the longer term, as we heard previously.

Schools can do so much. Let us put it in simple terms. Schools can allow young people to achieve five GCSEs. What messages those GCSEs send out once they leave school will differ from sector to sector. For some sectors, they will suggest that those young people are prepared for certain types of work. Elsewhere, other qualifications—not GCSEs—might indicate that young person is “the right sort”, with all the ambiguity that means. It sends a message to employers that they come from a certain type of social and cultural background. In other cases, a qualification might show that young people have been enculturated in a certain way. I do not mean that in a negative sense, necessarily. The school has no control over the way that the qualifications that in good faith they give their young people access to

will be understood in the workplace. So I am sceptical about schools being judged on things they have no control over.

Baroness Stedman-Scott: I take the point about control, but I would like to push you a little more on destination data. As a parent, do you not think it would be good to know that in the school your young person is attending, or has just left, people were in education, employment or training, and the NEET population cohort had dropped from Y to X? I accept the point that people are on a journey. In the way that other providers of services that are connected to getting people into work do not just say, “We’ve got 80% of people into work”, but such a percentage of them are still there 12 or 24 months later, to some degree it is in the school’s interest to be able to say for the destinies of those young people over the lifetime of their journey, “We’re not saying they’ve reached their final destination, but they are well on the way, and these are the statistics to back it up”.

Professor Kevin Orr: We do not have enough data within this area. We do have for higher education, but we do not for vocational and further education. Collecting that data would be very useful. I have a concern about making an assessment of schools based on that data. But by all means collect it; it is useful for us to know about.

Professor Ann Hodgson: It is very useful at the local level to demonstrate to young people the kinds of pathways that they might take, based on evidence that has been collected locally. It will vary very much from area to area depending on what kinds of employment opportunities are available, and so on.

Q178 Baroness Tyler of Enfield: As you know, in the previous session we covered the area of careers advice quite thoroughly. I would very much like to hear your views on whether you feel that careers advice could be better delivered by some new independent organisation. What are your views on how we can ensure that truly independent advice and guidance is being delivered to all young people, as distinct from careers education in the curriculum, important as that is? Also, do you feel there should be changes in the way that schools are funded to ensure that they are incentivised to provide the full range of options and advice to young people?

Professor Ann Hodgson: We need to make a distinction between information, advice and guidance, which has to be independent, and careers education. I think that that was what you were alluding to in your question. Schools absolutely should be responsible for careers education. I mean that in a very broad sense, preparing young people for life and work and

who they are, where they are, and how they operate in the world, as part of PSHE and other things that are so vital for young people getting connections. They should have access to an independent adviser for their next step. At the moment—you were alluding to this—schools have an incentive to keep young people in their sixth form, and that is not going to go away while we still have competitive institutions and academisation.

We also need to think about the age at which people need advice. At the moment, quite often it is very much focused on year 11, the age of 16. In fact, young people often have to make choices again at 17, and certainly at 18. So we need to think about the kind of advice that is given and when it is given. I understand why careers education, information, advice and guidance is important, but part of my slight scepticism about this area is that sometimes it is seen as a sticking plaster over something that is incredibly complex. We keep making the system more complex—more qualifications, different route ways, more institutions—and then we say, “Now, we’ve got to have some careers education, information, advice and guidance to help young people through that system”. What we actually need is careers education, information, advice and guidance, but also a much clearer set of route ways and pathways through the system for young people. I think it is both.

Professor Kevin Orr: I would concur with that. I know that Connexions had a remit to reduce the number of NEETs, but it was a universal service which did not have a universal purpose. Even when it was relatively well funded and had high recognition, there was little statistical evidence to suggest that it had an impact upon the decisions that young people made. For example, we know that young people’s decisions for GCSEs are often affected by whether they like the teacher or not. That has a stronger effect than careers advice. Nevertheless, like Ann, I am convinced that careers education is important in schools and careers advice should be independent, for exactly the reasons that Ann said. No matter how excellent our careers advice and education service is, we have what has been described as a “jungle”. Careers advice is important, but it is of second-order importance. The first order of importance is to tame that jungle.

I will put it in these terms. A relatively savvy—perhaps prejudiced—middle-class parent will say to their bright young daughter, “Don’t touch the vocational route because you won’t earn as much and you should be going straight to university”. If you are a well-intentioned, well-informed, well-trained careers adviser faced with a bright, high-achieving, working-class girl, do you give the same advice as the middle-class parent, or do you say, “Follow the

vocational route”? That kind of dilemma is not to do with the failings of any careers service, it is to do with the flaws within the system—that we have a system that makes this enormous division between a valued academic route and an undervalued vocational route. While clearly I want young people to get good advice, good advice on a bad system is not a solution.

Q179 Baroness Sharp of Guildford: Picking up on what you have said, the evidence that we have had has indicated very clearly that what we do need is a much clearer set of routes and pathways for young people: a co-ordinated, high-quality transition system across the 16 to 19 phase of education. Looking back, in 2004, the Tomlinson report recommended a system of core learning, the basic generic learning that young people had to have, and main learning where they could pick up some of the areas that they were interested in. Do you think that recommendation might still apply today? If co-ordinating bodies for transitions for school leavers were to be established, what should be their main features? Should we be looking at 14 to 19 rather than 16 to 19?

Professor Ann Hodgson: I have to declare an interest here because I was part of the Tomlinson review on one of the groups. The main recommendation from Mike Tomlinson at that time was for a unified qualifications system and that all learning should come within an overarching framework. He called it a diploma. It does not really matter what you call it; it could be a baccalaureate, whatever. The importance of that was that all young people received a core of learning that was felt to be important for 21st century life. It goes back to the question that was asked earlier about what is the purpose of education. It also meant that it was simpler because you could understand that if it is all one qualification, but there are different pathways within it, at least everyone can be asked, “Are you on your bacc or are you are on your diploma? Which part of it are you doing?” It is a way of making sure that everyone gets a certain core of learning, and that is not the case currently.

The pathways that people take at the moment are very different in what they offer the young person, both in their curriculum and in the opportunities going forward. It would offer a core curriculum that we could say, “In this country we have common things that all young people are given access to, and then there are specialisms which they add on to that, and that is our system”. At the moment it is difficult to describe what our system is. We have names of things, such as the English baccalaureate and the technical baccalaureate. They are not qualifications; they are performance measures. It is extremely confusing for people from

outside to understand what our system is about. No wonder it is difficult for parents and young people—and they will play safe, as you have said, which might not be the right thing for them.

I will argue for as long as it takes that there is a need for a single unified system of qualifications for 14 to 19 year-olds that allows people to gradually progress up, but within a common framework. That does not mean everyone is doing the same thing: far from it. There will be some features of that system that everyone does, but then there will be opportunity to specialise, to be in different environments out in work or in an educational institution. That is my answer to the first part of your question.

Professor Kevin Orr: Many of us see the Tomlinson report as being a missed opportunity. It had many tremendous recommendations. It also perhaps shows the dangers of policymakers extracting one part of a policy, which was diplomas, without seeing it as part of a unified system, which would have included A-levels and GCSEs. They were doomed to a well-warned failure right from the beginning.

All I would add to what Ann has said is that at the moment the pathways we have are utterly skewed towards A-levels and higher education. In the Longitudinal Study of Young People in England, a large sample of young people was surveyed in the early 2000s and, at age 14, 85% of young people intended to stay in education. At that time it was not compulsory, but 85% intended to stay in education. Some 90% of those intended to go to university. Clearly, half of them were disappointed. We have a system at the moment where university is seen as the sun, the moon and the stars, and everything else is considered a failure. So we do need to identify clearer vocational pathways, but it is also important to make sure that those pathways have status. We heard earlier this morning that it is not just a policy change, it is a cultural change that is required, and that is a difficult thing to do. We do need more coherent pathways.

Whether that means that we need some kind of UCAS-type system, a single point of entry through a body like UCAS, I remain unconvinced either way. I would say that the recent history of further education, vocational education and training is littered with an alphabet soup of bodies that have existed for a very short time doing this kind of work. Some of these agencies have been very well intentioned, staffed by very bright people, but sometimes they have the lifespan of a fruit fly. If a body is to be brought into existence, it needs to have political consensus and some kind of stability which may even exist beyond an election. So

that would be my concern with setting up a new body. I am not against it, but I am concerned that any body would be politically vulnerable.

Professor Ann Hodgson: Perhaps I might add to that. At the local level, the one thing that absolutely needs to happen is that schools, colleges and work-based training providers need to collaborate. There are no incentives for them to do that at the moment: in fact, quite the reverse. Until that happens, you will not get impartial careers education, information, advice and guidance, nor will you get clear route ways through. So if there is any kind of work in this area around transitions, it needs to be clear how it works at the local level. That may be that the whole locality becomes responsible for the destinations of young people, not individual institutions—going back to an earlier point—and that there are area agreements about what kind of provision needs to be in that locality, and that involves employers as well.

Earlier, when we gave evidence to the Committee, before it sat, we were talking about the idea of progression and transition boards at the local level, which would involve the providers but would have to have some kind of independent input. The only people at local level who can be independent are the local authorities. They are the only ones who have the duty to provide care and education for 100% of the young people in their locality. Nobody else has that. So I cannot see any other body taking that on at the local level. It is very difficult for them to do now because they are hit constantly by austerity measures, and the kinds of 14 to 19 partnerships that were at local authority level are being decimated across the country. If there is anything that this Committee can do to suggest some form of local body that is in place to look at transitions and has all the data that we talked about earlier, that looks at pathways through, looks at efficiencies, this is where money could be saved because there is so much inefficiency at the local level now because you have overprovision already available and underprovision of other types of opportunities for young people.

Baroness Sharp of Guildford: While we are on the Tomlinson issue, could I raise one further question, particularly with Professor Hodgson? In the evidence that you gave to us, you talked about research you had done in a number of localities suggesting that a broader mix of general and vocational qualifications at key stage 4 had a highly motivating effect on sections of the 14 to 16 cohort and increased their aspiration to post-16 study, particularly at level 3. Would you like to elaborate a little on that?

Professor Ann Hodgson: For everyone, the idea of having more practical and applied learning, not just for lower attainers but for the whole cohort, goes back to the idea that was

in Tomlinson of having a broad 14-16 phase, but which included both vocational and academic qualifications—or, if not qualifications, then experiences. Unfortunately, the focus on the English baccalaureate, as it is currently conceived, is too large to allow a lot of vocational work to happen at that stage, and the way that it is examined fails a lot of young people.

I am coming to answer your question. What was motivational for the young people in the study that we did in the south-west was that they had access to a range of types of learning, and they could be successful in different parts of it. That motivated them to think that they could go on to do something further, rather than being turned completely off and leaving education altogether, or being put on a course where they exit at 17. Unfortunately, a lot of the recent reforms in this area have not helped. Of course, all young people should study English, maths, science, modern foreign languages, and so on, but whether they should all have to take GCSE examinations in those subjects is my question. There are other ways of learning—applied learning and vocational learning—that could include those kinds of experiences, but not with a terminal examination that is purely externally assessed through exams. So there is a lot that can be done in that space to ensure that young people have a broad education but are motivated to continue.

Q180 Lord Farmer: Can we talk about funding in relation to the disparities between further education and higher education? What changes to the funding of further education do you believe are necessary to improve quality outcomes for the middle attainers and the underserved groups that we are looking at? Where could this funding come from? Are there ways of appropriating funding from elsewhere?

Professor Kevin Orr: One of the things I find refreshing about the way you are looking at this issue is that you are talking about a very large group, perhaps the majority, of young people who have been overlooked by policymakers and others in the past. Many of them are in vocational courses and further education, and so on, which, despite being a very large group of young people, and indeed adults, is not funded as generously as schools and universities. At the level of equity, it is right that further education, vocational education and training, is funded at the same level as schools. That would be a start.

As to where the money comes from, the comprehensive spending review last week found money that the nation did not think the nation had. This is an important issue. We are talking about 40% to 50% of young people, depending how you measure it. Surely this

should be an absolute priority for the Government. I know that there has been the suggestion that half a billion could be taken from higher education and brought into further education, and I can understand there is a notion of equality there, but it is the equality of misery. I should declare an interest. I know that it will be a university like mine, a post-1992 widening participation university, which will feel that cut more than elite universities, because we rely more upon public funding because we take in more of the local students, working-class students, first-generation university students, than do Russell group universities. So I am not about to suggest taking half a billion from HE and placing it into FE; it has to come from elsewhere.

Professor Ann Hodgson: Can I make a couple of interventions here? I agree with what Kevin has said. This goes back to a point that I mentioned earlier. We should allow young people who have not gained five A* to Cs at 16 to have a three-year programme. That is the way they will succeed and be able to go on. While that might cost more in the short term, long term it must be saving money because people will be more able to get into the labour market, bring up stable families, and so on.

The other issue for this particular group is the importance of additional support in terms of English and mathematics, which is a difficult issue for further education colleges. It is skewing all their provision at the moment. I will not say all schools, but very often schools will not take young people who do not have a C grade at GCSE English and maths, so where can they go? They go to further education colleges or work-based learning providers. That costs a huge amount of money to take people again through English and mathematics when they have failed. It is a very difficult task, particularly if you want to contextualise it within vocational education and training, which is likely to be more successful. So there needs to be more money for those learners who need more support over time.

Since the removal of the educational maintenance allowance, it is difficult for a lot of young people, in terms of transport, to get to their provision. Again, something needs to be looked at in that area.

In my view, one of the things that would save a lot of money is more efficiencies at local level in terms of overprovision in some cases and underprovision in other cases, so you looked at areas according to the kind of provision there. Some of the sizes of school sixth forms, and classes in school sixth forms, are not efficient—and they are taking money from lower down the school to support their sixth form provision. This is purely to do with the

status that a sixth form gives to a school. I understand the importance of role models and status for schools, but why could there not be more shared 16 to 19 provision across an area that each of the schools contributes to so you can get the staff who like to teach at that level? Now that sixth form colleges are allowed to become academies, maybe that will become much more of a possibility for many areas, that you have 16 to 19 provision which is much more efficient than each individual institution having its own small sixth form. It is a thought.

Q181 Lord Patel: I want to explore with you the role of employers in apprenticeships particularly. Do you think there are enough incentives in place for the employers to offer good-quality apprenticeships that will lead to learning life skills, et cetera? What might be the role of partnerships, particularly local partnerships, in promoting good-quality apprenticeships? There are some good examples in the evidence we have heard where even the public sector has used procurement as a means of achieving some of these apprenticeships. Do you think that might be used more widely, not just in the public sector but also in the private sector?

Professor Kevin Orr: Arguably, at the moment there is an incentive for employers to hire graduates, because they do not have to pay for their training; that is being paid for elsewhere, either through public funding or the students themselves. So at the moment, arguably there is an incentive for employers not to be involved in apprenticeships in many cases, certainly higher-level apprenticeships, because it is going to cost them. Some kind of policy that would incentivise employers, especially with those level 3 apprenticeships and above, would be extremely useful in this area. Public sector procurement is a way of doing that and, as you say, a way that has been successful. Certainly in the part of the country where I live it has been successful, where the local authority, for example, has said, “We will deal with you if you do this”. Manchester is one example.

The Government, both at local and national level, have to be very clear about what is expected from employers, especially with regard to apprenticeships. It has been said before that many of them are at level 2. There is evidence that suggests that many of these apprenticeships are not really employment based. They are, “Well, they’re not what my dad did as an apprenticeship”, let us put it that way. They are rather ersatz versions, which risks demeaning the brand of apprenticeship. I would say at a local level, many further education colleges—I know not all of them—are very, very good at working with local employers. I am

thinking about places such as where I work in Huddersfield: Kirklees College works with very major companies: Borg Warner is one example that comes to mind. Burnley College works with Silentnight for a range of different vocational education and training, not just apprenticeships.

Those local partnerships do exist, often with further education at their centre, where there is listening on both sides and an agreement as to what each part of that discussion can genuinely offer. Looking at those kinds of local partnerships, which are relatively stable because they are rooted in the local area, is possibly a way forward. Certainly, if government can incentivise employers on vocational education and training through procurement, possibly through some funding, that would be helpful.

Professor Ann Hodgson: We have been doing some work at the institute on what is called two-way street leadership exchange. This is where employer leaders and leaders from colleges, or work-based training providers, work together to develop specific training for employers in a locality. Where this works well is where it is sector based, not generic, and is local; there is a win on both sides. There is a genuine discussion about, “What is it you really need? What is the problem we are trying to solve here?”, and then, “What’s the solution to that?”. Where that has happened, and you can demonstrate benefits on both sides, it can be extremely successful.

I was amazed, to be honest, that this Government brought in a levy system. It was a big surprise, and I think a surprise to lots of people.

Professor Kevin Orr: Absolutely.

Professor Ann Hodgson: At the moment, it sounds as if there might be a free-for-all with the money that comes from that levy. Perhaps there needs to be some ring-fencing around parts of it for level 3. I do not know quite what it is, but I think it is worth looking at it more carefully rather than employers being allowed to spend it exactly as they will, because you will get a lot of what is called “deadweight” in the system and low-level training and substitution of training, rather than the technical and vocational level 3 and upwards that is wanted. I think something around that would be really helpful.

Q182 The Chairman: I am going to ask about responsibility within government. Looking at the clock, I want very succinct answers. No one is responsible at a national level for transitions into work. Who should be?

Professor Kevin Orr: We know that over the last 30 years there have been over 60 Secretaries of State with responsibility for this area, and that is untenable. I do not have a strong view as to whether it should be in DBIS or DfE. On balance, I would say it should be in DBIS. Whoever has it should keep it. It is the flipping of responsibility that is the issue rather than who has it. Let us find a consensus. Let us make a decision across party and stick to it. That is what we want, so that politicians, and indeed civil servants, do not have to keep on being told the same advice time after time from one six-month period to another. I am not so concerned about where it is, so long as it is stable.

Professor Ann Hodgson: I would agree with that. I think it would be helpful if you had one department as we had in the past, not DfE and DBIS, because then it has a proper location and you see the links between general and vocational education—and both should be considered. I do not want to add any more than that.

The Chairman: Are you saying that we bring education and employment under the same heading?

Professor Ann Hodgson: Yes.

Q183 Baroness Blood: We have to make a report and we will be making key suggestions. If there is one key suggestion you could give us, and you have already given us a couple this morning, what would it be?

Professor Kevin Orr: I have thought about this. The Government should ensure that in every town and city there is an institution which is well established, focused on vocational education and training, and has a remit for social mobility. Fortunately for government, these institutions exist and they are called further education colleges. So in terms of policy, I would say those FE colleges need to be better funded and to the same level as schools, and they should be encouraged to do what they do best, which is to provide decent vocational education and training for far more young people than attend sixth form colleges. Prioritise further education colleges.

Professor Ann Hodgson: I have said this before, but I would like to stress it again. I think you need to give young people more time. It is a question of time to get there; it is putting in the incremental steps that will allow them to get there over time, rather than cutting them off as failures at 18.

The Chairman: Thank you both very much for giving up your time to come to share your expertise with us today. We are very grateful. The session is closed.

Rt Hon Nicky Morgan MP and Nick Boles MP – oral evidence (QQ 184-199)

Evidence Session No. 19

Heard in Public

Questions 184 - 199

Members present

Baroness Corston (Chairman)

Baroness Berridge

Baroness Blood

Lord Farmer

Lord Holmes of Richmond

Baroness Howells of St Davids

Earl of Kinnoull

Baroness Morris of Yardley

Lord Patel

Baroness Sharp of Guildford

Baroness Stedman-Scott

Baroness Tyler of Enfield

Examination of Witnesses

Rt Hon Nicky Morgan MP, Secretary of State for Education, and **Nick Boles MP**, Minister of State for Skills

Q184 The Chairman: Welcome to this final evidence session of the Select Committee on Social Mobility on the transition from school to work. It is a great pleasure to welcome Right Honourable Nicky Morgan MP, who is the Secretary of State for Education and Minister for Women and Equalities, and Nick Boles MP, who is a Minister of State in the Department for Business, Innovation and Skills. I know you know this, but I still need to remind you that the session is open to the public and that a webcast of the session goes out live, and is subsequently accessible via the parliamentary website. We take a verbatim transcript, which will be put on the parliamentary website, and you will receive a copy in a few days' time. We would be grateful for advice about any corrections as quickly as possible. If, after the session, you want to clarify or amplify any points that you have made or make additional points, you are very welcome to submit supplementary written evidence to us. With that preamble, may I start by saying that we have been told time and again that there is no national strategy for school-to-work transitions for young people who do not follow the A-

level route into higher education? These people make up the majority of young people, and time and again we have been told there is a need to join up current policy reforms and initiatives at the national level. The first question is: why is there no national strategy for the overwhelming majority of our young people?

Rt Hon Nicky Morgan: I have not seen all the evidence that the Committee has been given, but I am not sure I would agree with that. I am happy to read and to understand—and I am sure that Nick, as the Skills Minister, will talk about this—the support in the recent spending review for the further education sector, for apprenticeships and for technical and professional qualifications. In the past under previous Governments we saw a focus on getting everybody to university. I think we have now realised that is not the right route for everybody. I should declare that I speak as a Member of Parliament who represents a large and successful university in Loughborough, but I fully recognise—and I think we all do across government—that university and higher education is not the right path for everybody, or may not be the right path at 18, although, as I am sure we will come on to discuss, apprenticeships now offer the opportunity to study to degree level later on.

I hope we will also have a chance to discuss careers advice. I realise the Committee is looking at the 16 to 24 year-old age group, and the Department for Education looks after 16 to 19 year-olds, but a huge amount of direction, social mobility and the opening up of the world of employment happens pre-16 in our schools, and we are doing a lot of work on that too.

Nick Boles: Would you like me to answer as the Minister responsible?

The Chairman: Yes, you are very welcome to.

Nick Boles: I was wondering slightly whether you were saying national strategy with a capital “N” and a capital “S” or a small “n” and a small “s”. I have no idea quite whether there are national strategies with capital Ns and capital Ss with a formal status, but I can reassure you that there is absolutely a national strategy with a small “n” and a small “s”, because I am in charge of it and driving it through. Perhaps an area of common ground is that as a country we have failed for somewhere between 30 and 130 years to focus adequately on people whose paths in life are more likely to be technical and professional than academic. It has always been, through Governments of every stripe, the poor relation in education. I am very happy to go into detail on any of these points. When you look at the combination of an unprecedented commitment to high-quality apprenticeships that will have to last at least a year, that will have to be according to standards developed by employers, that will have to

have at least 20% off-the-job training content, the introduction of a new tax and the apprenticeship levy to pay for this very substantial increase in the number and quality of apprenticeships, and the work that the panel led by Lord Sainsbury of Turville, the former Labour Minister for Science and Innovation, looking into much clearer routes into technical and professional careers for young people who are going down the vocational path, I think it would be quite hard to sustain the argument that this is not an area of priority for this Government and that we do not have a national strategy to improve the quality of opportunities offered to the people you are talking about.

Q185 The Chairman: Most of the evidence that we have had has suggested that the impact of what we have been told is constant change could be mitigated by responsibility for all education from the age of 16—or even, preferably, 14—sitting within one department. What is your reaction to that?

Nick Boles: Madam Chairman, you did not mention an important detail about my job, which is that I am also the Minister of State for the Department for Education, for the very clear reason that all education up to the age of 19 is the exclusive responsibility of the Department for Education. The only reason why I am also in BIS is because further education colleges and apprenticeships also involve people who are over the age of 19—adults—and it is the adult side of skills training that is the responsibility of BIS. All education of all kinds until the age of 19 is the responsibility of the Department for Education, where I am a Minister and on whose business I spend certainly more than half of my time.

Lord Farmer: We have talked about apprenticeships, but, as we have heard, we are looking particularly at what is called the overlooked majority, particularly those aged 14 to 19. The Prime Minister said recently that there should be, “either apprenticeship or university for almost all”, but the evidence to us has shown we need more intermediate and technician-level roles to meet the supply of middle attainers into the labour market. The Local Government Association stated that by 2022 there will be 9.2 million low-skilled people chasing 3.7 million jobs; there will be 12.6 million people with intermediate skills chasing 10.2 million jobs; and across the economy employers will struggle to recruit to the estimated 14.8 million high-skilled jobs with only 11.9 million high-skilled workers. How can these roles in the intermediate and lower levels be created and demand brought more in line with supply?

Nick Boles: It strikes at the heart of the challenge that every developed economy faces. The shift in the nature of technology means that jobs that used to be multitudinous, stable and secure are now becoming challenged, either by people half way round the world who can do it for a quarter of the price or not by people at all but by computer programs and software and everything else.

The only reason why I do not think we should take it as a counsel of despair is that skills create jobs and it is not just a one-way street. If you have a better-educated, more capable, more competent, more confident workforce, it will stimulate the creation of jobs that do not exist. That is the wonderful thing about a dynamic free market economy. We should not get into the business of central planning and trying to imagine what jobs are going to exist in 10 years' time and then which people we are going to shape somehow to be able to fill each one of them. We should be ensuring that people are educated with both the broad and fundamental competencies—and that is why there is such a huge focus on school reform and the fundamentals of English, maths and the other EBacc subjects—and those professional and technical skills that will give them value in the labour market even as that labour market is transformed in a way that none of us, and certainly not the LGA, is able to anticipate.

Rt Hon Nicky Morgan: I think what you were saying, Lord Farmer, was that we want to create those lower-skilled and middle-skilled roles. Personally I think that is the wrong way to look at it. As Nick has said, the labour market is changing hugely and there is competition from overseas. We are not going to be able to row back, so we need to make sure that our young people have the highest possible skills and to facilitate those who have entered the workplace to continue to learn and to gain more skills. I am very clear that as far as I am concerned things such as English and maths are non-negotiable for the employment market in the 21st century. These days there are almost no jobs—of course there will be some, and I am sure those watching will want to contradict me on that—that do not require you to be literate and numerate, so it is the duty of the education system to make sure that our young people are leaving school both literate and numerate.

This Committee is not looking at school reform, but we have done a huge amount on that in primary schools, in secondary schools; and of course, post-16, if young people leave school without a grade A to C in English and maths at GCSE they need to retake those, and we are seeing that working. This year the number of those over 17 taking GCSEs in English and

maths and getting those good passes has gone up by 4,000 for English and 7,500 for maths, so we are having that impact, and I think it is the right thing to do to help people get those higher-skilled jobs.

Q186 Baroness Berridge: We have heard a lot about the importance of high-quality apprenticeships and level 3 vocational education being made available as routes into employment. What about those learners who are not ready at the age of 16 for level 3 learning or training? What are the Government's plans to provide robust routes of access for those young people who are not high-level apprenticeships and level 3?

Nick Boles: I really welcome that question, because I think there is a danger in people's understandable desire, which I endorse entirely, to encourage the growth in higher-level apprenticeships. As a Government we are determined to create many more higher apprenticeships, and indeed degree apprenticeships through which you can earn a full degree. In doing that, however, we should not buy the line that somehow level 2 apprenticeships are not worth the name. One of my biggest disagreements with the Opposition before the election was a proposal that level 2 apprenticeships should not be deemed as apprenticeships. I can tell you that we as BIS have done one of the biggest single pieces of research on the income impact of different apprenticeships and different programmes. There are over half a million individual cases where we linked up what educational programme they had completed and what income they earned, and on average a level 2 apprenticeship has an 11% positive impact on people's incomes three to five years later. Even if you stopped at that level—and we do not want anybody to stop at that level, and certainly not if they have the capability to go further—that has huge value.

What is worrying about the current position is that most young people are not going to get an apprenticeship aged 16, most of them are probably not going to get an apprenticeship aged 17, and the question then is what they are doing in college to maximise their readiness to get that apprenticeship at 17 or 18 or 19 and do really well in it. That is why we have asked Lord Sainsbury and others to form this panel.

I went to Norway and the Netherlands in August, and, in truth, I could have gone to three other Scandinavian countries and several other continental European countries and discovered pretty much the same thing, which is that they are much more prescriptive about the early phases of technical and professional education, and they require people to be preparing for broad categories of career choice such as care, engineering or business

administration, and we do not do that. We made a big reform in the last Parliament of study programmes, whereby we winnowed out some of the worst qualifications and insisted that people did a whole programme that included English and maths if they had not achieved adequate results. The son or daughter of the study programme says that it is not good enough to staple together a slightly random series of qualifications and courses; they need to cohere and make sense and be taking you somewhere identifiable that you have actually thought about, which then links back to careers advice and guidance.

Baroness Berridge: After you have given evidence, we are hearing evidence about the House of Lords as an employer, and I think you have been put on notice that we are intrigued about Whitehall and particularly the announcement over the weekend of 200,000 public sector apprenticeships. We have had such encouraging evidence of people going into, say, BAE Systems and ending up on the board, so this is not just about degrees. What is the thinking about how Whitehall can take in young people at level 2 and level 3 and have a progression alongside the fast track? Clearly there are young people who could go to the top of the Civil Service without necessarily having a degree.

Rt Hon Nicky Morgan: I agree entirely with that. I can find the exact numbers in my folder, but the Department for Education has at least 70 apprentices, and I will provide that information for the Committee so that it has the right number on record. We have committed to take overall another 200 or something. All government departments are doing that. I had a conversation with our Permanent Secretary yesterday about the importance of apprentices. I have had an apprentice in my own private office. It goes back to the heart of the Chairman's first question, which was about making sure that there are alternative career paths and that a degree does not have to be the only way. Before I was elected as an MP, I was a solicitor by profession, and it used to be the case that you could qualify as a solicitor, or an accountant, through serving a traineeship for a number of years. I think we are returning to that model. I know Nick is looking at that with employers. It is critical to have the involvement of employers in those apprenticeship study programmes to make sure that the right skills are being taught exactly so that young people gain the confidence to go all the way to the top. You mentioned BAE Systems, but you could probably have the same conversation with Rolls-Royce about the number of people on their board who were originally apprentices.

Nick Boles: I will add one point. Last week I went on an amazing trip to Pizza Hut. They were launching their apprenticeship programme. I suspect all of us would think that it was burger-flipping and that it was going to be a very low-grade apprenticeship in doing something quite basic. Not a bit of it. They are doing level 2 and level 3 entry-level apprenticeships, but with high-quality and well worked out content, and, having been put through my paces, I can certainly say that it was not immediately easy to do. They are also developing with the Manchester Metropolitan University a degree apprenticeship in managing a restaurant and managing a chain of restaurants. I think that is stimulated in part by the apprenticeship levy which it is probably going to have to pay a lot for. It is looking at having 1,400 apprenticeships across Pizza Hut in the UK, which will go right the way up, as you say, to leadership positions. The Civil Service needs to do the same and it is, but we need to go further.

Q187 Baroness Tyler of Enfield: Could I press you a little further on the issue about the quality of apprenticeships? This year we received evidence from the Ofsted inspection of apprenticeship programmes that 11% were judged inadequate and 38% needed improvement, so that is a little under half of apprenticeships not really reaching a satisfactory level, which I am sure we are all concerned about. What is your goal for improving quality and how do the Government intend to go about that?

Nick Boles: In a sense the evidence that Ofsted brought forward—and I very much welcomed that contribution from them—underlines the reason why we are undertaking this pretty major transformation and, literally, revolution in the system. The system as it works currently is the Skills Funding Agency gives a contract to a training provider and the training provider says, “Right, I am going to do 1,000 apprenticeships next year”, and then the training provider goes out and finds employers which it can place apprentices with. Some high-quality training providers do a fantastic job and I have no doubt that even after the system changes those employers will continue to use those training providers, which is great and nobody should mind. Unfortunately, however, the system has also allowed a lot of behaviour that leads to some employers not even knowing that these people are apprentices and some of the apprentices not even knowing that they are apprentices. The reason for that is because the decision-making and the purchasing power is in the wrong place. It should not be the Skills Funding Agency giving contracts to training providers. It should be the Government empowering and enabling employers to spend money on training

and then to start being a bit picky about what they are getting and saying, “Sorry, if you only turn up one hour a month to do an assessment, that is not proper training”.

That is why we are moving to a new system. It will take us the course of this Parliament, but by the end of this Parliament we will have switched off all the old apprenticeship frameworks, of which, bluntly, there are far too many, and which were developed to suit the training providers. They will be replaced by these new standards that are being developed by groups of employers. Also, by 2017, we will also have moved to a system where the money is in an account with the employer, which will then pick a training provider to provide the training, and hopefully that will begin to lead. Ofsted does a brilliant job of rooting out the absolute worst behaviour, and they alert us to people and we cancel their contracts, but to get sustained quality improvement you have to change the whole system.

Q188 Baroness Morris of Yardley: You have sort of answered the question I was going to ask in the previous answer but I would like to explore it a little further. I think you have just acknowledged there has been a problem with level 2 apprenticeships, otherwise you would not be changing the system, and I am pleased to hear that. I would like to explore exactly what is happening at level 2 and in that gap pre-level 2, which is where this question started. The words “apprenticeship” and “A-level” are about the only two words that have survived half a century of educational reform and people still know what they mean. Even though they have changed dramatically, there is a common currency in the country whereby we know what we mean by apprenticeship. I think part of the problem is that level 2 does not fit into that. It is not at the standard that people are used to in the old three-year apprenticeship or in the higher education apprenticeship, and I think that causes a problem. We have received a lot of evidence from people who have been doing level 2 and employers that the quality is too low. Under successive Governments, mine as much as yours, we have failed to crack that.

The other area you referred to that I wanted to take up is that gap and those young people who are not ready for level 2 who often go to FE. Caring is a perfect example. The evidence that we have had from FE is that they wander into a caring course at 16, they use one year’s funding at FE and at the end of it they find it is not for them. Then they drop out, there is a problem with funding and they have to travel to change to another vocational area. It is a mess and they get disillusioned and depressed and they go off. It is a long-standing problem. Could you be a bit more straightforward and give us your real thoughts on where you think

we are with level 2? I accept entirely that you have painted a way forward which I hope works better. Given that 80% of apprenticeships are at level 2, we have a real concern that in order to meet the target that the Government have set, if they are 80% level 2 and 20% level 3, we have not progressed the agenda as we would want. I am trying to explore where you think we are with level 2 and pre-level 2.

Nick Boles: There was quite a lot in there, so it may take me a little while to answer, but it is all really important and interesting stuff. First, on level 2, in everything you said, the only part I do not accept is that, innately, a level 2 apprenticeship cannot be high quality.

Baroness Morris of Yardley: Neither do I. You are absolutely right that it is a perfectly good standard; it is what is being passed as level 2.

Nick Boles: You are right; it is what is being slipped through. I have talked about the monthly assessment, and at the moment there are apprenticeships where, literally, an assessor comes to your place of work for an hour a month and looks at your homework. I am sorry, but to me that does not count as off-the-job training. That is why in the new standards there are not very many minimum requirements but they are absolute. Under the new standards, an apprenticeship has to be a job, so you have to have an employer; it has to last for at least a year, even if it is level 2; and it has to have a minimum of 20% off-the-job training. Just to be clear, off-the-job training can take place at the site of the employer but not in your job. You should be away from your job and being trained. Those are the absolute minimum requirements, and all level 2 apprenticeships will meet them.

Baroness Morris of Yardley: It could be online, could it not? It need not be face to face.

Nick Boles: You are right, it could be online, and if it is entirely online I hope there will be good quality control and inspection, but I agree with you. If you talk to builders, they will tell you that if you took away the level 2 in plastering or bricklaying or site carpentry, it would be devastating not only for the industry, which has a desperate need for skills, but for a lot of young people. While of course you would much prefer every young person to sign up to a level 3 qualification from the get go, some are not ready and do not know whether they want to go that far. They can be lured into it, but they cannot necessarily immediately be signed up. That is why I think we need to keep this as part of the mix.

On the balance between the different levels, funnily enough one of the things that we and the Treasury are a little bit nervous about is that the levy is going to give employers—which are going to be paying it if they have a payroll bill of over £3 million, whether they like it or

not—an incentive to move up the levels in their apprenticeship programmes, for the very simple reason that the amount of money you are allowed to spend on a level 2 apprenticeship is generally much lower than the amount of money you are allowed to spend on a level 4, 5 or 6 apprenticeship. If you are a big employer and paying a huge levy bill, there is no way you are going to be able to employ enough level 2 apprentices to use up your levy. Remember it is digital vouchers going into an account. We think there will be a natural progression into higher and degree apprenticeships by employers because they will get to use up more of their levy on people who are going to be really useful in their business. There will be a natural progression, which to some extent makes us slightly worried about our 3 million target, although we are confident that the combination of measures we are taking will enable us to deliver that. If you ended up with everybody only offering higher and degree apprenticeships, we would be hard pressed to be creating 600,000 a year.

The other point you made about pre-level 2 is absolutely critical and that is, in a sense, what the Sainsbury panel reforms need to address. At whatever level you arrive at 16—please God after five more years of Nicky Morgan’s reforms, everybody will be arriving already capable of starting a level 3 programme, but at the moment a lot do not—we need to ensure that you are not put on, as you say, a ragbag of time-filler employability courses and others. You need to be getting ready for the route you want to take to employment. Even if you are at level 1, you need to have a study programme that is getting you on the path and up the rungs of the ladder. I hope that is what will come out of this review by Lord Sainsbury.

Q189 Baroness Sharp of Guildford: Can we turn to the funding of the further education sector? Quite a lot of the evidence we have received has highlighted the disparity of funding between the sectors, and in particular, as you know, the FE sector tends to receive quite a lot of young people who have come from more disadvantaged homes. The sixth-form level of funding of £4,000 is lower than the 11 through 16 level of funding on the one hand. On top of that, there has been this drop in the funding for 19 year-olds. Quite a lot of those who go on to FE first have to retake GCSEs before they move on to a level 3 course. Further education colleges end up with less funding per pupil, even though they are dealing frequently with more disadvantaged pupils because the pupil premium does not apply to them. Is there not considerable disparity, and should we be funding them rather more generously?

Rt Hon Nicky Morgan: Nick might want to talk about some of the details of those who perhaps have taken retakes and then carry on studying. Overall, I would say that we are two weeks after the spending review and we have made a very clear commitment as a Government to continue with the rebalancing of the economy. All parts of the Government have to play their part in that. From the reaction we have had, I think the sector has welcomed the protection of that base rate of £4,000—

Baroness Sharp of Guildford: In cash terms.

Rt Hon Nicky Morgan: Absolutely. They have welcomed the continuation and the certainty of that over the next few years, which does enable them to plan. Our evidence is that amount of money does allow the provision of 600 hours of study time, which is what is expected post-16. Of course in the last Parliament we moved from funding per qualification to funding per student, which I think was important, so that students are taking the right qualifications for them and their employment ambitions. You are absolutely right to say that we are looking at the entire funding formula of the pre-16 schools-funding system, because there are disparities right the way across the country. We made a choice in the last Parliament and we continue to make that choice, which goes back to the point I was making before that we have to get the education system right from primary school upwards. Getting those basic skills locked in and building confidence in literacy and numeracy is the choice we have made for funding, particularly at primary and then at secondary school.

Baroness Sharp of Guildford: When you are looking at the funding formula, will you be looking at 11 through to 19 rather than 11 through to 16?

Rt Hon Nicky Morgan: It is schools with sixth forms, but there is a separate review of FE with the area-based reviews, which the Committee might want to ask about as well, but it is for schools and academies.

Nick Boles: On the funding, post-16 we have achieved something that we are only now going to be putting in place, which is the national funding formula, and every institution, whether it is a sixth form in a school, a sixth-form college or an FE college, gets the same amount per student per annum. We would all agree that if we lived in a perfect world we would all love to spend £6,000 a year on educating everybody in our care until the age of 19, whatever they are doing, at least. Of course we would. That is not the position with which we were presented. If you have constrained resources, on which bit of a life of education would you focus those resources? As a Government, indeed in combination with the Liberal Democrats

in the coalition, we took the painful decision, backed up by a lot of academic evidence, that the most impact is had earlier. Of course you are right that the institutions are often trying to make up for a lot of the failures of before. Our responsibility is to fix the stuff that is happening before so that those institutions are not having to pick up so many failures.

Baroness Sharp of Guildford: True, but if you have institutions that are having to pick up some of the earlier failures, which many FE colleges do, should they not be funded at least at the same level as the school sixth forms?

Nick Boles: No, if that would mean lowering the amount of funding for schools, because we are not funding to excess.

Rt Hon Nicky Morgan: No school would say they have more money than they need.

Nick Boles: It is a political choice, but I think it is the right one.

Rt Hon Nicky Morgan: The base rate has been worked out on the basis of 600 teaching hours and it also covers, as I say, English and maths. Nick is right that if money was unlimited of course you would want to invest more, but it is not, and therefore it is the 600 hours, plus provision if students need to retake English and maths. We have given bursaries to make sure that the institutions can be confident that they have the teachers who are able to teach well English and maths. That is what we are seeing.

Nick Boles: You mentioned the pupil premium, and I would add one small detail. We do not have the pupil premium post-16 but we have two blocks of disadvantage funding in addition to the bursaries, which are not insubstantial and are specifically targeted at helping those young people who come with particular needs, either special needs or who have come from very disadvantaged backgrounds. It is not just the base rate; there is funding beyond that.

The Chairman: If I may address this question specifically to Mr Boles, you referred to a ragbag mix of time-filler employability skills courses. Is not the corollary of that that they should form part of the curriculum to ensure that they are taught coherently?

Nick Boles: I want to be clear that not all employability courses are low quality; some are very high quality. As an education system, we became, over a long period, too hung up on qualifications and not sufficiently focused on the coherence of a programme of study. A qualification can be very high quality in combination with some other qualifications and be entirely pointless and a waste of time in combination with other qualifications. An individual qualification should never be seen on its own. The whole point of Lord Sainsbury's review is to do almost exactly what you are saying, which is to establish coherent programmes of

study from the age of 16 for anyone who is not going to be taking A-levels or a combination of A-levels and BTECs with the clear intent of going to university. For anybody pursuing a technical and professional route, there should be a clear programme of study. Employability courses may have a role in that, but it should be, as you put it, as part of that programme of study, not as a sort of, “Oh my gosh, here’s a hole in the timetable. Let’s put them in there”.

Q190 Baroness Morris of Yardley: Secretary of State, when you were talking about funding you mentioned the area reviews for the 16 to 19 cohort. Is that about funding or motivated by funding? I am not sure it is.

Rt Hon Nicky Morgan: It is about sustainability. I am sure that funding is a part of that, but it is also about making sure that in each area colleges are working together and not duplicating courses:

Baroness Morris of Yardley: Might you come out with some recommendations about the funding level for FE, because that was the context in which we were talking about it when you mentioned that?

Rt Hon Nicky Morgan: Unless things change dramatically over the course of this Parliament, and that would be a matter for the Treasury, the announcement made two weeks ago is that the base rate of £4,000 is protected for the rest of this Parliament.

Baroness Morris of Yardley: Is the contrary true: that you will not be looking to save money through the area reviews?

Rt Hon Nicky Morgan: The area reviews have not been set up in order to save money. They have been set up to ensure sustainability of institutions, to make sure there is not duplication across different provisions and that there are employers involved.

Baroness Berridge: Minister of State, you said the education system was hung up on qualifications. Is the adult education sector hung up on full-time courses? We met a young woman who has been failed by the system. She is out the other side and in her early 20s. She is a carer, so she has the carer’s allowance and is in the benefits system, and she cannot get into a course she wants to get into because it is a full-time only course. Is there something around for those young people who have been failed previously and who are now trying to regroup? Do you have discussions around the benefits system and how some of these courses such as midwifery are only offered on a full-time basis? If the carer goes for that, all the carer’s allowance goes, and she has been caring since, I think, the age of 11.

Nick Boles: You are absolutely right that there are lots of people who would benefit and would like to be able to combine work, caring responsibilities and a part-time programme of study. In the last Parliament we made progress with the benefits system, in the sense that the rules relating to benefits were lifted to enable people to do traineeships. I do not know whether traineeships have come up in your discussions, but they are these programmes involving work experience, English and maths that last six months or so, with a very strong focus on then getting you into an apprenticeship or full-time employment. The jobcentre is now able to allow people who are still on benefits to do those programmes, but, you are right, there will always be examples of other programmes where maybe the requirements of the course are for full-time study. Our main response to that, as Nicky was saying, is the apprenticeship programme. We would like pretty much every single job you can think of—maybe not nuclear physicists—to be accessible through an apprenticeship route, which is of course innately part-time study/part-time work because that is the whole point, as well as a full-time study programme, and to make no judgment between the two as to which is better; it is simply which works best for the individual.

Q191 Baroness Tyler of Enfield: I declare an interest here as co-chair of the All-Party Group on Social Mobility. We have heard a lot of evidence, particularly from employers, about how much they value, alongside the literacy and numeracy and academic skills you have already referred to, what are often called life skills and sometimes referred to as character and resilience. How confident are you—and I know you have been doing a lot of work in this area yourself—that the education system in the way that schools are funded, the performance measures and the inspection regime has a really strong incentive to ensure that all young people are prepared with what I would call a rounded set of skills, both the academic and the character and resilience skills that are needed to succeed in the modern-day workplace?

Rt Hon Nicky Morgan: I am pleased you asked the question, because it is very important. I think the reforms of the education system over the last five years have lifted academic standards, and we have already discussed why that was necessary: to allow our young people to compete with the best in this country and the best in the world. I think you are absolutely right to say that the other side of that is as parents we all want our children to be well-rounded individuals, and that is also what employers are asking for. We have placed a huge focus in the department on this work on character and resilience. We have a lot more to come on that. Initiatives such as the Character Awards last year demonstrate that the best

schools, often in unexpected areas, are prioritising this and encouraging students to take part in extracurricular activities. Last week I was at the University of Birmingham visiting the School of Education. It is working with Birmingham University's Jubilee Centre for Character and Virtues and Professor James Arthur to look at how they can embed character into the curriculum. It will be very interesting. I have always said that I am not sure that I would necessarily want to see, "Today we are going to have a lesson on integrity", but it is the sort of value you want to see woven right the way throughout the curriculum.

Ofsted inspects what it calls the spiritual, moral, social and cultural well-being of children. We want there to be a broad and balanced curriculum. We are working on a lot of evidence. We have also given funding to the Education Endowment Foundation. There are clear links between high attainment in academics and that work on character. It is about getting that best practice out. I think there is more we could do with initial teacher training as well, making it clear that we think those are important parts of the curriculum.

The National Citizen Service, which is quite relevant to the age group we have been discussing, is a tremendous programme for developing some of those skills that you mentioned: putting young people into new situations, social action projects, all sorts of things, and we want to see many more. The Prime Minister has made a clear commitment that we want to see all eligible young people taking part in National Citizen Service. There is more that we can do. Teachers are already working extremely hard, but they are able to facilitate and enable young people to find out about those opportunities and that is what we would like to see.

The Chairman: When you talk about character, are you talking about life skills? Those were the skills that young people themselves said they did not have, which employers said young people did not have and which further education colleges said young people did not have. One of the things that I found most concerning is that for at least six years before 2010 life skills had A-level equivalence and employers really welcomed it, and it was abolished summarily in 2010 on the election of the new Government. Do you think that abolition was a mistake?

Rt Hon Nicky Morgan: No, I do not, because I do not think some of these skills can be examined. They are things that run right the way through the curriculum from a young age. It is not only for the education system. Families and parents also have a responsibility. We know there are going to be some situations where young people are not going to get that

from their home life and it is important to have a strong role model, whether it is through school or through another activity, helping them to develop those skills.

We have been very clear not to define what we mean by “character”. If you were to ask me, I think that things such as persistence and resilience and that indefinable quality of grit are hugely important. Other people talk about moral virtues, and that is what the Jubilee Centre is working on. It is also things such as self-confidence, self-esteem and teamwork, which are also valued by employers. They cannot be examined. You cannot have a tick box—

The Chairman: They can.

Rt Hon Nicky Morgan: I am afraid, Madam Chairman, we will have to disagree on that. I think they are things that run right the way through good schools, and that is what we want to see everywhere across the country.

Q192 Lord Holmes of Richmond: I congratulate the Secretary of State on this character education initiative. Earlier, you set out the fundamentals of numeracy and literacy, and alongside that I would also set digital literacy, but even more important than all of that is all this stuff around character education, particularly with what is going to happen with the labour market over the next 10, never mind 50, years. How seized are you as a department to get this into teacher training and to industrialise this across every element of the education system? It could not be more crucial in the times that we live in.

Rt Hon Nicky Morgan: I am absolutely focused on it. Edward Timpson, who is my junior Minister, and Sam Gyimah are working on this. This also ties in with the issue of child mental health, which is something else I have been very focused on, and we have just launched some pilots on that. It is going to be one of the key priorities. Post spending review, we are finalising the departmental priorities, which will then be made public and will tie in with our departmental plan, which the Cabinet Office wants us to produce. Character will absolutely be up there, developing those attributes which, as you say, help our young people to take their place in the 21st century.

I should mention that one of the other ways in which young people develop is through sport. We have seen some fabulous innovative programmes across the country. I went to a wonderful rugby programme at a primary school in London, where boys and girls of all ages and nationalities were playing rugby and learning those skills.

I am glad you mentioned digital literacy as well because, of course, one of the things we have introduced in the new national curriculum is coding. Yesterday I was taking part in the

Hour of Code. This is about helping young people to really understand and take advantage of things such as computer programming to give them that confidence. I think it is something that we as the older generation are going to have to catch up with. We need to find a friendly seven year-old who can help us to learn these skills.

Q193 Baroness Howells of St Davids: I am going to divide my question into two parts. It has been suggested to us that the first priority of the education system should be to prepare all young people for adulthood and the world of work. It is suggested that one of the ways to do this might be to add employment and education destinations data as part of the accountability framework for schools. What are your views on this?

I come to the second part to my question. I have been living in this country since 1951—before you were born—and I would like to ask you why black boys seem to form the greatest part of the prison system. It is the third generation going through. There are no data available to show what is happening for young people who do not go on to higher education. I feel this country is losing out and I would like to know how the Government plan to address this, because if they are going to be fodder for the prisons, it will cost the country more.

Rt Hon Nicky Morgan: Absolutely.

Baroness Howells of St Davids: When I have spoken to people who take apprentices, they suggest to me that they have very seldom offered one to a black boy.

Rt Hon Nicky Morgan: You have asked a number of absolutely fascinating questions which I suspect we could spend the next couple of hours debating, and I think there is a lot of evidence needed. Let me unpick them. First of all, you asked about destinations data, which I think are hugely important. We mention in our written evidence that we have carried out a consultation on destinations data becoming part of the accountability mechanisms. I think it is very important. I want to see all parts of the education system not only doing well for the children at the time that they are with then but being cognisant of the fact those students will move on, and how they are going to do beyond that. While education is a good in itself—it is life transforming and opens up horizons—at the end of the day most of us, unless we are very fortunate, have to get a job, and therefore the education system does need to help young people get those skills for the world of work.

We have quite a lot of data which are pretty robust for key stage 4—so that is GCSEs moving into post key stage 4. Key stage 5 is harder to get. We are collecting more of those data. The Enterprise and Regulatory Reform Bill allows us to use data from DWP databases and from

HMRC to find out what happens to our young people once they leave post key stage 5. We want to make sure those data are robust before we publish them, so we need a couple of years' worth of data. It is absolutely critical and goes to the heart of what the Committee has been considering.

Answering your second question about black boys in particular, I do not have the evidence, but I think you are right anecdotally. One of the other issues we are very clear about is white working-class boys and their educational attainment in this country, which is not good enough. Interestingly, one of the potential reasons for the London success story in education is because of, often immigrant, families who really value education and therefore support their young people at home to study. Michael Gove, the Secretary of State for Justice, is doing a lot work on prison education. I visited my local prison and talked to the governor there and she was saying that a lot of prisoners are not literate or numerate, and therefore that goes to the heart, as we have been saying, of their ability to gain employment in the 21st century. Michael Gove is doing a lot of work on prison education.

One of the things we do not touch on often is the work on alternative provision. I have asked for some work internal to the department as to how confident we are that alternative-provision schools are preparing the young people in them to achieve good GCSEs. I think it is a mixed picture and I am waiting for the final results of that. There is some alternative provision that does very well and some that clearly is not helping. Again, if you do not get those qualifications, it goes back to the heart of what this Committee is about regarding social mobility, and helping everybody to get on that starting block with good qualifications, which is so important.

Finally, on apprenticeships—Nick might want to say something about this—only around 9% of apprenticeships go to those from BME backgrounds. The Prime Minister has been very clear that he wants to increase that number by 20%, and it would be great to go further. There are things we can do such as name-blind applications. It is also about raising aspirations and being clear about the route of apprenticeships in schools. We know that sometimes it is very hard for different providers to get into schools to talk about the alternatives to going on to university or leaving school at a certain age and going straight into the world of work. I cannot say there is a magic wand and we are going to suddenly change the numbers, but we are very cognisant of certain groups which are not taking advantage of things such as apprenticeships which should be.

Baroness Howells of St Davids: One of the things the Race Relations Act achieved is the idea that data should be kept, and I have not been able to get that at all.

Rt Hon Nicky Morgan: Okay. Do you want to add any more about BME and apprenticeships?

Nick Boles: Not really. As Nicky said, we have this very clear commitment to increase the proportion of apprenticeships that are going to BME, which, given that the overall number is also going to be increasing, will be a very substantial increase in numbers. The main way that one will achieve that is by increasing dramatically the number of different kinds of apprenticeships that are available and the number of employers offering them, because they have been focused in particular industries traditionally, and those industries may not have been offering so many opportunities to black boys. I just hope—and I am not sure if I am allowed to ask questions—the noble lady will be encouraged by the change in the position within the schools system of black boys. To be honest, when we hear about a problem group in the schools system now, it tends to be white working-class boys. Certainly in London, but not only in London, the performance of black boys and girls in schools has been remarkable, as has the progress. I hope that can flow through the system, but that does not mean we are only going to rely on that to achieve the Prime Minister’s very clear target.

Q194 Earl of Kinnoull: Could I move the discussion on to data? We have had a lot of evidence on data, much of it very thought provoking, and it has been in two main areas: the amount and quality and, secondly, the availability. I have three questions, two of which are very brief and are really yes/no answers. First, as a general proposition, would you agree that proper analysis of a good set of high-quality data could be very helpful in driving change to the benefit of everyone concerned here?

The second question is, there is a little bit of conflicting evidence about whether a unique pupil number exists that follows a pupil all the way through the system. Could you confirm that it exists, even if it is not really being used at the moment? I think that would be very helpful for our thinking. You might have to write to us.

Rt Hon Nicky Morgan: I am not sure I can confirm that one.

Earl of Kinnoull: That would be very helpful for us. My final question is a general one about availability. We have taken evidence from a number of people who have been frustrated in their research by a feeling generally that government departments are very closely protecting their data, often using the refrain, “The Data Protection Act prevents ...”—a refrain I have heard professionally many times and I know often is nonsense. Secondly, there

is a feeling that departments will share data that is held at a departmental level only with research projects that are funded by those departments, and that does not seem to be a very good idea. Thirdly, we have heard that departments will not share data among themselves. We have heard specifically that HMRC will not share data with BIS. That appears to be a bit of a muddle. Could you explain that and comment on that and do you have plans to improve the situation?

Rt Hon Nicky Morgan: Nick will come in on the BIS point in particular. In answer to one of the previous questions on destinations data, I did mention the fact that as a result of the Enterprise and Regulatory Reform Bill we are now going to have access to DWP data and HMRC data to help us with destinations. I think that is an example of more joined-up government, but I am sure you are right in what you say about government departments sharing data. They are getting better but there is some way to go. Unless those behind me can help, the unique pupil number is not a question I have been asked before and is not something I am aware of, but it is a very good point.

It would be helpful to know from the Committee the sort of data that people are looking for and cannot find. In the last Parliament, Francis Maude, who is now a Member of your House, did a lot of work in getting data sets out and on open government. There is a lot more that is out there in the system. There is more we can do on areas such as school accountability measures and helping parents to know what is going on in schools through data. I am sure there is room for improvement.

Nick Boles: I have a couple of points to add. First, I am sure you are right that people plead data protection inappropriately, but it was true about the HMRC, which is why we had to pass this measure in the Enterprise Bill in order to enable us to link up income data with people's educational data. Now that hurdle has been cleared, I think there is going to be a huge amount of data we can access. Recently we helped sponsor the creation of a new Centre for Vocational Education Research at the London School of Economics, which is charged specifically with doing a lot of research. We funded the creation of it, but it is entirely independent of government, so I hope we will get a lot of high-quality information and analysis out of that. The Committee may be aware that in the spending review the Chancellor announced we are going to be creating a new institute for apprenticeships that will take over the job of approving apprenticeship standards and assessment regimes and have responsibility for quality control. I think it is quite important that it should also have a

research capacity, particularly on the labour market information about which jobs are returning what levels of income and which qualifications are producing what results. I agree with you that all this should be informed by data and I am sure you are right that government can go further in being more transparent and less territorial.

Rt Hon Nicky Morgan: I do not think we have an answer on the unique pupil number, so I will write to the Committee when we are able to establish that.

The Chairman: Thank you very much.

Q195 Baroness Stedman-Scott: I must declare an interest in that although I am no longer the CEO of Tomorrow's People I am an ambassador for them and a champion for this underserved group. What plans do the Government have to work with and incentivise employers to recruit those from that group, otherwise they are going to miss out on great opportunities?

Rt Hon Nicky Morgan: It is about the qualifications and going right back to school and the use of the pupil premium, and making sure that this group of disadvantaged pupils is given the additional support that the pupil premium money allows, so that it ends up with the qualifications that are required by employers.

We have not touched on the whole issue of careers. This time last year, I announced the backing of a Careers & Enterprise Company, and it has been working in the course of the last 12 months with LEPs right the way across the country. The idea is to bridge the gap between schools and employers. In my tours around the country, I see that employers absolutely know that they need to get into education, they want to be involved in education and they want to explain the job opportunities that they offer, but sometimes getting into schools can be quite hard work. Likewise, schools want to invite people in. If you are lucky, you will have a big company down the road with a whole department that is aimed at getting into schools, but I know from my own constituency, where there are lots of smaller manufacturing companies, for example, that it is not quite so easy, so it is there to bridge that gap. It is about making sure from primary onwards that young people are exposed to what is officially called workplace interventions. What that really means is getting people in to talk about the opportunities that are offered, to talk about careers and particularly using strong role models. With my Minister for Women and Equalities hat on, I am very keen that girls are encouraged to pursue STEM careers and to go into higher-earning jobs and all of those things. Work experience will be a part of it. I was at a fantastic school in Harrow earlier this

year where an organisation called Primary Futures went in. It was a school in a quite disadvantaged area, but they had a number of people who went in to talk about their jobs to engage primary-age children in the things they did. That is one of the key ways. It is about over the school years exposing young people of all backgrounds to what is out there in the world of work.

Nick Boles: Can I add a word on a particular group—care leavers—because our colleague, Edward Timpson, has worked up a whole strategy for care leavers. The only part I can give you detail on is my bit on the apprenticeship side. I am sure the Committee will know that in apprenticeship funding you get more money the younger the apprentice is, so 16 to 18 year-olds get a certain amount; 19 to 24 year-olds, I think it is, get about half that amount; and then post-25, it is for the employer to fund. What we have said is that care leavers, whatever age they are, should receive the same funding as a 16 to 18 year-old, so hopefully an employer can see they may have to do a bit more work to support that person but the Government are helping them and encouraging them to do that.

Baroness Stedman-Scott: Can I make one point? Employers, whether they are small or large, have enormous workloads and in the drive to drive up the quality in schools, teachers and head teachers are really marching on to achieve that. Do you think the capacity exists in the system to get the employers in and get the schools doing more in order to engage with them?

Rt Hon Nicky Morgan: I do because the best schools do this anyway, right the way across the country. It is about great leadership. It goes back to the question about destinations data and getting schools thinking about where their students are going to end up. You are absolutely right: teachers are very busy, but it does not have to be teachers themselves; often it is about inviting people in. That is partly what the Careers & Enterprise Company is doing with the advisers and co-ordinators it is appointing. It is about making sure that there is resource available for schools to call on.

The other point I would make is about internships, which, as we know, are often unpaid and not open to people for whom that is not an option. In the last Parliament, we had the BIS-funded Graduate Talent Pool, which advertises 100%-paid positions. It is not something I know much about, but I think it is worth putting on the record the Social Mobility Business Compact and the best practice for high-quality internships, which ask for them to be paid. I think that is very important and it is about equal opportunities.

Q196 Baroness Morris of Yardley: You have started the next question which is about careers guidance, but if I may introduce that formally. We are aware of the changes that have been made, including the launch of this company 12 months ago, but we have not had one positive word about careers education from those we have visited, or talked to, or had sat in front of us. I cannot recall one positive thing that has been said about what has happened over the last five years, and that is backed up by Ofsted. Without giving us a list of what you have done, because (a) we know it and (b) it is in the submission from your department, what has gone wrong and what are you going to do about it?

Rt Hon Nicky Morgan: The honest truth, Baroness Morris, is there has never been a golden age of careers advice.

Baroness Morris of Yardley: I agree absolutely with you, but we do not want it to get worse; we want it to get better.

Rt Hon Nicky Morgan: I do not think it is getting worse. I have already talked about the company and we will be publishing a comprehensive careers strategy early in the new year which will build partly on the company and other things as well. It is about making that link and about being able to invite people in and about having the resources. I think the destinations data will be very important, particularly for secondary schools, in focusing minds on the preparation of young people from education into the world of work. I must be honest and say I do not think this is something that has ever been cracked. I do not think any employer is ever going to say 100%, “Yes, we are getting exactly what we need in terms of school leavers”, nor should they, because young people coming out of school need to be nurtured and trained. They are not going to be fully-fledged, perfect employees on day one when they start their job or their work experience or their internship.

Baroness Morris of Yardley: I accept that. I think there have been areas where it has been better than it is now, but it certainly was not perfect. I think there are lots of problems. I am not sure whether you are saying that you accept the last bit has been wrong and that is why you are going to launch a new strategy in January. The other thing is, which I think is at the core of it, do you think careers education is about getting employers into schools and nothing more? Every answer you have given has been about making sure children from very young right up to 18 can listen to people talk about careers and have visitors in. Is that your definition of careers education?

Rt Hon Nicky Morgan: I do not have a definition of careers education.

Baroness Morris of Yardley: Let me put it another way then. If a school had a series of visits from employers into the classroom, would you say it is providing a really good-quality careers education?

Rt Hon Nicky Morgan: I think it requires a number of different interventions.

Baroness Morris of Yardley: What else might it be?

Rt Hon Nicky Morgan: Let me go back a stage. If I thought it was all perfect, I would not have launched the Careers & Enterprise Company last year. If employers are saying they are not getting the skills or the people they need, they must be involved in providing the answer. I do not think it is enough to have somebody who has a range of leaflets in a little box room—which was the careers education in my school—nor is it about psychometric tests. It is about high-quality interventions. It is very important that young people see the world of work and different kinds of employers and actually have those people in front of them. I think it is partly about work experience and it also goes back to the skills that we been talking about. They might not be badged as careers education but having those skills, which are valued by employers, is very much part of the picture. It is right that schools take responsibility for this. They know their young people. They are able to have that conversation with them and are able to see them as their talents develop and advise them on what the next stage is and where they are likely to do really well.

Baroness Morris of Yardley: One of the other things that has come back to us time and time again, and I think you acknowledge that, is that business and many employers want to go in. There is the whole question of the schools not having access—rural schools and all the rest of it—and, if that is the national careers programme, we have a lot people lining up not to do very well in it. It has been played back to us that what is missing is a co-ordinating body. They would like to go into schools, and schools would like them in. In the old days, there was something called education-business partnership. It was variable across the country, but where it worked well, it fulfilled the need. At the moment they tell us there is no infrastructure and it is damned hard work to make it work. It cannot be left to chance. It needs to be 100%.

Rt Hon Nicky Morgan: That is exactly what the Careers & Enterprise Company with its enterprise co-ordinators and enterprise advisers is: that is the infrastructure.

Baroness Morris of Yardley: So in every school in the country it will be making sure that employers get in?

Rt Hon Nicky Morgan: Absolutely.

Baroness Morris of Yardley: And it will have the resource and capacity to do that?

Rt Hon Nicky Morgan: Yes.

Baroness Morris of Yardley: When do you think that might happen?

The Chairman: We are going to ask about this later on.

Rt Hon Nicky Morgan: It is working on it now. It has 31 out of the 39 LEPs covered and we are expecting more announcements early in the new year.

Lord Patel: I do not have a set question so you do not have it on your list.

Rt Hon Nicky Morgan: I do not have a list.

Q197 Lord Patel: I have two diverse questions. One is related to the issue in higher education where we know UCAS provides central co-ordination and a central registry but we do not have such a thing in higher education colleges. Do you think it might be a good idea to set up an UCAS-style system for higher education colleges that is administered locally and monitored nationally? Then I have a second question.

Nick Boles: On that, we are in conversation with UCAS about the possibility of including higher-level courses in FE colleges but also apprenticeships in their system. One of the difficulties with apprenticeships—and I do not want to overstate how quickly and completely that would achieve coverage and therefore universality, that that is where you go when you have to make a decision—is that they do not all start at the same time of year. There is not that natural calendar which leads to university entry. While it might be possible over a very long period to encourage more employers, particularly when they are creating apprenticeships where they are keen to hire younger people, to perhaps consider aligning with the system of choices for university, in truth, the whole point about apprenticeships is they are jobs. They will be created when they are needed, and we are certainly not in the business of stopping employers creating those new jobs in January or March. That is going to be a complexity, but I think your observation is right and fair; and we will try and get as far as we can with it.

Lord Patel: That is a good answer.

Rt Hon Nicky Morgan: May I just add that the former Deputy Prime Minister was working on, and I think we are still working on it, this database to capture all post-16 education and training options to be established, and that is now having the information added in. Future students and third parties will be able to search and create this link into that system as well.

Lord Patel: Both answers are very helpful, because you have indicated that we are on the road to achieving that and that would be good. The second question relates to something completely different and that is the education-employer partnership. We had evidence from the Social Mobility and Child Poverty Commission's report about public sector involvement through its procurement practices to create more apprenticeships. What level of engagement do you get from the public sector and how might you improve that?

Nick Boles: That is a very good question. At the end of the last Parliament, we introduced the requirement in relation purely to infrastructure projects that there should be a clear criterion in the procurement process whereby bidders had to demonstrate their commitment to creating apprenticeships, not only generally but specifically in relation to the particular contract being awarded. That was something Lord Deighton and I introduced. Since the election and the announcement of the apprenticeship levy, we have made a series of further steps. On public procurement, we are now introducing that same requirement for any publicly procured contract of over £30 million. Some urged a mechanistic approach— and literally for every £1 million there is an apprenticeship or something like that. We have looked into that quite closely and concluded that the difficulty is that contracts are very different and they are for very different things, and the appropriate level of commitment that you can require from a major infrastructure project might be different from a back-office administration outsourcing project. What we have said is that departments will be expected to build this into the procurement process so that all bidders who are going ultimately to be successful will have had to demonstrate their commitment to the apprenticeship programme, and they will set a benchmark that is appropriate for that particular kind of procurement. That comes in alongside the obligation on public sector bodies employing more than 250 people to have a certain percentage of their own workforce as apprentices.

Q198 Baroness Blood: We have heard a lot about apprenticeships. Could I ask you to take a step down the ladder? One of the things we have heard from this group of young people that we are looking at is simply about getting ready for work and the fact that work experience is one of the best things they can get. We have done some work round that and it came out that for the work experience you got it was not a question of what you know but who you know. We have had unanimous evidence that the mandatory requirement for work experience for 14 to 16 year-olds should be brought back. Have you any views on that?

Rt Hon Nicky Morgan: My view on that is that work experience is very valuable but it has to be high-quality work experience. We have all heard of young people who have gone on a two-week placement and they have ended up making the tea and not seen anything that is going to tell them about the organisation in which they are working and they have not attended any meetings. Going back to the work of the Careers & Enterprise Company and the employer co-ordinators, work experience will be one of the things that may be on offer. In my own county of Leicestershire, the Leicestershire Business Education Company arranges work experience for schools, and that is something some schools have chosen to invest in.

Baroness Blood: Evidence has been given that only 27% of employers do work experience. Is there any way the Government can increase that?

Rt Hon Nicky Morgan: I am sure it is something we could look at. As I say, it has to be high quality. Depending on the size of the employer, work experience can be difficult and very time-consuming and cumbersome. We got rid of a lot of the red tape around work experience. There was lots of worry about having people under the age of 16 in offices and everything else, and we have got rid of that, so there is a lot more reassurance, but, as I say, it has to be high quality. All this work on careers cannot be tick-box to say they have all had two weeks. It is about what they get out of it.

Nick Boles: I know I sound obsessed with apprenticeships, and the truth is I am obsessed with apprenticeships. The funny thing is we may end up getting a much more sustainable supply of high-quality work experience and work placements because of the apprenticeship levy and the commitment. The truth is you will have employers who know that every year they are going to be looking for 300 apprentices because they want to use up this money that they have just paid over to the Chancellor and, as a result, to get candidates, they may be thinking two years in advance of that about bringing people in so they know about their company and they can follow their progress in schools. I think it may have a collateral benefit, but we are now thinking quite hard about how we can make more overt the incentive and the stimulus to do that.

Q199 Lord Holmes of Richmond: We have heard a strong case for the need for a local brokerage service driven at a national level, bringing together employers and educational institutions, with the aim of invigorating intermediate and technician-level roles, co-ordinating information, advice, guidance and work experience. What is your view on this? Do

you think further education colleges or local authorities are able to perform this role? If neither, is there a need for a new independent organisation to perform this role?

Rt Hon Nicky Morgan: It is partly covered by the company that I have been talking about. The point is that these enterprise co-ordinators will bring in lots of different people in any one region, including FE and employers. BIS funded six enterprise adviser pilots in the last financial year. The Leeds City Region programme began in November last year. Since then 100 business leaders and 60 schools from across the city region have joined the network. Over 3,500 young people accessed new employer-led activities and over 50 action plans were created in schools to develop employability skills. I would argue that we are putting that infrastructure in place and that there is a real appetite for this in schools and FE providers. In my own constituency, it is the FE provider that has led this co-ordinating work with local schools and with employers. We need to give that time to grow. If we start putting more and more in place, it becomes an ever more confusing landscape for schools. Nick, do you have anything to add?

Nick Boles: I do not think we have heard much about local economic partnerships, but they are the critical factor in this and certainly what the careers company is doing in trying to help every school identify an enterprise adviser is working with the local LEP to find current or recently retired executives who are willing to take on those roles. If LEPs want to go further and be more proactive, then our whole approach through devolution is to bring it on.

One of the most interesting models is Bath. Bath has the advantage in the respect that it does not have any schools with sixth forms, so therefore there is not the same desire to hang on to people that perhaps appears in some other places. Bath has a careers trust that is run by the college, but is run on behalf of and with the active and willing participation of all the schools and other providers in the area. That works in Bath. It would be stupid for a Government to say because it works in Bath, it is the right solution everywhere. What we should be encouraging is different LEPs, combined authorities and colleges with leadership positions in their communities to come forward and be more proactive rather than simply telling us that it is not working.

The Chairman: I want to thank both of our witnesses, who are busy government Ministers, for being so generous with their time today. The session is closed.