PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

First Sitting

Tuesday 30 November 2021

(Morning)

CONTENTS

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not later than

Saturday 4 December 2021

The Committee consisted of the following Members:

Chairs: Clive Efford, † Mrs Maria Miller

Ali, Tahir *(Birmingham, Hall Green)* (Lab)
† Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Gwynne, Andrew *(Denton and Reddish)* (Lab)
† Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
† Hunt, Tom *(Ipswich)* (Con)
† Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 30 November 2021

(Morning)

[Mrs Maria Miller *in the Chair*]

Skills and Post-16 Education Bill [*Lords*]

9.25 am

The Chair: Before we begin, I have a few preliminary announcements. I encourage Members to wear a face covering, except when they are speaking or if they are exempt. That is in line with the Commission's recommendations. *Hansard* colleagues would be grateful if Members could email their speaking notes to the usual address. I remind Members to switch electronic devices off or to silent, and that tea and coffee are not allowed during sittings.

Today, we will first consider the programme motion on the amendment paper, and then a motion to enable the reporting of written evidence for publication. The programme motion, which stands in the Minister's name, was discussed yesterday by the Programming Sub-Committee for the Bill.

Ordered,

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 30 November) meet—

(a) at 2.00 pm on Tuesday 30 November;

(b) at 11.30 am and 2.00 pm on Thursday 2 December;

(c) at 9.25 am and 2.00 pm on Tuesday 7 December;

2. the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 7 December.—*(Alex Burghart.)*

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—*(Alex Burghart.)*

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room and will be circulated to Members by email in the usual way.

The Committee will now proceed to line-by-line consideration of the Bill. The selection list for today's sitting is available on the table; it shows how the selected amendments have been grouped together for debate. Amendments grouped together are generally on the same or a similar issue. Please note that decisions on amendments take place not in the order in which they are debated, but in the order that they appear on the amendment paper. The selection and grouping list shows the order of debates. Decisions on each amendment are taken when we come to the clause to which the amendment relates.

A number of newer Members are present, so I will go through this for clarity. A Member who has put their name to the leading amendment in a group is called first. Other Members are then free to catch my eye to speak on all or any of the amendments in that group. A Member may speak more than once in a single debate.

At the end of a debate on a group of amendments, I shall call the Member who moved the leading amendment again. Before they sit down, they will need to indicate whether they wish to withdraw the amendment, or seek a decision—a vote. If a Member wishes to press any other amendment in a group to a vote, they need to let me know. I am not a mind reader—bear that in mind.

Clause 1

Local skills improvement plans

The Parliamentary Under-Secretary of State for Education (Alex Burghart): I beg to move amendment 4, in clause 1, page 2, line 21, leave out "subsection (6)" and insert "subsections (6) and (6A)".

This amendment is consequential on Amendment 5.

The Chair: With this it will be convenient to discuss Government amendment 5.

Alex Burghart: May I say what a pleasure it is to serve under your chairmanship, Mrs Miller? I have no doubt that you will guide us, chivvy us and harry us through the six sittings ahead of us. It is my pleasure to speak to amendments 4 and 5 in my name, relating to local skills improvement plans and the involvement of mayoral combined authorities and the Greater London Authority in their development.

Mayoral combined authorities and the Greater London Authority play a vital role in supporting local communities, developing local economies and strengthening local skills systems. The Government recognise the importance of their work in their area as a commissioner and convenor with devolved adult education functions. As part of devolution, a sizeable proportion of the national adult education budget has been transferred to them. Their views and priorities therefore need to be brought to bear in the development of local skills improvement plans to help ensure that they are effective. That is already happening in our trailblazer areas, which deliberately feature a number with mayoral combined authorities. In recognition of their important role, the Government are bringing forward amendment 5, which will place on the Secretary of State a duty to approve and publish a local skills improvement plan only when satisfied that the designated employer representative body has, during the development of that plan, given due consideration to the views of the mayoral combined authority or Greater London Authority, where it covers the specified area.

9.30 am

We will set out further details in statutory guidance, which will be informed by our ongoing engagement with MCAs, the GLA, other key stakeholders and evidence from our trailblazers. This amendment, in addition to the statutory guidance, will ensure that MCAs and the GLA play a meaningful role in supporting the success of local skills improvement plans.

Mr Toby Perkins (Chesterfield) (Lab): It is a great pleasure to serve under your chairmanship, Mrs Miller. I would like to take a moment at the start of these proceedings to talk about the importance of the Bill and the approach that the Labour party will be taking to it, alongside Government amendments 4 and 5.

The skills Bill is of tremendous importance. We recognise that there has been, for a significant time, too little investment in skills and in the next generation. In particular, the drastic funding cuts during the past 11 years have had a dramatic impact on our further education sector and on the skills of the nation. It is recognised by many businesses, employers and players in the further education sector that we have fallen behind.

The Bill represents the Government's approach to addressing the backlog, and they tell us that this approach places employers at the heart of the skills strategy and skills agenda. When I first heard that, it sounded familiar to me, having been a Member of Parliament for the past 11 years. I thought, "Where have I heard it said before that employers will be at the heart of the skills strategy?" I believed that I had heard that from a previous skills Minister, so we did a bit of research in my office, and it turns out that we have heard it from almost all of them.

Back in January 2011, the then skills Minister, the right hon. Member for South Holland and The Deepings (Sir John Hayes), said of the Government's approach to skills and apprenticeships:

"The entire focus of our Skills Strategy is in building a training system that is employer led…Indeed helping meet those skills needs, in businesses across the country, will make a major contribution to economic growth."

In 2015, the apprenticeship levy was introduced, and the former Chancellor of the Exchequer, George Osborne, told us that we now had a system in the hands of an employer-led institute for apprenticeships, and that his levy would be a

"radical, long overdue" new approach to apprenticeship funding. He said in this place that it was

"to raise the skills of the nation and address one of the enduring weaknesses of the British economy."—[*Official Report*, 25 November 2015; Vol. 602, c. 1370.]

His skills Minister at the time, former Tory MP Nick Boles, said:

"At the heart of the apprenticeship drive is the principle that no one better understands the skills employers need than employers themselves."

By 2017, the Government were telling us this:

"The Apprenticeship Levy is a cornerstone of the government's skills agenda, creating a system which puts employers at the heart of designing and funding apprenticeships to support productivity and growth."

In 2018, the then Education Secretary, now the Minister for Security and Borders, told us that local enterprise partnerships were

"business-led partnerships…at the heart of responding to skills needs and building local industrial strategies that will help individuals and businesses gain the skills they need to grow."

The rhetoric behind this Bill is exactly the rhetoric that we have been listening to for the past 11 years. Indeed, if the approaches of the past 11 years, which we were told placed employers at the heart of skills policy, had worked, we would not need this Bill. The Government are once again returning with the same prescription for the same ailment. They are once again failing to meet the size of the challenge, and in some cases are heading in the wrong direction altogether.

We have a new Secretary of State in post, of course. He is at great pains to tell people that there will be a change of tone and approach. The Bill was the brainchild of the right hon. Member for South Staffordshire (Gavin Williamson), if that is not an oxymoron, who was his predecessor—a man who believed in seizing as much power for himself as possible. Since the appointment of the new Secretary of State, we have been told there will be a change of tone and approach, but the Government's approach to the cross-party amendments brought by their Lordships is not promising.

We entirely support the amendments in this group, which are about the mayoral combined authorities, but it is remarkable that the Government needed to introduce them; that demonstrates that the Government produced the skills Bill without any recognition of the issue.

Tom Hunt (Ipswich) (Con): The hon. Gentleman has identified a key challenge that the Government are looking to tackle. It will clearly be difficult, but we hope that they will be successful. Does he agree that part of the reason why the challenge is so significant is that the previous Labour Government almost entirely ignored technical education and skills, with their obsession with universities and a 50% target?

Mr Perkins: I am glad that the hon. Gentleman raised that question. That has long been the lament. I speak to my colleagues who were involved in skills policy under the Labour Government, and their retort is that the investment in skills under the Labour Government was far greater than what we have seen in the 11 years that followed. There is nothing contradictory in wanting a strategy that allows as many people who want a university education and who are capable of it to have one, and that also has a real commitment to investment in skills.

Over the 11 years of this Government, we have seen the trashing of the idea that universities should be an aspiration for everyone. Alongside that rhetoric—an example of which we have just heard from the hon. Gentleman—we have seen a massive reduction in the investment in skills, and we have seen policies that do not work. The apprenticeship levy led to a massive reduction in the number of apprenticeships. What is said is one thing; what is done is quite another.

Matt Western (Warwick and Leamington) (Lab): Back in the mid-2000s, did not the Labour Government, who predated my time here, introduce national skills academies? The whole point of them was to develop skills across the piece and drive the development of courses that could run in colleges across the UK.

Mr Perkins: My hon. Friend makes an important point. We feel very strongly that we need investment in skills, but we also need a strategic approach that brings in different Government Departments and recognises that skills are the responsibility of not just the Department for Education, but of the Department for Business, Energy and Industrial Strategy and the Treasury. There has to be recognition that this is about the kind of economy, as well as the kind of skills system, that we are looking to build. My hon. Friend makes a powerful point on the Labour Government's approach, and the investments they made.

Lia Nici (Great Grimsby) (Con): I was a college lecturer in the era that the hon. Member for Warwick and Leamington mentioned. Curriculum 2000 was an

[Lia Nici]

absolute, unmitigated disaster. AVCEs—advanced vocational certificates of education—were withdrawn very quickly. The money that was pumped in was pumped into all the wrong places, and we ended up in a situation where people went to university because there were no proper options for BTECs at level 4 or level 5, or Cambridge technicals or City and Guilds, or anything else. It is not just BTECs but the Pearson monolith we are talking about here.

Mr Perkins: I thank the hon. Lady for that intervention. I accept that she has a long track record in this sector, and that is an important contribution to this debate. The investment in skills then was on a different level from the investment that has taken place since. I am very happy to spend the entire debate talking about the previous 20 years; it would be interesting but not entirely fruitful. I accept that she feels, as she said on Second Reading, that changes to higher national diplomas were damaging; she was negative about the drive towards university education. Like the Labour Government, I believe that we should recognise that it is a brutal world for those who do not have skill. A drive towards university education should not be at the expense of college education; they should be two hands working closely together.

Lia Nici: The reality is that university education is not skills education. That is the problem. We have people doing lots of different types of degrees, and they are leaving, as graduates, with no skills, and are not employable in the majority of places.

Rachel Hopkins (Luton South) (Lab): Will the hon. Member give way?

The Chair: Order. You cannot intervene on an intervention. I will allow Mr Perkins to respond.

Mr Perkins: It was such a controversial intervention that people wanted to intervene on it. I do not entirely accept what the hon. Member for Great Grimsby says—that a university degree is not a contribution to the skills of the nation. She hits on a view that is at the heart of much of this Government's approach, which is that education has value only in so far as it is used in the work that someone goes on to do, and that there is a very narrow distinction between skills or vocational education, which is useful, and university education, which is theoretical, abstract, and of little value. I do not recognise that distinction at all.

The Chair: May I gently remind people that, while I think it is appropriate to have a broader debate at the beginning, we are talking about amendments 4 and 5?

Mr Perkins: Sure. I take your point, Mrs Miller. However, the intervention from the hon. Member for Great Grimsby highlights an important broader issue: of course skills and vocational education will always need to lead people being able to find work, but constantly decrying university education, on the basis that it is somehow not delivering that, is mistaken. There has been a real drive by this Government to frame the further education and higher education sectors as enemies that must be pitted against each other. Our approach recognises them as two important, powerful strongholds in supporting this nation to be the kind of nation that it wants to be.

Andrew Gwynne (Denton and Reddish) (Lab): Will my hon. Friend give way?

Mr Perkins: I will give way to my hon. Friend the Member for Denton and Reddish; then, if my hon. Friend the Member for Luton South wishes to come in, I will take her intervention.

Andrew Gwynne: I am grateful to my hon. Friend. I think he is absolutely right: we are heading into that age-old trap of not only dividing the academic from the vocational in further education, but implying that higher education is solely an academic route. There are many vocational higher education qualifications out there, and we must not ignore that. On Government amendment 5, the exact point that Andy Burnham—the Mayor of Greater Manchester—and the Greater Manchester Combined Authority have been making for years is that for the Greater Manchester city region to succeed, we must ensure that its skills agenda embraces not only the academic but the vocational, so that we have the skills for the jobs of tomorrow.

The Chair: The hon. Gentleman has neatly brought us back onto the subject of this debate, so I thank him for that.

9.45 am

Mr Perkins: I encourage my hon. Friend to expand on that point, because he is absolutely right. It is remarkable that the Government have been forced to introduce Government amendment 5, because it means that they brought the Bill forward without recognising any role for authorities that already have this funding devolved to them in the first place. It is a fairly dramatic change. The approach that Labour would take to local skills improvement plans is fundamentally different from that of the Government.

The Government are taking the approach that these are employer-led documents—that phrase again. They are documents of tremendous importance, so presumably the chambers of commerce will be holding the pen on them and will now, as a result of Government amendment 5, be forced to convince the Secretary of State that they have properly taken on board the views of those democratically elected to lead on skills policy in their areas. So many other important contributors are left on the side lines.

Labour's approach would be to say that we need to recognise the importance of local skills improvement plans that will dictate the direction of skills policy. What we need is a local skills improvement plan that brings together the role of public and private sector employers; that brings in further education colleges; that brings in significant independent training providers within an area; and that is held together by those with democratic accountability, such as metro Mayors and local authorities. That holistic approach would deliver a skills policy that everyone would be able to get behind and recognise as representative.

The Government's approach is very much about placing the chambers of commerce at the heart of this, but in fact they have had to bring forward an amendment to even put the metro Mayors and combined authorities back into that role. We support Government amendment 5, but it is remarkable that it was necessary at all.

I would like the Minister to expand on whether Government amendment 4 impacts clause 6 in terms of the duty placed on local skills improvement plans for compliance with section 1 of the Climate Change Act 2008. It is crucial that skills policy drives us towards a net zero future, so it is important to understand whether the intention is to undermine that commitment when it comes to Government amendment 4.

Again, we support Government amendment 5, although we are confused about why it is needed and why it was not central to the approach. As my hon. Friend the Member for Denton and Reddish mentioned, it is important that we recognise that mayoral combined authorities and the Greater London Authority already have responsibilities in terms of policy and funding for further education and skills, and that they both have good professional relationships with employers, colleges and training providers in their areas. I have been along to meet them in Manchester and have seen their excellent work on careers guidance and their constructive approach to independent providers and the FE sector. That is a great example of how devolved decision makers are better in touch with the needs of their communities than a centralised approach.

It is a shame that the Bill, the brainchild of the former Secretary of State, is a return to the centralisation agenda that has too often bedevilled Whitehall thinking. It was clearly a driving force in the legislation. It is inconceivable that local skills improvement plans could have flown in the face of decisions made locally. It is therefore important to understand what protections there will be for existing funding arrangements with regard to those put in place by metro Mayors. Will they be transferred to employer representative bodies or will there be a dual system?

The Government propose that employer representative bodies consider the views of mayoral combined authorities or the Greater London Authority but, as was said by the hon. Member for Ipswich on Second Reading, what does that say about those communities that are not within metro Mayor areas? The majority of my colleagues on the Labour Benches are in metro Mayor areas—I am one of the relatively few who are not—but many colleagues on the Conservative Benches are in areas that have local enterprise partnerships, which were originally meant to bring together many of the different power brokers. It seems that democratic accountability is missing entirely in areas outside the metro Mayor areas.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): This is a crucial point, which I hope we will come to as our consideration of the Bill develops: how do we define regions and regional consultation? The hon. Member for Great Grimsby might have an idea completely different from mine about what constitutes the best region when looking at skills and skills development. I hope that the Minister will take that point away and look to define that later as we go through the Bill.

Mr Perkins: Absolutely. To return to the subject of the amendment concerning mayoral combined authorities, the phrase "due consideration" is noticeably vague. The kind of due consideration that the right hon. Member for South Staffordshire might have given to the views of the Mayor of Manchester would have left me—and, no doubt, the Mayor of Manchester—with sleepless nights. We hope that a more thoughtful approach is now in place and we welcome the change of tone, but we are not seeing a change in policy.

Emma Hardy: On that issue of "due consideration" and its vagueness, will the Minister agree to look at producing some guidance on what constitutes due consideration? Is that a consultation that has happened on one occasion, or on a number of occasions? How do we define "due consideration" to ensure that the democratic accountability to which my hon. Friend is referring is put at the heart of the Bill?

Mr Perkins: I agree with that absolutely. The next part of that—to extend what my hon. Friend is saying—is to ask whether there is a right of appeal for a combined authority or metro Mayor in the event that they do not consider that due consideration has been given to their views. If they think that the employer representative body has put together a local skills improvement plan that has not taken into account the representations made on one or more areas, will there be a right of appeal? Will the fact that the metro Mayor considers that due consideration was not given be able to pause the local skills improvement plan and bring people together?

What role does the Secretary of State consider that he will have? As I said, the previous Secretary of State was very much a centraliser—he wanted his hands on every single decision—and that clearly runs through the Bill. He had all these frustrations with the fact that individual organisations were not doing exactly what he wanted, so he wanted the power to tell them that they had to. Is that the sort of approach that this Secretary of State will take? Having appointed the chambers of commerce to make decisions before those who are democratically elected to do so, he appears to be positioning himself as the arbiter in a whole variety of local decisions. I look forward to the Minister's response.

Emma Hardy: It is a pleasure to serve under your chairmanship, Mrs Miller. Looking at the room, I see that people on both sides are genuinely interested in education matters. I hope that this will be a good Committee that really scrutinises the legislation before us in a shared ambition to make the Bill the best that it can be.

I will be brief. I have already made an intervention about guidance on what constitutes due consideration and about the arbitration processes for conflict over whether someone believes they have been duly considered. Will there be a timeframe for that due consideration? Local engagement and agreement for the skills plans is absolutely crucial, so having that clearly laid out is fundamental.

I hope the Minister will clarify something. I may be misreading the Bill, but am I right in thinking that further education colleges have been removed from consultation, or is that part of a later amendment? The Lords tabled an amendment to ensure that local school

[Emma Hardy]

improvement plans are co-developed with colleges, local government, elected Mayors, employers and so on. Am I right in thinking that colleges are no longer listed as part of the consultation process, or will that be addressed in another amendment? I may have made a mistake, in which case the Minister will correct me.

We are basing everything on employers and the jobs available now, but has the Minister thought about future-proofing the local skills development plans to include industries that will be developed in future, especially in relation to climate, green changes and so on? We might create the best possible plan for jobs that exist now, but that might not be the plan that we want in five years' time, so will such future-proofing be included?

Tom Hunt: I will make just a few very brief comments. I think that the local skills improvement plans are a huge step in the right direction. It is clearly crucial that local businesses should play a role in shaping the curriculum of further education colleges. We need to have far more of an ecosystem approach when it comes to the role of employers, schools, FE colleges and further education. Too often, it seems as if they are kind of on the sides.

Mr Perkins: What does the hon. Gentleman say to my earlier point, which was that what he is saying is exactly what has been said about every single Conservative skills reform in the last 11 years? They always claim that they are putting employers at the heart of the measures. Why does he think those previous approaches have failed?

Tom Hunt: To be honest, we are dealing with the Government we have today. I can say, as somebody with an interest in further education and skills, that this Bill is actually the most significant and potentially game-changing piece of Government legislation. My job is to look at the Bill before us today, and I think it is hugely in the right place. That is not to say that improvements cannot be made at this stage, and we will engage in doing that.

There is one quick point that I would like to make. When we talk about the local skills improvement plans and local employers playing a greater role in shaping the curriculum of further education colleges, I think it is important that we consider what might happen. I imagine that the vast majority of education providers will play ball and welcome that input from local business, but on occasions where there may be some resistance and that does not quite work, is there something that could be done to ensure that they come to the table to accept the advice and a steer from local business?

On my comments on Second Reading, which the hon. Member for Chesterfield has often mentioned, I recognise that there is a significant difference between mayoral combined authorities and regular upper-tier local authorities. Certain powers and funding have been devolved to mayoral combined authorities, and we do not have them in every area. I accept that, and I accept why the Government are treating mayoral combined authorities slightly differently from regular upper-tier authorities such as Suffolk County Council. I guess my view would be that the solution is to have more devolution. As somebody who recently, with other Suffolk colleagues, supported a bid for One Suffolk, I would be very happy if there were positive movements so that Suffolk was in a place to have the powers for its principal authority to play a role in local improvement plans.

10 am

Andrew Gwynne: It is a pleasure to serve under your chairmanship, Mrs Miller. My comments follow neatly on from those of the hon. Member for Ipswich, because the reality is that much of what the Government want to achieve in the Bill is starting to happen anyway in devolved combined authority areas where the skills agenda has been devolved. I welcome the emphasis on skills improvement plans and, now, the involvement of the mayoral combined authorities in them. It was perhaps remiss that that was not in the Bill originally, and I am pleased that the Minister has tabled an amendment to ensure that it is clearly in the Bill.

Devolution matters. It works, and it is working. It was a Labour Government who introduced the Local Democracy, Economic Development and Construction Act 2009, which facilitates the devolution agenda. Greater Manchester, my own city region, was the first to have a combined authority in 2011. It had an interim Mayor in 2015—my hon. Friend the Member for Rochdale (Tony Lloyd)—and a Mayor in 2017: Andy Burnham. The skills agenda is at the heart of the Greater Manchester combined authority's strategies. It has a local industrial strategy. It has the Greater Manchester work and skills strategy and priorities. In 2019, it had the adult education budget devolved to it. It has Bridge GM, which links schools and employers.

The thing that I am most proud of, and which fits neatly in the agenda of the Bill, is the Greater Manchester skills for growth strategy, which is designed to fill occupational skills gaps in the Greater Manchester city region, and provide young people and adults with the skills needed to fill the gaps.

However, we need to go beyond that, and I urge the Minister to encourage combined authorities to future-proof and devolve them the powers to do so. Technology is moving at a rapid speed. Our city region economies are changing dramatically in a short space of time, and we need to ensure that the workforce of tomorrow has the skills of tomorrow, not the skills of today. I welcome the fact that the mayoral combined authorities will be included in the Bill.

Emma Hardy: On the skills for tomorrow, there is a huge concern about amendment 4, which removes subsection (6) on future issues around climate change and environmental goals. Surely those issues will only grow in importance. Removing that from the Bill seems incomprehensible.

Andrew Gwynne: It absolutely does. My hon. Friend is completely right to highlight that, because they are not only the challenges but the opportunities of tomorrow. I firmly believe that the United Kingdom can be a world leader in developing the technologies and equipment to help tackle some of the environmental challenges that the whole globe will face in the years to come. That is certainly true of my city region. It is also true of Hull, where there are huge opportunities not just on renewable power but to develop the next generation of technology.

Emma Hardy: My hon. Friend has prompted me to point out that wind turbines are made in the great city of Hull, and we are going to be one of the green energy capitals of the UK. I wanted to get that in *Hansard.*

Andrew Gwynne: I am grateful to my hon. Friend for that intervention—probably almost as grateful as she is to have had the chance to make that press release—and she is absolutely right.

I firmly believe that the skills agenda is linked to the industrial strategy agenda, not just for individual city regions, towns and counties, but for the country. If we want Britain to succeed, we must think not just about the here and now, but about the future. That involves bringing together skills and industrial strategy. In a small way, that is what we are doing in Greater Manchester through the devolution agenda.

Mr Perkins: My hon. Friend is making an incredibly important point, which is at the heart of the difference between Labour and Conservative approaches. This Government's approach is about moving towards a German-style skills system, but the Treasury and Business teams do not want a German-style economy. I very much welcome a step towards the German-style approach, but the Government are trying to impose a model on top of our economy, and that cannot be done without the drive towards an industrial strategy.

Andrew Gwynne: My hon. Friend must have eyes in the back of his head, because that was pretty much the next point that I wanted to make. It all hinges on the term "due consideration". We are doing this in city regions such as Greater Manchester, and we are getting there. We have the skills, and we have good collaboration with local businesses to shape the agenda. We have a shared vision. I accept that that might not be the case in other devolved areas—there might be a degree of friction between the business community and the combined authority—but in Greater Manchester, it is genuinely a partnership. The skills programmes, strategies and priorities are genuinely developed in partnership.

The Minister talks about "due consideration" in relation to the amendment, but I want assurances from him that Ministers will take a genuinely collaborative approach and we will not end up with some monolithic, top-down and Whitehall-knows-best approach being imposed on city regions that are already starting to develop the very skills strategies that are envisaged in the Bill. I will be grateful if the Minister can address my concerns.

Ben Bradley (Mansfield) (Con): It is a pleasure to serve under your chairmanship, Mrs Miller. I will keep my comments brief, but I want to touch on some of the issues raised by colleagues.

First, LEPs, chambers of commerce and other instances of local involvement in skills plans have been mentioned. Some of those are excellent and some are awful. Will the Minister touch on what safeguards might exist for those plans, particularly in areas without combined authorities? Combined authorities have devolved local oversight or engagement in the plans, but for areas that do not, where will the safeguard be if chambers of commerce that are not delivering for business bring forward less effective plans?

Secondly, I should declare an interest as a local government leader in talks with Government about devolution. In all honesty, I would devolve adult skills to all upper-tier local authorities. However, recognising that areas with combined authorities will have local engagement in the discussion—the hon. Member for Denton and Reddish has mentioned future-proofing the Bill—does the Minister acknowledge that the Government are in talks about devolution with counties that will not be part of combined authorities, but that might have powers over adult skills? Is that something that has been considered in the wording of the Bill? Such areas might have that local input or devolved skills budgets and options available to them in future, although they might not be covered by the term combined authority.

Matt Western: It is a pleasure to serve under your chairship, Mrs Miller. As my hon. Friend the Member for Kingston upon Hull West and Hessle was saying, it is great to be in a room that contains so many educationalists and educators, including my hon. Friend and the hon. Member for Great Grimsby, who will bring a lot to bear on the Bill.

I will preface my remarks by turning to earlier comments on vocational qualifications and the relative value of one sector versus another. We must remind ourselves to talk about the HE sector as opposed to universities and think about the great breadth brought to our educational sector by higher education providers, who are diverse in nature.

On Government amendment 4, given that COP was a month ago and how disappointing it was, we must ensure that all Bills include elements that remind us of the importance of climate change, which is the issue of our time and that of decades to come. The Government are seeking to remove subsection (6), inserted by the Peers for the Planet group, which importantly sees LSIPs granted to authorities by the Secretary of State only if they comply with the duty in the Climate Change Act 2008. We must ensure that, at every opportunity, in every piece of legislation, that duty is embedded in our thinking, and future generations must know of our determination on that.

I am sure that the Government are committed to environmentalism—they certainly talk about their commitment—and addressing the issue. I urge Government Members to think about this measure as it is particularly important in terms of education and what is being shared with the next generation. I remind the Committee that it was a concession in the Lords, so I am surprised that it should be opposed in the Commons.

I turn to Government amendment 5. It is important when designating LSIPs to consider the views and wishes of the mayoral combined authorities and the Greater London Authority. The Association of Colleges made that clear when it said:

> "The voice of employers is critical—but it is also important that LSIPs reflect wider priorities too".

Through the pandemic, we should have learned just how important localism is. One of the great successes was the delivery of track and trace and the vaccine programme locally. The same should be said of how we design our needs for skills and education in our regions. The principle of subsidiarity—decisions being made at the local level—is really important.

Mr Perkins: My hon. Friend is making an incredibly important point. We have a couple of enthusiasts for devolution of power on the Government side of the Committee, but I fear they may be disappointed because the Government's approach to devolution is very much less enthusiastic than that of the previous Conservative Governments in 2015 and 2017. The Bill, which seeks to bring a lot of power back to the centre, seems to prove that.

Matt Western: I agree with my hon. Friend, and I think many hon. Members, including the hon. Member for Mansfield, will be disappointed about that. It is really important that the Government send clear messages about devolution and what they want to see, but in many facets of Government business there seems to be a greater concentration of powers coming into Whitehall and Ministers' offices than devolution to the likes of Mansfield, Manchester, Liverpool the north-east and so on.

As I said, one of the great learnings of the last 20 months is just how brilliantly our local services and authorities can deliver things. That is because they understand their geography, their communities and their populations. I am concerned about how due consideration, a much-vented issue in the last half hour, might work, particularly given the reliance on the personality of the individual who happens to be in the seat at the time. I will not go into any further detail on that because it has already been much explored.

Will the Minister provide a bit more information on what factors will be considered in the designation of an LSIP? The Local Government Association has stated:

"the reforms need to be implemented as part of an integrated, place-based approach. Without a meaningful role for local authorities, the reforms risk creating an even more fragmented skills system, with different providers subject to different skills plans"

I urge the Government and the Minister to listen and respond to the experience of the Local Government Association.

10.15 am

Emma Hardy: Let me offer the Minister a concrete example of the situation in Hull. We have the Hull and Humber chamber of commerce, which reaches over to the south bank, and we have a newly formed LEP that serves just Hull and the East Riding. We have a careers scheme for Hull and the Humber, and separate counties that have no overall mayoral authority, but an elected police commissioner for the whole of the Humber. To say that is muddled does not go far enough. I really feel that the amendment should make allowances for areas that are as muddled as Hull.

Matt Western: That is a good illustration of just how complicated these matters can be. I hope that there will be greater clarity on how the measures will work in future.

We have heard from colleagues how well things can work, including my hon. Friend the Member for Denton and Reddish, who told us about how Manchester is just getting on with it. Having been up there recently, I have seen the extraordinary work of that cluster of universities and colleges, and how they are co-operating and collaborating in their brilliant work to bring skills to their known geography—I want to place on the record how mighty impressive that was. I agree with the hon. Member for Mansfield on counties and how they work in their regions; that must be clarified as well.

Andy Carter (Warrington South) (Con): I ran a business in Greater Manchester's Media City for many years. I saw the work of universities; in fact, I saw the universities arrive in MediaCity while I was working there. It was employers who actually drove that forward. I have listened to Opposition Members talking about local government and universities driving things forward, but businesses have been driving forward the skills agenda in Greater Manchester for many years. We have to put on the record the important role that business plays in that. The skills agenda is not being driven by local government alone; businesses are really at the heart of it.

Matt Western: I thank the hon. Member for Warrington—

Andy Carter: South.

Matt Western: I knew it was Warrington. I thank the hon. Gentleman for his comments—I worked in the industry for many years myself. Businesses have an important part to play as consultees, but my concern is about the balance struck between what business wants and wider needs—we have to get an absolute balance between that.

To give the hon. Gentleman a small example, Warwick University, which is close to my constituency, was founded back in the 1960s, but it was founded off the back of the automotive industry. That did not mean that it should be an automotive industry establishment, and it is not. It happens to be one of the best universities in the UK and globally, but it was part founded by industry. That is where collaboration can work, and the last Labour Government certainly looked very closely at that when developing regional plans to promote industries. I take on board his point that industries and businesses have an important role to play as consultees, but plans should not be explicitly or purely at their direction.

Alex Burghart: What an interesting debate to start off the Committee stage of the Bill. There are so many comments to come back to. As a general observation, it was very nice to hear the hon. Member for Chesterfield praise Conservative predecessors of mine for their comments about an employer-led system, which we have indeed been building up during our time in power. The Bill is simply the next stage in that process.

The fact that that process was required was first highlighted in a 2011 report by the Labour peer Lord Sainsbury. I do not want to get into the deep politics of it—we have the Bill to consider—but that report was written after Labour had been in power for 13 years. He felt that it was necessary to begin long-term reform of the skills system to make it more responsive to the needs of business and to make sure that students could get the qualifications they needed and the technical skills to go into the jobs that the economy demands. It is a great honour to present the Bill as a means of taking those ideas on to their next stage.

I am grateful to the hon. Member for Chesterfield for saying that Labour will support the amendments and the local skills improvement plans. However, I need to clarify a point made by a number of Opposition Members:

the Government are not removing clause 1(6). That seems to be a point of confusion. Clause 1(6) stands part of the Bill. Government amendment 5 would insert subsection (6A) to clause 1, on page 2, in line 32. It does not do anything to clause 1(6).

Emma Hardy: On a point of clarity—forgive me if I have this wrong— amendment 4 does seem to leave out subsection (6). My mistake—it says

"leave out 'subsection (6)' and insert 'subsections (6) and (6A)'".

Alex Burghart: With that in mind, and in answer to the point made by the hon. Member for Chesterfield on the impact of Government amendment 4 on clause 6, there is no friction at all between Government amendment 4 and clause 6. The amendment requires the Secretary of State to have regard to clause 1(6) and (6A) when deciding to approve and publish a plan. I hope that has cleared that up.

The hon. Member for Kingston upon Hull West and Hessle raised a point about LSIPs and colleges, which will be dealt with in statutory guidance. The Secretary of State will lay very good statutory guidance on how employer representative bodies will work and how local skills improvement plans will be written.

We expect the whole process to be collaborative. The hon. Member for Denton and Reddish spoke very well about the existing collaboration in the system. It is something that we recognise in all of our combined mayoral authorities. We do not see there being any great friction or need for friction. We want to see authorities, businesses and providers working in harmony, as many of them already do. What we are doing in the Bill, and in these clauses, is simply creating a process that helps establish that good working.

I was up in Salford not long ago, in MediaCity, where I saw some of the Government's fantastic digital boot camps. Young people—and some not so young people—are learning the skills of tomorrow at speed in 16-week courses, getting apprenticeships in MediaCity and meeting people who have previously done the apprenticeships, who now have jobs in MediaCity. We saw that Government initiative backed by local business is not in friction with the good work the local Mayor was doing—instead, it complements it. We also saw the local economy boosted as a result.

Some of the remarks made by hon. Members suggested that there is always going to be a terrible tension between what local political leadership and businesses are trying to do, and what local providers want to do. I do not think that will be the case. In fact, there is an enormous amount of goodwill in the system and people are desirous of working towards the same aims.

On the points raised by my hon. Friends the Members for Ipswich and for Mansfield, do I see before me two future leaders in their respective areas? Well, one leader already, but who knows if they will become greater leaders still? Obviously, at the moment combined authorities have a greater responsibility for adult skills than local authorities do, which is why we put them on the face of the Bill. In the course of statutory guidance and as situations evolve, perhaps it will be possible for us to set out how we expect that work to evolve.

I do not recognise the comments made by some Opposition Members about this Government not having an appetite for devolution. Success has many fathers. The hon. Member for Denton and Reddish talked about how Labour's devolutionary reforms led to mayoral combined authorities, but I remember the Manchester devolution deal being done under the Conservatives.

Andrew Gwynne: I can second-guess where the Minister is going and I am grateful to him for giving way, but I was merely pointing out that the piece of legislation that permits combined authorities was one of the last pieces of legislation that was introduced by a Labour Government. It was clear that was where Labour was heading, but credit where it is due. David Cameron and George Osborne did allow significant devolution to my city region.

The Chair: Order. As interesting as devolution is, can we remind ourselves that we are talking about local skills improvement plans?

Alex Burghart: Thank you, Mrs Miller, and with your prompting I will refer to one more point.

Emma Hardy: I apologise if I am being tiresome, but just so I have understood this correctly, can the Minister confirm that the amendment leaves out subsections (6)(b), "adaptation to climate change" and (6)(c), "meeting other environmental goals", but leaves subsection (6)(a)? Does the amendment remove paragraphs (b) and (c), lines 30 to 32, with those specific references to "climate change" and "other environmental goals"?

Alex Burghart: I believe I am right in saying that the amendment keeps clause 1(6)(a).

Emma Hardy: Yes, and removes paragraphs (b) and (c).

Alex Burghart: In the amendment, subsections (6)(b) and (6)(c) will not stand part of the Bill.

Emma Hardy: So that we are all clear, does that mean that "adaptation to climate change" and "meeting other environmental goals" are being removed?

The Chair: Minister, would you like to complete your remarks and maybe others can provide you with a little bit more information?

Alex Burghart: That is very kind, Mrs Miller. I will seek absolute clarity on this point, but my understanding is that the Secretary of State will still have to have regard to section 1 of the Climate Change 2008. That is an important concession that was made in the House of Lords, for obvious reasons.

To go back to the point made by my hon. Friend the Member for Warrington South, one of the major players—perhaps the major player—in what this Bill seeks to achieve is business. It is often business that drives, through its work with local providers, a responsive system, which means that the employers of today ensure that the employees of tomorrow have the skills that they need.

10.30 am

Andy Carter: In Warrington, we have used the town deal to put a focus on skills, with the employer at the heart of it. A digital skills academy has been created in

[Andy Carter]

Warrington, driven by employers but facilitated by the local authority, allowing the focus for colleges and for future growth in those areas. Businesses have really been at the heart of that work, which for me is so important.-

Alex Burghart: That point is well made, and I very much hope to visit Warrington in the near future and see that good work.

Mr Perkins: The Minister may have received guidance that might help him, but as I understood it, paragraphs (a), (b) and (c) of subsection (6) all remain in the Bill; he is simply adding proposed new subsection (6A), which we have just been debating. The amendment does not take out any of the paragraphs in subsection (6), unless I have misunderstood it.

Alex Burghart: To bring a bit of clarification to proceedings, the hon. Gentleman is quite right. Contrary to some of the messages that Opposition Members gave earlier, we are keeping all of clause 1(6)—that means paragraphs (a), (b) and (c).

Amendment 4 agreed to.

Amendment made: 5, in clause 1, page 2, line 32, at end insert—

'(6A) Where a specified area covers any of the area of a relevant authority, the Secretary of State may approve and publish a local skills improvement plan for the specified area only if satisfied that in the development of the plan due consideration was given to the views of the relevant authority.

For this purpose "relevant authority" means—

(a) a mayoral combined authority within the meaning of Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (see section 107A(8) of that Act), or

(b) the Greater London Authority.'—*(Alex Burghart.)*

The effect of this amendment is that the Secretary of State must be satisfied that due consideration has been given to the views of a mayoral combined authority or the Greater London Authority before approving a local skills improvement plan for an area that covers any of their area.

The Chair: We had some quite general debate on that group. I hope people have got things off their chest. Perhaps we could have a slightly more focused debate as we move forward.

Alex Burghart: I beg to move amendment 6, in clause 1, page 2, line 35, leave out from "body" to "for" in line 37.

The effect of this amendment is that a local skills improvement plan will be a plan developed by an employer representative body which is designated for a specified area. This amendment, together with Amendments 7, 8 and 9, reverse an amendment made at Lords Report.

The Chair: With this it will be convenient to discuss Government amendments 7, 8 and 9.

Alex Burghart: The amendments strip back some of the detail in clause 1(7), which can be better dealt with in statutory guidance. As well as engaging a wide range of employers, a designated employer representative body should work closely with all relevant providers, local authorities and other key local stakeholders to develop its plan. Without such widespread engagement, the resulting plan is not likely to be very effective. Key stakeholders with valuable local intelligence include, but are not limited to, the Careers and Enterprise Company, local careers hubs, National Careers Service area-based contractors and Jobcentre Plus. Our expectations on local stakeholder engagement will be set out clearly within the statutory guidance. The guidance can be updated regularly to reflect evolving needs and priorities, as well as best practice. It also enables the required level of detail to be captured.

Clause 1 already places duties on relevant providers to co-operate with employer representative bodies to ensure that their valuable knowledge and experience directly inform the development of the plans, so that they are evidence-based, credible and actionable. Clause 4 makes it clear that relevant providers include independent training providers and universities. I therefore do not believe that the Lords amendment is needed, particularly given the MCA and GLA amendment that we have just discussed.

Mr Perkins: These are four significant amendments. Notwithstanding the assurances that we have just received from the Minister, they specifically take out what I think was a very strong amendment, supported by Members across the House of Lords, that added the importance of a collaborative approach to the Bill. For all the Minister said in that contribution, and the one before, about the importance of these partnership arrangements, it is not really a partnership arrangement. It is clear that all those consultees are subservient to the chamber of commerce which, ultimately, holds the pen and makes the decision. That report will then have to meet with the approval of the Secretary of State. The hon. Member for Mansfield raised in a previous debate the question of what happens, given the huge variety in the strength of different chambers of commerce, different local enterprise partnerships and so on, in the event that a local skills improvement plan goes to the Secretary of State and is considered not be adequate? Obviously, we can only assume that the Secretary of State would send it back.

Chambers of commerce are very varied organisations; I think everyone would recognise that there are some excellent ones—I count those in Derbyshire and the east midlands as an example of that. However, there are others that are much smaller and have very different areas of responsibility. Chambers of commerce are membership organisations that represent some of the businesses in their community; that is unlike chambers of commerce in Germany, which are compulsory for businesses to join, and therefore are representative, quasi-governmental organisations. In this country, chambers of commerce are one of many different business organisations that businesses might choose to join. Different chambers have different areas of priority and expertise and different industries that are particularly important to them. Even among their memberships they have, in my experience, a small number of members who are very active within them, and large numbers of members who take a much less active role.

What we have in the context of many of the consultees that the Minister referred to going into the guidance notes, are a number of organisations that are in some ways more consistent, and will definitely offer a breadth of approach. Therefore, the fundamental difference of the approach that Labour would take in the Bill, compared with the Government, is around whether it is a true partnership. The difference is whether it is a partnership that recognises the voices of public and private sector

employers and of further education colleges, that recognises the power of those independent training providers that do such great work across the country, and that recognises statutory organisations such as jobcentres, all of which have a role in this, or whether, as the Bill says, they are all consultees, but the chamber of commerce ultimately writes this plan. We would like to see far greater parity in that power; we think it is a local skills improvement plan that would have more buy-in and more belief in the local community, and would be much more respected on that basis.

Emma Hardy: I am sure that my hon. Friend shares my concern, given amendment 6, that the specific reference to further education providers is removed from the Bill. Any local skills plan needs to be done in conjunction with further education providers; there is no point writing a Bill that does not have the capacity to deliver in that local area. It seems slightly odd that a specific reference to further education has been taken out of the Bill.

Mr Perkins: I agree with my hon. Friend. She is right that Government amendment 6 removes the words,

"in partnership with local authorities, including the Mayoral Combined Authorities and further education providers for the specified area".

The Minister says that we should not worry, it will be in the guidance. However, the different approach by the Lords recognised that it was a genuine partnership. These organisations are now consultees that will make their representations to the chamber of commerce, and hope that the chamber of commerce smiles on the view they put forward. It is a totally different type of relationship. The relationship is either one of partnership or of subservience; the approach the Government choose to take is one of subservience.

Matt Western: My hon. Friend is making some very important points. On the face of it, it would seem that the Government seek to make local employers' organisations ultimately responsible for the direction and control of our colleges, and potentially our universities as well.

Mr Perkins: In terms of areas that are not already devolved, that is absolutely right, and adult education budgets will be very relevant.

Hon. Members will be pleased to know that I will not dwell on the subsequent amendments, because we will have an opportunity to debate them, but I will touch on some of our concerns about the way in which the needs of learners might not necessarily be at the forefront of people's minds in chambers of commerce. For example, to what extent will chambers of commerce be aware of the specific needs of people with education and healthcare plans or other disabilities? The amendments seek to reduce the extent to which it is partnership working and move to a hierarchy, with the chamber of commerce holding the pen and driving the bus, and others making suggestions about the route.

Emma Hardy: My hon. Friend is absolutely right as to whether it is a true partnership relationship or a relationship of subservience. I draw hon. Members' attention to amendment 7. Not only does amendment 6 leave out specific reference to further education providers; amendment 7 leaves out specific reference to community learning providers, designated institutions and universities. Again, it is no longer a partnership, as was written in the Lords amendment. It becomes a situation in which central Government make the decisions and education providers are in a subservient relationship with them. My hon. Friend is absolutely right.

Mr Perkins: I thank my hon. Friend for saying that, and I agree. Government amendment 7 is consequential to Government amendment 6, and she is right about what that means. We have real concerns about how employer-representative bodies and LSIPs will fit within sectoral expertise in sectors such as construction and manufacturing, which transcend local areas but are incredibly important, particularly where our economy is hugely lacking in the development of the next generation.

It is really important to recognise that we have huge skills shortages in the public sector as well as the private sector. Health and social care is a classic example, but there are many others. The voice of the public sector must be heard, and we must ensure that it is able to support people who aim to get from unemployment into a trained-up place in the workplace, because they are also central to this sort of approach. I am interested to hear from the Minister what framework he envisages for LSIPs aligning with sectoral programmes and a national industrial strategy.

Government amendment 8 removes the words, "by people resident", from the sentence about the skills required in a local area. The purpose of the Lords amendment was important: it was to ensure that LSIPs focused not just on the needs of employers but on the people resident in a community. What would happen in a situation whereby employers were satisfied with the extent to which they were able to access the skills that they needed, but a large number of people were employed and unable to get into the labour market? Ultimately, it is not the responsibility of chambers of commerce to address youth unemployment; it is the Government's responsibility. If businesses consider that they are able to access the skills that they need, but there is still a large number of people who are unemployed, who takes responsibility for that? The Lords amendment ensured that the people who were resident in a local area were considered in the local skills improvement plan. The Government are taking those words out, which means that it goes back to being a plan put together by businesses to solve the needs of businesses, regardless of whether that addresses the problems of people struggling to access the labour market.

10.45 am

Emma Hardy: My other concern with the amendments, which I hope the Minister will address, is about areas with many small and medium-sized enterprises. Areas with large numbers of big employers can obviously exercise that strong voice, for example through chambers of commerce, but I am worried that in areas such as Hull, with predominantly SMEs, as I am sure Government Members will recognise, that voice will not come through as strongly.

Mr Perkins: My hon. Friend worries with due cause. Since the introduction of the apprenticeship levy, small businesses have found it incredibly difficult to access apprenticeships. There has been a huge driving down in the number of people getting apprenticeships within

[Mr Perkins]

small businesses. In areas such as Chesterfield, where smaller employers make up the majority of the economy, the apprenticeship opportunities are much lower than they were a few years before. Ensuring that the voice of small business is heard within this is incredibly important.

The Minister did not really talk about this amendment at all, but the Government might say that the skills plan also needs to have a focus on those relevant to a local employer who are not currently resident—we might call it the "on your bike" amendment, with the Government saying, "We want an approach that identifies skills needs of people who are not currently here." If that was their intention, then it could have been worded to ensure that there was a strategy for attracting new workers. Simply taking those words out means that this is a plan for the employer community that does not have to consider those questions around the learners who are excluded from the labour market if those employers consider that they are relatively satisfied with what they are able to attract.

There is an important point here. At the moment, shortly after Brexit, there is a lot of focus is on skills shortages and staff shortages, and the sense, which I totally agree with, that we need to make more of the people we have. However, there may be other times when there is a real surplus of unemployed people, and we need a strategic approach that, in those times, supports those people into work, even if there are not a huge number of vacancies in the labour market. I think that those words are important.

Government amendment 9 removes the words "and other local bodies" from the clause concerning post-16 technical education, which was an amendment that the much-respected Lord Baker of Dorking added to the Bill. The Lords amendment that this Government amendment seeks to undo was drafted to avoid being too prescriptive, but it would have allowed LSIPs to work closely with other agencies, including Jobcentre Plus and careers advisory services, in providing careers information, advice and guidance.

All those organisations are important to ensuring that they are able to get into schools and support young people to get representation and ideas from both the business community and environments that they have not been familiar with. I would have thought that an amendment recognising that the careers responsibility is not just a responsibility of schools, but something that should be open to businesses, would have very much fitted with the spirit of the Bill. It was an opportunity for the Government to enable other bodies to play an important role in that post-16 technical education and careers guidance, and it is therefore disappointing that it was taken out.

We agree with their lordships on the introduction of these amendments, and we are disappointed that the Government are seeking to remove them. On that basis, we will look to support the amendments brought in by their lordships and disagree with these Government amendments.

Rachel Hopkins: It is a pleasure to serve under your chairship, Mrs Miller. It is appropriate that I declare an interest as a vice-president of the Local Government Association and as a governor of the fantastic Luton Sixth Form College. I support the speech given by my hon. Friend the Member for Chesterfield, the shadow Minister; I was also very disappointed.

The irony is not lost on me that a slightly less democratic place wanted to put more democracy into this Bill, which I was very pleased to see. The Government amendments take out democracy by removing the references to local authorities and mayoral combined authorities. I heard the Minister's comments about expecting it to be collaborative and wanting good will between the different organisations. In order to ensure that all parts—the legs of the chair, so to speak—are in the Bill, the amendments made in the House of Lords should stay there.

I have a great passion for local authorities and the role they play in adult education. They have already been doing great work, understanding their own areas. In the general debate the point was raised about the role that locally elected leaders, local authorities and combined authorities play in place making, and the skills agenda is key to that. One of the points that has not been referred to specifically comes under amendment 7, which would take out the reference to the "long-term national skills" strategies. That is wholly important and not just secured through local businesses thinking about the skills they need roughly now. Retaining that reference to the long term and the statutory responsibilities of local authorities and combined authorities in the Bill would create a much firmer and stronger situation in our local areas. I speak as a former councillor on Luton Council. Great work is done at local grassroots levels.

Matt Western: It is generous of my hon. Friend to give way. She was in full flow and I did not want to interrupt her. In response to her point, it is fine to consult and get the views of businesses in developing a plan, but they do not necessarily know what is coming down the track: future opportunities, future business and future sectors that do not even exist yet. That is why it is important to keep as broad a base as possible. That was one of the points she was making well, but I wanted to amplify that.

Rachel Hopkins: I thank my hon. Friend for that fantastic intervention. It leads on to a couple of other points about those who are not in employment, and particularly local authorities with responsibility for young people who are NEET—not in education, employment or training. It is absolutely vital that those are addressed and that they have a formal seat at the table in that area. Equally, on my hon. Friend's point about looking to the future, local authorities do a great amount of work to understand their populations and trends so they can project how many young people are coming through or whether school or training places will be needed. Employers do not always have easy access to that, but local authorities need to have an equal seat at that table in developing the plans, rather than just being tucked away in some statutory guidance. We know what happens with guidance; it is just guidance and it is often ignored.

Emma Hardy: On that point, I hope that the Minister will clarify that this will be statutory guidance, not just guidance that has been issued as a general idea that we can do it if we would like to. Statutory guidance is needed.

Rachel Hopkins: I thank my hon. Friend for making that important point about statutory guidance. In fact, if the guidance is going to be statutory, why not just make it statute and have it in the Bill? That is what I would like to see. It is important that local people have democratic oversight of what is happening in their areas. That is why I want to see local authorities, combined authorities and other organisations that can shape what is going on in their local areas.

Emma Hardy: On that point, the removal of

"schools, further education institutions, community learning providers, specialist designated institutions and universities"

means the people who actually deliver the skills strategies are being removed from a Bill about skills. It is a little odd.

Rachel Hopkins: I thank my hon. Friend for making yet another fantastic intervention. Yes, it is a little odd. Equally, amendment 9 removes other organisations, such as our Jobcentre Plus.

Mrs Miller, you will forgive me for intervening on an earlier intervention. What I was trying to get at with regard to universities is that they are also very much involved in skills development. I refer to the University of Bedfordshire, which is in my constituency. It has a fantastic new STEM building—science, technology, engineering and maths. Industry-standard equipment has been brought into the science labs, so the students studying for degrees such as biochemistry are using the equipment that is used out in industry. This is not just about theoretical and academic issues; it is also about key skills.

Emma Hardy: My hon. Friend is absolutely right to point out how incorrect the intervention was. One of the areas where we are desperately short of workers is social work. How do we train up social workers? They are trained up at a university. The idea that universities are only for academic knowledge and not places where people can be trained for jobs is ludicrous.

Rachel Hopkins: My hon. Friend also must have eyes in the back of her head, because one of the other points I want to talk about is health and social care. Again, I will talk about my fantastic home town of Luton. Someone can study for a BTEC in health and social care at Luton Sixth Form College, or study at the University of Bedfordshire and get practical skills training as a nurse, paramedic or midwife, before going on to be a nurse, paramedic or midwife at Luton and Dunstable University Hospital. All of those bodies will not be included in developing a skills plan if they are not set out in the Bill. I want to see them included, so that everyone feels that there is equality of partnership work, to ensure that what is needed is recognised.

I will not prolong my remarks any longer, but I just want to reiterate the points made from the Opposition Front Bench and say that taking out these important clauses that were inserted by the Lords weakens the Bill.

Matt Western: What is concerning about these amendments is the direction of travel. What is it that the Government are trying to achieve by removing these Lords amendments, because they seem to be incredibly positive and constructive about getting the right and relevant organisations across the piece to be involved in the development of a plan? The idea of a LSIP is a very good thing, but it must draw on the skills, knowledge and expertise of these bodies from a region, so that they can bring them to bear on the design of a LSIP, to ensure that the present and future needs of a region can be met.

My fear, having listened to the debate over the last few minutes, is that there is a horrible parallel with what is going on with the integrated care systems, whereby we are seeing more involvement by the private sector and a diminution of the provision from the public sector. When we look at individual placement and support, or IPS, we see that there is an absolute withdrawal of the public sector. The public sector will also have little to no say on what will happen with the delivery of skills in a region. That runs counter to what the Local Government Association believes.

The LGA says in its written evidence that it believes

"the reforms need to be implemented as part of an integrated, place-based approach."

We have also heard evidence from the Association of Colleges, which said it was

"disappointed the Government have tabled an amendment to remove"

the reference to post-16 education providers. It is quite rightly disappointed.

Warwickshire College Group, based in my town, is a huge college that covers Warwickshire—I think it is still the sixth largest in the country, so it is a college of some substance. It wrote to me to say that it wants to ensure that colleges are co-constructing LSIPs with employers and that it very much needs to be involved, because it is within the power of colleges to further think strategically—that comes back to the point I was making earlier—and innovate for the skills needs of their communities.

We have also heard from the Workers Education Association. Its submission said:

"We are pleased that the Bill…should "draw on the views of"…further education institutions, community learning providers",

and others, and that:

"We hope to see this retained and strengthened in the…Act."

Then we get to organisations such as Central YMCA, which said that, as an independent training provider, it believes it is vital that LSIPs should draw on the views of organisations such as themselves, as well as those of schools and FE colleges.

The LGA believes that the Lords amendment should be maintained, to ensure that all employer representative bodies across England should

"work with local democratic organisations to better coordinate provision and align pathways of progression for learners."

11 am

As my hon. Friend the Member for Chesterfield said at the outset, we are extremely concerned that removing these organisations—removing, wholesale, the likes of schools, specialist designated institutions and universities from participating in the design of the plans—seems ignorant in the pure sense of the word. It weakens the plans. It does not maximise the true potential of what the region can do with collaboration between the public and private sector in the design of those plans. The

Lords got it right, and it is really disappointing that the Government, for whatever reason—ideological, perhaps—should now be seeking to remove this provision.

Andrew Gwynne: I do not want to prolong the debate on this group, but the Minister, in the discussion on the previous group, sought to assure the Committee that the approach was genuinely collaborative. Yet this group of amendments strikes out Lords amendments that would make the approach genuinely collaborative. I do not understand the thinking here. I cannot understand what the Minister thinks he is gaining or achieving by striking out the Lords amendments.

Let us look at the amendments in detail. Government amendment 6 would strike out, in clause 1(7)(a),

"in partnership with local authorities, including the Mayoral Combined Authorities and further education providers".

The explanatory notes state that the reference to mayoral combined authorities is not required because that point has now been made clear through the earlier Government amendment that we have passed. I accept that point, but there is still a role for other local, non-mayoral combined authorities to have a view and an input into the skills agenda for their area, whether that is a unitary authority or a county council. These issues are part and parcel of what those local authorities do.

Emma Hardy: It feels like removing the Lords amendment will result in democratic accountability if the area has a Mayor; if it does not, there is no democratic accountability. An area such as Hull, which has no mayoral authority, has no democratic accountability or reference in the Bill. That feels unfair.

Andrew Gwynne: It not only feels unfair; it is unfair. I get that mayoral combined authorities have specific skills responsibilities devolved to them, so clearly the level of input from a mayoral combined authority is greater than that of a county council or a unitary authority that does not have those specific responsibilities devolved to them, but the council's strategy for that area will involve education, skills and economic development. Those are important elements for county and unitary authorities.

Mr Perkins: I fear it is actually worse. The Government amendment agreed by the Committee a moment ago did give a role to mayoral combined authorities, but that role was that the Secretary of State had to satisfy himself that they had been consulted. The pen is still held by the chamber of commerce. The Lords amendment that the Government amendments in this group get rid of are about genuine partnership. The Bill, as brought from the Lords, states that it will include

"an employer representative body in partnership with local authorities, including the Mayoral Combined Authorities and further education providers for the specified area".

That partnership is being entirely removed. Metro Mayors are being left as a statutory consultee, which the Secretary of State must satisfy himself are being consulted. The other partners will have no role whatsoever, except for in guidance, which will say, "Make sure you talk to them." This change is about moving from a partnership approach to a consultee, subservient approach.

Andrew Gwynne: My hon. Friend the shadow Minister is absolutely right. When we look at what else is being deleted from clause 1, subsection (7)(b)(ii) talks about

"regional and local authorities, including the Mayoral Combined Authorities, within the specified area with specific reference to published plans and strategies which have been developed by these authorities".

All those authorities have plans and strategies; I listed a number of them in relation to Greater Manchester. If the mayoral combined authorities are going to be involved in this, why take out a specific reference to the plans that have been developed by them? As I said previously, unitary authorities and county authorities have those strategies too, yet they have no say whatsoever.

Matt Western *rose—*

Emma Hardy *rose—*

Andrew Gwynne: I will give way to my hon. Friend the Member for Warwick and Leamington, because he was first, and then to my hon. Friend the Member for Kingston upon Hull West and Hessle.

Matt Western: My hon. Friend is making a powerful point, and I would like to draw him further on it. I accept and respect what the Government are doing with some of the allocations of moneys to towns through the towns fund and so on, but it seems odd that we have some visionary authorities, not just at county level but at town and district level, that are doing extremely good work—I include my own in that—and they are not included. They should be party to this. They know what they want to do, they know what they are capable of, they know the areas where they can develop and they need those skills to ensure it is realised. I emphasise that those sorts of authorities should be included as well.

Andrew Gwynne: I completely agree. Every layer of local government has an interest in the health and wellbeing—in the broadest sense—of the population. The best way to improve the health and wellbeing of the population is to ensure that people have good skills, good education and good job opportunities. That is the route to health and wellbeing, and that is true both at the district level and at upper levels.

Emma Hardy: I want to highlight to Government Members, although I am sure the hon. Member for Mansfield will know this as leader of a local council, that local councils have a statutory duty for all children with special educational needs or disabilities up to the age of 25. They have a statutory duty for looked-after children. They have a statutory duty regarding the number of young people not in employment, education or training—NEETs—as well. They have those statutory duties, yet the Government amendments remove their voice from the local skills plan. That does not seem right.

Andrew Gwynne: It absolutely does not seem right. I have spent a lot of time on local government, but the same part of subsection (7)(b) that will be struck out if Government amendment 7 is made goes further. While the line

"draws on the views of…employers operating within the specified area"

stays in, regional and local authorities, mayoral combined authorities and their strategies are taken out, but so are

"post-16 education providers active in the specified area, including schools, further education institutions, community learning providers, specialist designated institutions and universities".

It is incomprehensible that those bodies would not be part and parcel of the deliberations on and the creation of the strategies.

Matt Western: If I may make one final point to address my hon. Friend's own point, universities and higher education providers across the country are working well—some extremely well—in collaborating and co-sponsoring courses with their FE institutions. The idea that they would be excluded from the plans seems beyond ridiculous.

Andrew Gwynne: It is barmy—there is no other word for it. We are here debating a Skills and Post-16 Education Bill and we are excluding the very bodies that have a direct interest in skills and post-16 education. I just do not understand the Government's thinking. They have promised collaboration, but you cannot have collaboration if the people and bodies delivering the skills agenda on the ground are explicitly excluded from the creation of those plans.

Tom Hunt: Of course, the bodies that are delivering technical and skills qualifications will continue to have a significant role. Surely the hon. Member must realise that the whole point of local skills improvement plans is to give a strong voice to local businesses? There are other avenues and ways in which providers can shape the offering.

Andrew Gwynne: I would like to know what the avenues are and why they are not in the Bill. If we are talking about developing a genuine partnership and collaboration, and if we are saying, "This is the skills agenda for our country. These are the needs of the next generation of workers in our country. This is where our country is heading with the jobs of tomorrow. This is the inward investment we want to bring in to our country. These are the things we want to make and do and build in our country," we cannot do that just through business. Business is the way we create jobs, but it is educational institutions, universities and colleges that give the next generation the skills to deliver the strategy on the ground.

Matt Western: To give one simple example, and to be fair to the Government, the UK Battery Industrialisation Centre was developed through a university working with a local authority and a series of businesses. That is what we are talking about. It is about how we bring bodies together to develop plans, have a vision and then get the skills needed to deliver it. That is one brilliant example. We cannot have these plans simply designed by businesses.

Andrew Gwynne: No, we cannot. In other countries where there is a partnership between academia and industry, I have seen that the concepts of products are developed in universities, enterprise parks and science parks, and with the support of business they are brought to the market and developed across the world. I know that I have spoken a lot about Manchester, but one good example is the development of graphene by the University of Manchester. We are a world leader in that technology, and that was born out of genuine collaboration. Excluding universities and colleges from the plans for the economic development of our country is therefore barmy.

Ben Bradley: It is important to clarify this point, and I assume the Minister will do so as well. The hon. Member keeps using the word "exclude" as if others will be unable to take part in these conversations, and that is certainty not what amendment 7 says. Opposition Members have argued that the Government are taking too much central control, but when the Government try to give those at the local level flexibility to include the people they want to include, as opposed to mandating that certain groups be included, the hon. Member says that it is not specific enough. I wonder which one he is actually after.

Surely it would be better for local skills plans to be put together by partners who want to be involved, because not all the businesses or local bodies that he mentions will want or have the capacity to engage, and to have local flexibility to choose the most representative groups, rather than it being decreed that all such organisations must be involved in the discussions. It could become very unwieldly if we had to include every sixth form or FE provider in a whole region in those bodies. Surely flexibility is a good thing.

Andrew Gwynne: Clearly their lordships thought differently from the hon. Gentleman, and I think he is reading a different Bill. I will read it out to him. It says:

"draw on the views of employers operating within the specified area".

The plans will be drawn from the views of employers.

Ben Bradley: Where does it say "exclude" them?

Andrew Gwynne: Why does it need to specify employers, and only employers? It is a very one-sided view, and it strikes out regional and local authorities, post-16 education providers that are active in the area, schools, FE institutions, community learning providers, specialist designated institutions and universities.

To come on to my final point, why is

"such sources of information on long-term national skills needs as the Secretary of State may specify"

being removed? If the Government spotted on the horizon that there was likely to be a skills shortage, especially in our brave new world where we have taken back control and will upskill our own population to meet the coming challenges, I would expect the Secretary of State to ensure that our long-term national skills needs were included in every single one of those plans across England. Again, it is incomprehensible to think that the Secretary of State would not say to each and every one of those local areas, "We need to make sure that we have enough skills to do x, y or z, because we will face skills shortages in the future."

To conclude, I cannot fathom the logic behind striking out these Lords amendments. Doing so runs against everything the Minister said a moment ago about collaboration. If he believed in true collaboration—a true partnership— he would not be doing this today.

11.15 am

Alex Burghart: It has been another lively and interesting debate on this group of amendments. The Government want to build an employer-led system, but the statutory guidance—yes, statutory guidance—will make it clear

[Alex Burghart]

that the employer representative bodies that the Bill creates must consult a range of partners and collaborate with them.

On the removal of schools and other providers, the Bill is already clear that all relevant providers, including further education colleges, independent training providers, universities and sixth-form colleges need to be involved in the development of the LSIP—that is stated in subsection (4)—and if designated employer representative bodies do not have regard to relevant statutory guidance on engaging with relevant providers and do not comply with the terms and conditions of their designation, the Secretary of State may not approve or publish the local skills improvement plan and could remove their designation.

The national dimension is very important, and we expect local skills improvement plans to be informed by national skills priorities and to help address national, as well as local, skills needs. However, where there are national skills shortages in critical areas, we can expect the Government to carry on playing a role in helping alleviate them, as we are doing at the moment. We put £17 million into rapidly upskilling people to help meet the needs of the heavy goods vehicle sector, where we have significant shortages, and I have been pleased to see that that is going very well. That will not fall away.

Turning to the question of dropping the reference to long-term national skill needs, the Bill already makes reference to the fact that LSIPs will need to look at future skills needs—that is stated in subsections (2) and (7)(b)(iii). The Opposition made a very important point about the role of the public sector. Let us think about the phrase "employer representative bodies": there is a very big role for business, but in many areas, the public sector is a major employer and will need to be involved in this process. We want ERBs to reach beyond their existing membership and cover both public and private employers.

Emma Hardy: The Minister has mentioned the employer-led bodies in the public sector. Could he pick up on my point about SMEs, which might not be part of an employer-led body but, in some regions, are the main employers?

Alex Burghart: We are expecting ERBs to draw up local skills improvement plans that take account of the economic area that they represent, which should absolutely include small and medium-sized employers, as well as self-employment opportunities.

While Opposition Members may feel that these things can be done only if every detail is written out in primary legislation, we know that that is not the case, because we have eight excellent trailblazer areas at the moment that are doing this job without a mite of primary legislation. With that in mind, I commend the amendment to the Committee.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 1]

AYES

Bradley, Ben	Carter, Andy
Burghart, Alex	Clarke-Smith, Brendan
Hunt, Jane	Nici, Lia
Hunt, Tom	Richardson, Angela
Johnston, David	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 6 agreed to.

Amendment proposed: 7, in clause 1, page 2, line 40, leave out from beginning to "and" in line 6 on page 3.—*(Alex Burghart.)*

This amendment amends the definition of local skills improvement plan with the effect that a plan for a specified area must draw on the views of employers operating within the specified area, and any other evidence. Amendments 6, 7, 8 and 9 reverse an amendment made at Lords Report.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 2]

AYES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 7 agreed to.

Mr Perkins: On a point of order, Mrs Miller. Do we not decide on the other Government amendments? Are we doing those later?

The Chair: No, this is one of the wonderful complications of the Committee system. We do that later.

Mr Perkins: I beg to move amendment 27, in clause 1, page 3, line 4, at end insert—

"(iv) groups representing the interests of people with disabilities,"

This amendment intends to ensure that Local Skills Improvement Plans draw on the views of groups representing the interests of people with disabilities.

The Chair: With this it will be convenient to discuss the following:

Amendment 1, in clause 1, page 3, line 6, after "evidence" insert

", including the views of relevant community groups including those representing the interests of disabled people,".

This amendment intends to ensure that the evidence informing LSIP development includes information directly relevant to improving the employment prospects of disabled people.

Amendment 2, in clause 1, page 3, line 12, at end insert—

"(d) identifies actions to be taken to reduce the disability employment gap within the specified area."

This amendment intends to ensure that the LSIP is used as a vehicle for improving the employment prospects of disabled people.

Amendment 28, in clause 1, page 3, line 12, at end insert—

"(d) identifies positive actions to reduce the disability employment gap within the specified area."

This amendment intends to ensure that Local Skills Improvement Plans identify positive actions to reduce the disability employment gap within the specified area covered by the Plans.

Amendment 34, in clause 1, page 3, line 12, at end insert—

"(d) lists specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships."

This amendment would require that local skills improvement plans list specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships.

Amendment 3, in clause 2, page 3, line 23, at end insert—

"(iii) the body is composed of employers who demonstrate reputable practice in relation to equality and diversity in employment, including in relation to disability, and".

This amendment intends to ensure that members of the body with primary responsibility for creating the LSIP have sufficient understanding of and commitment to equality and diversity, including in relation to disability, to enable them to create an inclusive plan.

Mr Perkins: Amendment 27 was tabled by my hon. Friend the Member for Kingston upon Hull West and Hessle. Amendment 27 and amendment 1 would add the words

"groups representing the interests of people with disabilities"

and

"relevant community groups including those representing the interests of disabled people"

to clause 1, on local skills improvement plans. Given the discussion that we have just had, it is incredibly important that the consultees include those who represent people with learning disabilities and those who might be furthest from the labour market for a variety of reasons. Given the votes that have just taken place and are scheduled to take place, we are particularly concerned that there is a possibility that people furthest from the labour market, who will take the most work in order to contribute in meaningful employment, will be excluded. There is a disturbing lack of attention paid in the Bill to people with special needs or disabilities.

Amendment 1, which was tabled by my hon. Friend the Member for Rotherham (Sarah Champion), would enshrine a role for representative bodies to devise specific plans of support for people with disabilities in local skills improvement plans. That is of tremendous importance. One of the things that is most important for the FE sector, and one of the greatest contributions it makes, is to support those people who are furthest from the labour market to get the skills that they need, through such things as supported internships and other innovative ideas that many of us have seen in action in our local colleges. Those programmes often take a considerable amount of work, but they make a life-changing difference to those people. A skills Bill that genuinely represents everyone must be mindful of the need for the local skills improvement plan to ensure that no one is left behind.

Amendment 2, which also appears in the name of my hon. Friend the Member for Rotherham, is the same as amendment 28, and adds the need for an LSIP to identify positive—

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

Second Sitting

Tuesday 30 November 2021

(Afternoon)

CONTENTS

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 4 December 2021

The Committee consisted of the following Members:

Chairs: †Clive Efford, Mrs Maria Miller

Ali, Tahir *(Birmingham, Hall Green)* (Lab)
† Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Gwynne, Andrew *(Denton and Reddish)* (Lab)
† Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
† Hunt, Tom *(Ipswich)* (Con)
† Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 30 November 2021

(Afternoon)

[Clive Efford *in the Chair*]

Skills and Post-16 Education Bill [*Lords*]

Clause 1

Local skills improvement plans

Amendment moved (this day): 27, in clause 1, page 3, line 4, at end insert—

(iv) groups representing the interests of people with disabilities,"—*(Mr Perkins.)*

This amendment intends to ensure that Local Skills Improvement Plans draw on the views of groups representing the interests of people with disabilities.

2 pm

The Chair: I remind the Committee that with this we are discussing the following:

Amendment 1, in clause 1, page 3, line 6, after "evidence" insert ", including the views of relevant community groups including those representing the interests of disabled people,"

This amendment intends to ensure that the evidence informing LSIP development includes information directly relevant to improving the employment prospects of disabled people.

Amendment 2, in clause 1, page 3, line 12, at end insert—

"(d) identifies actions to be taken to reduce the disability employment gap within the specified area."

This amendment intends to ensure that the LSIP is used as a vehicle for improving the employment prospects of disabled people.

Amendment 28, in clause 1, page 3, line 12, at end insert—

"(d) identifies positive actions to reduce the disability employment gap within the specified area."

This amendment intends to ensure that Local Skills Improvement Plans identify positive actions to reduce the disability employment gap within the specified area covered by the Plans.

Amendment 34, in clause 1, page 3, line 12, at end insert—

"(d) lists specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships."

This amendment would require that local skills improvement plans list specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships.

Amendment 3, in clause 2, page 3, line 23, at end insert—

(iii) the body is composed of employers who demonstrate reputable practice in relation to equality and diversity in employment, including in relation to disability, and"

This amendment intends to ensure that members of the body with primary responsibility for creating the LSIP have sufficient understanding of and commitment to equality and diversity, including in relation to disability, to enable them to create an inclusive plan.

Mr Toby Perkins (Chesterfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford. I was coming on to discuss amendment 34, in my name and that of my hon. Friend the Member for Warwick and Leamington, which adds a new line to clause 1:

"lists specific strategies to support learners who have or have previously had, a statement of Special Educational Need or an Education and Health Care Plan into employment, including but not limited to provision for supported internships."

Supported internships have huge potential. I saw an excellent example when I visited Derbyshire Education Business Partnership, which serves my constituency of Chesterfield, and witnessed its supported internship programme in Derby at first hand. Supported internships are incredibly important in supporting people who may be further away from the labour market, but they currently have a tiny take-up. Everything that can be done to drive up the number of supported internships should be done. They support people who might not be ready to go into the world of work right away but who, with the benefit of a programme like this, can get to know an employer really well; the employer can get to know their strengths as well as their challenges, and they can get into the world of work.

We tabled amendment 34 not only to encourage the Government to insist that strategies for those with special educational needs are expressly considered in local skills improvement plans, but to talk specifically about supported internships, which would make a real difference. Many of us are concerned that chambers of commerce and employers, who are experts in the needs of their workplaces and what skills they need, will not necessarily be aware of the challenges faced by those who are furthest from the labour market. They might be less likely to have strategies of that kind in LSIPs. However, if colleges had a more central role in the plans, chambers of commerce and employers would absolutely recognise the need for programmes of this sort.

I share the belief of my hon. Friends the Members for Rotherham (Sarah Champion) and for Kingston upon Hull West and Hessle, and many others who put their names to the amendments, that employer representative bodies should have the required training, knowledge and understanding of the educational and health needs of people with disabilities in general and of how people with disabilities can best be supported within a local area in particular. I hope that, when he responds to this group of amendments, the Minister will commit to ensuring that people with disabilities are not forgotten in the Bill, and signal that the Government have specific strategies to ensure that employer bodies have a duty to represent the needs of people with disabilities and support them into the workplace, so that they are not excluded any more.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to serve under your chairship, Mr Efford. I rise to speak in favour of amendments 27 and 28 in my name, and amendments 1, 2 and 3, in the name of my hon. Friend the Member for Rotherham. I want highlight that the Library briefing on the Bill states that 18% of the learners currently in the FE and skills sector have a recognised learning difficulty or disability. When we talk about people with disabilities, we are not talking about a very small minority; we are talking about 18% of those people. The amendments

that I and my hon. Friend the Member for Rotherham have tabled are very similar. They all basically try to do the same thing: to ensure that the voices of disabled people are heard and recognised in the Bill. They also address the disability employment gap. Mr Efford, I should have mentioned that I am vice-chair of the all-party parliamentary group on SEND, which is where a lot of my interest comes from. I know from the work of the APPG and on the amendments that there is a lot of cross-party support for these measures, which we also saw in the Lords. This is not a party political issue. I hope the Minister takes it seriously.

Recent figures show that disabled people have an employment rate that is 28.4 percentage points lower than people who are not disabled. There is a huge disability employment gap and the amendments hope to address that. I recognise that the issue is complex and that there are a number of Government initiatives to address it, but it would be a missed opportunity not to use the Bill and the new process of skills planning that it brings about to help ensure that people with disabilities can contribute to their local economy and that their voices are heard in the discussion of what that local economy should look like. All too often, people with disabilities feel that their voices are not heard. The amendments aim to ensure they are listened to and recognised, and that some action is taken on the disability employment gap. That is the aim of all the amendments in my name and that of my hon. Friend the Member for Rotherham.

Matt Western (Warwick and Leamington) (Lab): I welcome you to your place, Mr Efford. I want to lend my support to my hon. Friend the Member for Kingston upon Hull West and Hessle and others on this group of amendments. They seek to ensure that the LSIPs take the needs of disabled people and those with special educational needs into account.

Currently, further education caters for a large number of students with such needs, which can be complex. The latest data shows that roughly half of disabled people are in employment—just 53%—compared with just over four out of five non-disabled people. The employment rate for disabled people with severe or specific learning difficulties was 18% back in 2019, the lowest rate of any impairment group. The House of Commons Library briefing notes that 52% of disabled people were in employment, down from 54%, which is really concerning.

The Workers Educational Association notes that

"adult learners in community provision are those with low or no qualifications, who require the most support in order to progress to higher level qualifications."

Learning disabilities add to that complex state of affairs, which justifies the inclusion of an amendment to provide more support for people with learning disabilities. In its evidence to the Committee, Engineering UK said:

"38% of respondents…reported a lack of role models to be a barrier for pupils with special educational needs".

One of the employers in my region, the National Grid, is doing extraordinary stuff in engaging and giving work opportunities to young people with complex needs, through its EmployAbility scheme. It is an exemplar project that it has been running for several years.

Those are some of the reasons why the amendments are important to the Bill. The Government's impact assessment says that those from SEND backgrounds are "disproportionately" likely to be affected, and it is therefore a cruelty not to legislate where possible to mitigate that disproportionate impact. We think it is vital that such provisions be written into the Bill, which is why the amendments have been tabled. We need to highlight the challenges and make sure that we are as inclusive a society as possible, and that we allow for the needs of people with SEND in skills provisions.

The Parliamentary Under-Secretary of State for Education (Alex Burghart): It is a pleasure to serve under your chairmanship, Mr Efford. I rise to speak to amendments 1, 2 and 3 tabled by the hon. Member for Rotherham, amendments 27 and 28 tabled by the hon. Member for Kingston upon Hull West and Hessle, and amendment 34 tabled by the hon. Members for Chesterfield and for Warwick and Leamington.

Those amendments all relate to LSIPs and the importance that we all place on improving the employment prospects of people with disabilities. The criteria for designation of employer representative bodies in the Bill are intentionally focused on the key characteristics and capabilities required for that specific role. We do, of course, want all employers to demonstrate good practice in equality and diversity in employment, including in relation to disability. The Bill is clear that LSIPs should draw on a range of evidence, but we do not consider it appropriate to list all that evidence in the Bill. Instead, I assure Opposition Members that we will set out further details in statutory guidance and continue to engage key stakeholders representing learners with special educational needs and disabilities as that guidance is developed.

The guidance will make it clear that employer representative bodies should absolutely engage groups that can help them to understand the needs of learners with disabilities and the barriers they face, and consider how people with disabilities can be supported to progress into good jobs that meet local skills needs, thereby supporting activity to reduce the disability employment gap. In the work I have been doing in the run-up to the Bill, among many other stakeholders, I spoke to a specialist college in Kent, which had a very powerful message for me. They said that they had catered for a lot of young people whom they believed had a bigger role to play in the local economy, which would be good for employers and the economy, but particularly important for the individuals themselves. That very much reflects my own experience.

For eight years, I was vice-chair of governors at a special school for children with autism in west London. It was an excellent school, not because of my vice-chairmanship but because we had an exceptional head and exceptional staff. It started as a primary school, but went on to become an all-through school. The work the school was engaging in when I left to enter politics was to make sure that it could help young people—often with really profound needs—to transition into the workplace. The alternative for too many people is a life of isolation and loneliness.

I commend the work that the hon. Member for Kingston upon Hull West and Hessle is doing on the APPG. I am sure that the APPG will want to look at the statutory guidance when it comes out and feed back to us, and we welcome that conversation. There are great opportunities here for dialogue between the ERBs, local providers, and local disability groups to make sure that the needs and the talents of young people with special educational needs are reflected.

Tom Hunt (Ipswich) (Con): Does the Minister agree that it is actually the most logical fit for businesses to embrace and be accessible to those who have learning disabilities? As we know, they are often among the most unconventional, creative and brilliant thinkers.

Alex Burghart: My hon. Friend makes an excellent point. That is absolutely right; something I will come on to in a moment is that when we help young people with special educational needs overcome the barriers to employment, and when we help employers overcome some of the barriers that they may feel exist to employing those young people, it is an extraordinarily mutually beneficial relationship.

Emma Hardy: I want to push the Minister a little more on the guidance. He has mentioned that it will be statutory, which I welcome, but I wonder whether it will include some of the wording that is in this amendment, which looks specifically at what action will be taken to reduce the disability employment gap. Will that be seen in the statutory guidance?

Alex Burghart: Obviously, we are very keen to reduce the disability employment gap, and we are always mindful of ways in which we can achieve that. I am sure that it will be in the Secretary of State's mind when he considers the statutory guidance.

Local skills improvement plans are not the only solution to this issue. Colleges already have a duty to use their best endeavours to secure the special educational provision called for by a student with special educational needs, as set out in the SEND code of practice. That should include a focus on preparing the young person for adulthood, including employment.

In addition to the duties on providers in relation to LSIPs, clause 5 introduces a broader duty for colleges and designated institutions to review how well their whole curriculum offer meets local needs. The duty requires governing bodies to consider the needs of all learners, including current and future learners, and those with special educational needs or a disability.

2.15 pm

Mr Perkins: I appreciate the tone of the Minister's response, but he has not really given us any detail on why he does not think it appropriate to have the wording in the Bill. Instead, he asks us to take it on trust that we will like the guidance when we eventually see it. We have to vote on the amendment. We have no idea what will be in the guidance. He has not said, "It's written. It's going to look like this—I just can't show it to you." There will be guidance and at some point we will see it, so can the Minister explain why it is not appropriate that we simply have a commitment in the Bill that LSIPs will have a strategy around supported internships?

Alex Burghart: On supported internships, I was very interested to hear about what the hon. Gentleman has seen going on in his constituency. I assure him that we are continuing to work to improve supported internships in England, including updating our guidance and, through our contract grant delivery partnerships in this financial year, developing a self-assessment quality framework for providers and helping local authorities to develop local supported employment forums. I respect his desire to see supported internships improve and go further. We share his ambition, but we are not putting every particular intervention that we favour in the Bill, so we will not single that one out for special treatment.

Lia Nici (Great Grimsby) (Con): We already know that these kinds of activities are happening. I declare an interest as the chair of the apprenticeship diversity champions network. Employers are recognising that they need to offer these skills and support already. I am sure that the Minister knows that that is already happening.

Alex Burghart: I am grateful to my hon. Friend for that intervention. The Government are also developing an adjustments passport that aims to smooth the transition into employment and support people changing jobs, including people with special educational needs and disabilities. That goes back to the point that my hon. Friend the Member for Ipswich made. When I was on the Work and Pensions Committee with the great Frank Field, that was exactly the sort of thing that we were calling for. I am very pleased that this Administration have seen it go out.

The 12-month pilots of the adjustments passport that are under way in HE and post-16 provider pilot sites are capturing the in-work support needs of the individual and we hope that they will empower individuals to have confident discussions about adjustments with employers. It goes back to my point about breaking down barriers both for the individual and for the employer. More broadly, the Government's national disability strategy sets out how we will help disabled people to fulfil their potential through work, to help reduce the disability employment gap further.

Emma Hardy: With respect to the comments made by the hon. Member for Great Grimsby, if everything were all fine and dandy as it is, we would not have a 28 percentage points disability employment gap. The Minister talks about the statutory guidance. Will there be some sticks as well as carrots in the guidance? If employers and people do not feel that they are being represented, and they are not taking effective measures to deal with the disability employment gap, will there be sanctions?

Alex Burghart: As I said in the previous sitting, statutory guidance is a powerful tool. If employer representative bodies do not adhere to statutory guidance, they may lose their designation. That is in the essence of statutory guidance. Given the significant amount of work already under way in this space, we do not believe that the amendments are necessary, but we agree with the direction in which they push.

Mr Perkins: I appreciate what the Minister has said. He has not really given us any detail on why he does not think that it is appropriate. I take his point on supported internships being one strategy: our amendment acknowledged that. However, in terms of amendment 1 on people with disabilities, we are not talking about a fractional thing that is not worth mentioning because there are so many other things that could be mentioned, but about a substantial body of people who have often been missed out by education providers. This is an opportunity to ensure that when the chambers of commerce, or whoever the employer representative bodies are, are writing their local skills improvement plans, those people do not continue to be left out.

I still think that amendment 1 should be accepted, so we will press it to a vote. I am willing to not press the other amendments in this group to a vote, but will look very carefully at the statutory guidance. I think that many people—such as my hon. Friend the Member for Kingston upon Hull West and Hessle and the cross-party group, which was very supportive of this—will listen to the Minister's response and still wonder why the amendment is not appropriate. For future amendments, it would be useful if we had a bit more of a response as to why the Government are against it, rather than just the fact that they are.

Ben Bradley (Mansfield) (Con): I might try to give the hon. Gentleman a clue on that question. We spent much of the morning arguing about why this policy needed to be locally led, why we wanted devolved authorities to take more control over it and why local government should have more of a say in it. Does the hon. Gentleman recognise how asking Government to dictate what must be in it conflicts with the arguments he has already made today?

Mr Perkins: The hon. Gentleman makes an interesting point, but what kind of devolution is it if we say "Well, look, it is up to local chambers of commerce to decide whether or not they have a strategy to support those who are disabled or furthest from the labour market"? If we have a document that must be signed off by the Secretary of State—so on the devolution argument, it is more "devolution of a sort"—what is wrong with saying, "And by the way, for that document that you sign off, we'd better know what the strategy is around disabilities"?

I do not think that the devolution argument is a strong one. Maybe, at a future point in the hon. Gentleman's career, he will argue for devolution in some kind of role and say, "But trust me, I won't be having any strategies for disabled people". I cannot imagine that he would do that, or that any others would. Amendment 1 is just about making sure that those employment representative bodies understand the importance of this issue; that is why we will press it to a vote.

The Chair: We will come to a vote on amendment 1 after the next group of amendments. Do you wish to withdraw amendment 27?

Mr Perkins: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr Perkins: I beg to move amendment 33, in clause 1, page 3, line 4, at end insert—

"(iv) Local Enterprise Partnerships and the skills and productivity board,"

This amendment would require that local skills improvement plans draw on the views of Local Enterprise Partnerships and the skills productivity board, in addition to those bodies already set out in the subsection.

The Chair: With this it will be convenient to discuss the following:

Amendment 38, in clause 1, page 3, line 12, at end insert—

"(d) takes account of a provider of designated distance learning courses that are undertaken by residents of the specified area."

This amendment would ensure that local skills improvement plans take account of distance learning providers.

Amendment 39, in clause 1, page 3, line 12, at end insert—

"(d) these conditions to include the requirement for the LSIP to give due regard to a national strategy for education and skills, which is agreed across the Department for Education, Department for Work and Pensions, Department for Business, Energy and Industrial Strategy, and the Department for Levelling Up Housing and Communities."

This amendment would require Government to have a national strategy for education and skills, which is agreed across DfE, DWP, BEIS and DLUHC for which LSIPs would have to take account of.

Amendment 40, in clause 1, page 3, line 12, at end insert—

"(7A) The Secretary of State must prepare and publish guidance setting out the criteria used to determine the boundaries of a specified area for the purpose of this section."

This is a probing amendment regarding the criteria the Government will use to determine what constitutes "local".

Amendment 41, in clause 1, page 3, line 12, at end insert—

"(7A) Before local skills improvement plans are introduced outside of trailblazer areas, the Secretary of State must publish guidance relating to their implementation, subject to consultation of all Mayoral Combined Authorities and, where there is not one, the relevant local authority."

This amendment seeks to ensure that local and combined authorities are consulted on the Government's plans for the roll out of local skills improvement plans and are in a position to highlight any issues before publication.

Amendment 44, in clause 1, page 3, line 12, at end insert—

"(7A) Colleges and other providers may propose revisions where they consider that the plans do not appropriately reflect the full diversity of priorities across the locality."

This amendment would allow colleges and other providers to propose revisions to LSIPs if they consider that plans do not reflect the full diversity of priorities across the locality.

Mr Perkins: I will go through these amendments relatively briefly. Amendment 33 is a probing amendment on the subject of the role of local enterprise partnerships and skills productivity boards. As I said at the start of this debate, those of us who were here in 2010 heard a huge amount from the Government about the role of LEPs. We have subsequently heard about the roles of SPBs, and they both sounded very similar in expectation to what we are now hearing, on a local level, for employer representative bodies.

It therefore strikes me that the Government do not have a great deal of confidence in the LEPs that they created, nor in the SPBs. If I was a chief executive of a LEP, I do not think I would be taking up any credit agreements right now. They must be looking at this Bill and wondering what the future holds for them.

I am interested in the Government's response to this. Why is it that local enterprise partnerships, which—as we will all remember—were put forward as the way for business and Government to work together on a local basis on a variety of measures to drive economic growth, particularly around skills, are now seen as entirely superfluous in this Bill? Is this the beginning of the end of local enterprise partnerships?

I am interested in whether the Minister feels there should be a duty for employer representative bodies to work in collaboration with them, and what this says about the future of those organisations. Does he accept that it is a failure of Government policy to have set up

[Mr Perkins]

these organisations that now appear to be being ignored at a time when there is a function that we would naturally think would fall to them?

Amendment 38 relates to designated distance learning. If the covid crisis has taught us anything, it is that more and more has gone online. In the skills arena in particular, that has been hugely transformational for the sector and for many learners. It creates opportunities that were not there previously. We are very concerned that designated distance learning is absent from the Bill, and that is why we have tabled amendment 38. Again, we are keen to hear the Government's view on that.

Amendment 39 is about Government Departments working together; I think we have all been conscious, as my hon. Friend the Member for Denton and Reddish said previously, that that is not a particular strength of this Government. We saw that more than ever during the covid crisis when, on the one hand, there was a real lack of strategy around increasing apprenticeships at a time when we knew there was a boom in youth unemployment and, on the other hand, we had the Department for Work and Pensions introducing the kickstart scheme, which was much more expensive than apprenticeships and offered much less to young people. There was no sense that the different Government Departments were working together.

Our amendment would require the Government and any future Government to have a national strategy for education and skills that is agreed across the Department for Education, the Department for Work and Pensions, the Department for Business, Energy and Industrial Strategy and the Department for Levelling Up, Housing and Communities, and of which all local skills improvement plans would have to take account. Our particular concern is the lack of cross-departmental work between the Department for Work and Pensions and the Department for Education; that is something the Labour party takes very seriously, and there have been regular meetings between teams to work on that whole area.

Amendment 40 asks the Government to publish guidance setting out the criteria used to determine the boundaries of a specified area. There is a real lack of clarity about what is meant by "local area", as my hon. Friend the Member for Kingston upon Hull West and Hessle referred to, in different parts of our forms of local government. What is our local area keeps changing. Again, that is not specified within the Bill and I think there will be real concern that we now have this document, which is of tremendous importance to an FE college; it could be the reason why a chief executive loses their job—

Emma Hardy *rose—*

Mr Perkins: On that rather foreboding note, I will give way.

Emma Hardy: I mentioned to the Minister before that I have a lot of sympathy for the Government trying to work out what constitutes a local area. I was talking to a local Conservative MP and we were having a bit of a laugh about it ourselves, because in our area we have Humberside Police, Humberside Fire & Rescue Service and a police and crime commissioner for Humberside, but then we have the Hull and East Yorkshire LEP, and the regional schools commissioner, who has a different geographical area from the LEP, which has a different geographical area from the area that Ofsted covers. Apparently, they are creating a pan-Humber organisation, after the LEP was removed, to look at skills in the area. Good luck to the Minister in trying to work out what exactly the local area looks like, because it is incredibly complicated when we have a myriad different organisations with different geographical boundaries.

Mr Perkins: I think we are all dying to know who this Conservative Member of Parliament was—I have a suspicion who it may have been. My hon. Friend makes a really important point. If it is, "Good luck to the Minister", more importantly, it is "Good luck to employers" in actually working out where they should go, which area they are a part of and which local skills improvement plan is responsible for them if they have two sites that are 10 miles apart and there are different providers they have to engage with. This is something that puts businesses off engaging in this kind of skills arena. We have seen it with apprenticeships and the barriers that have been put in the way for businesses to take up apprentices; making it difficult for businesses to engage guarantees that they will not do so. That is a really important point and it is why we have moved this probing amendment.

2.30 pm

Lia Nici: Is not the argument that the Opposition are making that the public and quasi-public sector is not necessarily making it work now? We do need employers. Employers constantly say that they want to take the lead, and that is exactly what the Bill enables.

Mr Perkins: As I said previously, we support the principle of local skills improvement plans. Having something that everyone understands is of real value. We are not saying that there should not be any localisation. This is a probing amendment to help us understand. Colleges tend to have a specified area. The Government decided that the local enterprise partnerships would all have their own area. We cannot be, as we used to be in Chesterfield, across two different local enterprise partnerships. We are in one area. The Government have attempted to put firm lines around it, but it has been made slightly more fuzzy.

Emma Hardy: I think the hon. Member for Great Grimsby has misunderstood. When creating a local skills plan, we need to define a local area. As the hon. Member for Great Grimsby, whose constituency is opposite mine on the south bank, will be fully aware, the chamber of commerce is actually a pan-Humber organisation, but the LEPs are separate organisations. I am pointing out to the Minister that, if we are looking at creating a local skills plan for a local area, quite obviously we need to work out what that local area is.

Mr Perkins: My hon. Friend puts it very well.

Amendment 41 asks the Secretary of State to publish guidance relating to implementation, subject to consultation with the metro Mayor or relevant local authority. Under the terms of the Bill, the Secretary of State has the potential to amass new powers, which could be used without appropriate consultation or due diligence. We can see the hand of the right hon. Member for South Staffordshire (Gavin Williamson) right through the Bill. I am confident that if the Bill had been devised when

the current Secretary of State had been in place for a year or two, it would look very different. The sense of a man who had lost control and was desperately trying to get back control runs right through the Bill.

Our amendments seek to establish a clear duty for the Secretary of State to consult with combined and local authorities before local skills improvement plans are finalised in areas that do not have metro Mayors, ensuring that the relevant local representative bodies are part of the formation of a board. It is about bringing together the various different organisations that would make up a strategic approach to skills. We are saying that, if there is not an employer representative body that is able to broadly represent private and public sector employers, further education colleges, independent training providers and such, the Government should appoint a board made up of those in order to deliver that local skills improvement plan, rather than the current approach, which is just a single body. Amendment 44 says that colleges and other providers

"may propose revisions where they consider that the plans do not appropriately reflect the full diversity of priorities across the locality."

I am keen to hear the Minister's response to the amendments.

Matt Western: My hon. Friend has given a thorough analysis on all these amendments; I will just pick up on a couple of points. On amendment 33, I want to highlight how important the skills and productivity board is, given where the country finds itself in terms of its poor productivity relative to most of our economic peers—not just in Europe, but across the globe. We have to work much more closely with that board; that is what amendment 33 is driving at, and that is why it is important to include it.

I will talk specifically about amendment 38, which is on distance learning. There are 70% fewer new part-time graduates entering and accessing higher education every year compared with a decade ago. Distance learning is really important; it is a brilliant way of encouraging people to pick up part-time study. The Open University has 72% of students in full or part-time employment. We are seeing a very concerning regional picture; the Open University's statistics show a 40% fall in higher education participation in the north-east of the country, and a 32% fall in the north-west and Yorkshire. If the Government are really serious about their agenda, surely we have to provide and invest in more and better opportunities for distance learning—that is why amendment 38 is important. The cost of study is obviously one of the biggest barriers to adult learning. If we consider the needs of distance learners, that barrier is eradicated.

We all know that the Open University is a great institution, started in the 1960s—we will claim that as a terrific Labour success. I do not think any of my colleagues were around at that time, so none of us can claim it in particular. However, it was a great success, and I think that societally, culturally and economically we have benefited greatly from that particular institution. It is one of the five biggest higher education providers in 90% of parliamentary constituencies. It is really important that all of us remember the contribution that it makes. The Open University is also the largest HE provider in 63 of 314 English local authorities—that is 20%. It is also worth highlighting that it is a substantial provider in what might be called higher education "cold spots", where there is limited face-to-face provision. The importance of distance learning in our education provision must be underlined.

Amendment 41 makes sure that local and combined authorities are consulted on the LSIP before roll-out. I want to echo the previous calls on the importance of including our health boards in the process. In the pandemic, we have seen the importance of local public health provision in regions, and the skills needed to be able to provide that are absolutely essential. We must be clear about how important it is to achieve the regionalisation of drawing those skills. In the visits that have been making up and down the country, that is something that has been made loud and clear to me by colleges and HE providers.

Devolved responsibilities are important but so too is the national strategy. That strategy should be extended across the Department for Education, the Department for Work and Pensions, the Business, Energy and Industrial Strategy Department and what I would call DHCLG – the Department for Housing, Communities and Local Government as was. The Association of Colleges wrote to say that it wanted to

"enshrine the creation of a national 10-year education and skills strategy sitting across government to deliver on wider policy agendas and to give stability to all parts of the system."

It added:

"there is a lack of a comprehensive, long-term education and skills plan that brings together all parts of the system towards the same vision…this means that the role of education and skills in addressing wider policy priorities and strategies are not always recognised, for example the role of colleges in welfare, health and net-zero policies."

I spoke about health a moment ago, but let us consider net zero policies. The Government understand their importance but I want to centre on two things that are massive national issues right now and should be critical to the skills strategy. The first is the delivery of an electric vehicle infrastructure plan, on which we way off the pace. We need to get the skills out there to put in place the necessary infrastructure. We have a growing market for electric vehicles—potentially for hydrogen vehicles as well but EV is the critical one. Manufacturers are making the vehicles, but we do not have the necessary public charging points. We are behind the curve compared with our European neighbours and other leading global economies. That is the sort of stuff that a national strategy could help to deliver. If we are serious about the sustainability agenda, the amendment can help to deliver it.

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Mr Efford. I echo what my hon. Friend the Member for Warwick and Leamington said about amendment 39, particularly the need for a national strategy for education and skills. It is perfectly reasonable to expect such a strategy. The driving force for it must come from Government, and monitoring of progress across the country must also come from Government. In that way we can ensure that every part of England is firing on all cylinders, narrow the gap and properly ensure that every part of the country is performing as it should.

My hon. Friend is absolutely right to highlight the productivity gap, because that is a serious problem not just across the country and for the national economy, but within different regions and sub-regions; some are

[Andrew Gwynne]

performing very well, others less so. We need a concerted effort across Government and all Departments. If we are serious about levelling up, obviously the Department for Levelling up, Housing and Communities must be at the heart of that along with the Department for Education, BEIS and, I would argue, the Treasury. If we do not have buy-in from the Treasury to ensure that economic growth is spread fairly across the country, any national strategy is doomed to failure.

I am a devolutionist as well; I want to see strategies developed locally that meet the needs of the locality. That was put perfectly when we talked many years ago about health devolution and Greater Manchester in particular, which had responsibility for health devolved to it. Of course, it remains part of a national health service, just as any local strategy would remain part of the national skills strategy. The "what" is set at the centre, but the "how" is determined locally to meet the needs of that locality. That is exactly what the amendment is designed to achieve.

Matt Western: To illustrate that point, clearly in the health sector we need to assess what the challenges are for our communities and populations. While there is a national picture, there will be different needs in a city such as Coventry, which is close to me and has one of the youngest populations in the whole of the UK, versus a pleasant coastal area, which might be an area that people retire to and will have particular needs as regards the provisions for health.

2.45 pm

Andrew Gwynne: Absolutely, and the same is true even at the level below that, within a city region. I can speak with experience about my own city region, where there are divergent trends between those living in the north of Greater Manchester, where there are fewer opportunities, and those living in the so-called arc of prosperity around south Manchester. We need to finely tune our local skills strategies to reflect the different make-ups of particular areas.

Talking about how we define areas, I think amendment 40 matters. We are talking about defining "local" which matters for several reasons. First, I am a bit of an obsessive compulsive disorder neurotic and I like things to be neat and tidy. For clarity of purpose, it makes sense to have coterminosity, wherever possible, with other organisations and bodies.

Again, unlike my hon. Friend the Member for Kingston upon Hull West and Hessle, I am lucky that my local enterprise partnership, my chamber of commerce, my combined authority and all 10 local councils in Greater Manchester all cover the same boundaries.

Emma Hardy: So lucky.

Andrew Gwynne: Things get a little bit messy. I was nervous when my hon. Friend the Member for Warwick and Leamington mentioned health trusts, because my own health trust, Tameside and Glossop, crosses the county boundary, although that will be sorted out by the Bill currently going through Parliament. That is the only bit of non-coterminosity I have.

These boundaries matter because if we draw up strategies, plans and proposals, and we want to collaborate with business, education providers, local government and the wider public sector, then we have to have a defined set of boundaries. The closer those boundaries match, the easier it will be to get a strategy in place.

Lia Nici: Employers and jobs are not coterminous in a particular area. In southern Humberside and Lincolnshire, we want to ensure that our local skills plans cross those borders, because that is where the jobs are. Coterminosity with local government and quasi-local government does not work, and it will not work for employers. Realistically, it needs to be where the jobs are and where people can travel to.

Andrew Gwynne: I know it is probably an unpopular thing to say of her neck of the woods, but I think the hon. Lady has just made the case for Humberside.

Lia Nici: Not at all!

Andy Carter (Warrington South) (Con): Will the hon. Gentleman give way?

Andrew Gwynne: I will give way in a second.

Andy Carter: It is not about Humberside.

Andrew Gwynne: I am not sure whether the hon. Gentleman's bit of Warrington is in Cheshire or Lancashire based on the old boundaries.

Andy Carter: I want to address that.

Andrew Gwynne: Boundaries matter. I say that as a patron of the Friends of Real Lancashire.

Coming back to amendment 40, the cleaner these boundaries can be, the better. I get that local economies can spread across artificial local government boundaries. I know that because just down the road from where I live is Glossop, in the High Peak in Derbyshire. To all intents and purposes, Glossop is a Greater Manchester town. It looks to Greater Manchester, all its transport links are into Manchester and its healthcare is currently part of Greater Manchester. I get that there is always going to be a degree of "This boundary does not work," but if we are looking at a particular strategy and then having to engage with a whole range of public bodies in developing and signing off that strategy, it gets overly complicated if we end up having a mismatch of different boundaries, in the way that my hon. Friend the Member for Kingston upon Hull West and Hessle has already described.

Emma Hardy: To return to the conversation we were having about SEND and disabilities, and the disability employment gap, we will have to collect data to know whether the skills plan is delivering on its objectives and addressing the disability employment gap, so we will need some kind of boundary or defined area from which to collect that data. The Minister said that the guidance would include information on the disability employment gap, but unless there is a boundary, we cannot accurately collect data and we cannot judge whether the plan is a success.

Andrew Gwynne: I absolutely agree with my hon. Friend, but it is more than that; we also need to ensure that the strategy works for the entire area. However we define the geographical area, there will be a strategy for it. If there is a mismatch of different public bodies and local authorities in that area, we may well find that one local authority thinks the strategy is working brilliantly in its area—it may well be—but the neighbouring local authority, whose area might be only partly covered by the strategy, might feel like the poor relation without a voice. I am worried about that. I want clarity and for things to be tidy, which is why I support amendment 40. Before I sit down, I promised to give way to, I hope, a fellow Lancastrian.

Andy Carter: I think the hon. Gentleman will find that I am in Cheshire—*[Laughter.]* I understand the point that he is making, but it is not a clear situation. Warrington is a really interesting area because, although many people who live in Warrington work in Manchester or Liverpool, the skills strategy is set by Cheshire and Warrington local enterprise partnership. We are a mid-way commuter town, and although we might want to set a skills strategy for Warrington, the employers that people look towards are in the two major cities that sit either side. His OCD situation may well find that challenging, but it is not as simple or as clear for many areas around the country.

Andrew Gwynne: The hon. Gentleman has made a great case for north-west regional devolution in that case. I get what he says, but if Greater Manchester is to have a strategy, the Greater Manchester chamber, which will lead on the strategy, and the combined authority and Mayor, who have to be consulted on the strategy, cover the whole of Greater Manchester—that is nice and tidy. If he wants to make the case for Warrington to become an 11th borough of Greater Manchester so that we can placate my OCD-ness, I am more than happy to welcome Warrington into the club.

Mr Perkins: The hon. Member for Warrington South also made a powerful argument for an amendment that he had a chance to vote for a while ago, which would have ensured that the strategy is for residents. We would then have a strategy based on all the people resident in the area, regardless of where they end up working.

Andrew Gwynne: Absolutely; my hon. Friend could not have put it better. The views of residents matter as well because, as we know, although public bodies, local authorities, LEPs and chambers of commerce operate within defined boundaries, people do not. They do not necessarily know where parliamentary constituency boundaries or council ward boundaries are, and they do not always know where council boundaries are—people are fluid throughout. My hon. Friend is right that there was an opportunity to include the views of residents in the development of the plans. Unfortunately, that amendment was not passed.

Alex Burghart: I rise to speak to amendments 33, 38 to 41, and 44. I will start with amendments 33 and 38 in the names of the hon. Members for Chesterfield and for Warwick and Leamington.

Amendment 33 would require that local skills improvement plans draw on the views of local enterprise partnerships and the Skills and Productivity Board. We have been clear that local skills improvement plans should be informed by the work of the national Skills and Productivity Board and build on the work of local enterprise partnerships and their skills advisory panels. We will reiterate that in statutory guidance.

Emma Hardy: This is a quick one on statutory guidance. To clarify, will that statutory guidance state "act in accordance with" or "have regard to"? We all know that statutory guidance that states "have regard to" means "read and ignore."

Alex Burghart: I am horrified to hear the hon. Lady's attitude to statutory guidance. Our intention will be set out in statutory guidance, so that local skills improvement plans will be informed by the work of the national Skills and Productivity Board and build on the work of local enterprise partnerships and their skills advisory panels.

Mr Perkins: The Minister talks about speaking to local enterprise partnerships, but he must see the point that this is precisely the kind of role that was envisaged for local enterprise partnerships when they were invented. The very fact that he now says that we will go to the employer representative bodies, which we assume are likely to be chambers of commerce, rather than to local enterprise partnerships, must make people wonder, "Is there a future for local enterprise partnerships?" Will he tell us why he thought that local enterprise partnerships were not the right organisation to be the employer representative body in such cases?

Alex Burghart: We have been clear that we want to have an approach that is completely employer-led. Local enterprise partnerships, which have much to recommend them, are partially informed by employers, but they are public-private partnerships and we want an employer-led process.

Amendment 38 relates to local skills improvement plans taking account of providers of distance learning. I very much acknowledge the remarks made by Opposition Members about the importance of distance learning and how valuable it is to many members of the public who are studying. All relevant providers that provide English-funded post-16 technical education or training that is material to a specified area will have a duty to co-operate with the designated employer representative body for that area in developing a plan. That will be true even if they are based elsewhere and offer the provision by distance or online learning. That will help to ensure that the views of distance learning providers are taken into account.

Amendment 39, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, would require the Government to have a national strategy for education skills that is agreed across DFE, DWP, BEIS and DLUHC, and of which LSIPs would have to take account. The Government have already set out their strategy for skills reform in the "Skills for jobs" White Paper published in January last year, which was agreed by all Departments—not just the ones listed in the amendment. The proposals set out the aim to support people to develop the skills that they need to get good jobs. They form the basis of the legislation we are discussing.

[Alex Burghart]

On the local skills improvement plans, we have been clear that they should take account of the relevant national strategies and priorities related to skills, as well as being informed by the work of the national Skills and Productivity Board. The specific strategies and priorities will evolve and change over time. We think the best place to do that is in statutory guidance.

Amendment 40, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, relates to the publication of guidance setting out the criteria used to determine a specific area. The specified areas for local skills improvement plans will be based on functional economic areas. The Government are working with local enterprise partnerships to refine the role of business engagement in local economic strategy, including skills, and to ensure that the structures are fit for purpose for the future. That includes looking at geographies—

Emma Hardy *rose—*

Alex Burghart: I am sure that the Secretary of State, as he engages in the process, will be mindful of the muddle that is Hull and, indeed, mindful of the many economic areas in which hon. Members find their constituencies.

Emma Hardy: I want to clarify that, whatever boundary it might be, defined boundaries will be set. If we do not set a defined boundary of any type, I cannot see how it will be possible to collect the data and the intelligence to know whether a strategy is working.

Alex Burghart: We are clear that these will be based on functional economic areas, that they will have a defined geography and that we will ensure that no part of the country is left out.

Mr Perkins: Will the Minister also clarify this? Is it possible that an area could be in two different local skills improvement plans? For example, Chesterfield was originally part of both the Derbyshire and Nottinghamshire local enterprise partnership and the Sheffield City Region one. Both were considered functional drive-to-work areas. Is it possible that an area such as Chesterfield might be in two different local skills improvement plans, or is it the case that, as my hon. Friend the Member for Kingston upon Hull West and Hessle says, there will be a defined area and everyone will just be in one?

3 pm

Alex Burghart: We are working on the basis that there will be a defined area for each one, but we will be mindful of the fact that in some areas the geography does not neatly fit reality. That goes to the point that my hon. Friend the Member for Warrington South was making.

We will consider this work, alongside evidence from the local skills improvement plan trailblazers, before making final decisions about the specified areas that local skills improvement plans will cover. However, let me reassure members of the Committee that through the designation process, the Secretary of State will ensure that there are no gaps in the coverage of local skills improvement plans across the country.

I turn now to amendments 41 and 44. Amendment 41 relates to consulting local authorities and mayoral combined authorities on guidance for the roll-out of local skills improvement plans. We regularly engage mayoral combined authorities and the Greater London Authority, for example in relation to this Bill and the LSIP trailblazers, and we will continue to do so as we develop our plans for the wider roll-out of LSIPs and the accompanying statutory guidance. We will also engage the Local Government Association and other key stakeholders and make use of the evidence collected from the evaluation of our trailblazers.

Amendment 44 aims to allow colleges and other providers to propose revisions to local skills improvement plans. The Bill already places duties on relevant providers to co-operate with employer representative bodies in developing the plans and keeping them under review. That will give providers the opportunity to propose revisions and help to ensure that the plans are evidence-based, credible and actionable. We expect local skills improvement plans to focus on key priorities for change to make provision more responsive to local labour market skills needs, but it is important to note that those will be changes that providers themselves will have had a role in specifying.

Once an LSIP has been signed off, a provider will be required to have regard to it. The plan will not tell providers what to do. Providers will remain responsible for making decisions as part of their business planning, but they will have the benefit of those decisions being informed by a credibly articulated and evidence-based statement of priorities from business that they will, in turn, be empowered and incentivised to respond to.

Mr Perkins: We have heard the Minister's response on those issues. Amendments 33 and 38 to 40 were probing amendments through which we sought to understand the role of the different organisations and how Government would define the different areas. I understood the Minister's response to mean that no area would be left out, but also that no area would be in two LSIPs —I think that that is what he was saying. That is quite important because if an area ends up being in two, because it is in two different functional drive-to-work areas, that will make the data collection aspect impossible.

There has been a lot of important narrative in this debate about recognising that areas may well look in two different directions. The point that the hon. Member for Warrington South made about looking towards Liverpool and towards Manchester, as well as towards the rest of Cheshire, is important. If Warrington does not end up being in one area or another, the data collection will become impossible, in terms of the success of those particular areas. We will obviously look to the statutory guidance and, if I have misunderstood what the Minister has said, he has the opportunity now to put me right. I think that it is really important to understand whether an area could be in two different local skills improvement plans.

On the basis of the responses and the fact that the amendments were probing, I propose to withdraw amendments 33 and 38 to 40. We would like to put amendment 41 to a vote, because we believe that it is not only consultation with combined authorities that is relevant; we are very concerned that areas that are outside a combined authority will have no democratic oversight whatever. We think that people within those areas will also want to know that there has been some consultation.

Emma Hardy: I know I am not intervening on the Minister, but I wonder whether a proposed map of the different areas will be put out for consultation before they are agreed and set by Government, and whether there will be an opportunity for local people to influence what the geographical areas will be.

Mr Perkins: It is the boundaries nightmare all over again. The Minister will have heard my hon. Friend's question, and I am sure that he and his officers will think carefully on it. Again, we will put only one amendment in this group to a vote. We will not press amendment 44, but we will divide the Committee on amendment 41. I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Amendment proposed: 1, in clause 1, page 3, line 6, after "evidence" insert

", including the views of relevant community groups including those representing the interests of disabled people,".—*(Mr Perkins.)*

This amendment intends to ensure that the evidence informing LSIP development includes information directly relevant to improving the employment prospects of disabled people.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 3]

AYES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Amendment proposed: 8, in clause 1, page 3, line 8, leave out "by people resident".—*(Alex Burghart.)*

This amendment requires the local skills improvement plan for a specified area to summarise skills, capabilities or expertise that are required in the specified area in general, rather than only by people resident in that area. Amendments 6, 7, 8 and 9 reverse an amendment made at Lords Report.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 4]

AYES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 8 agreed to.

Amendment proposed: 9, in clause 1, page 3, line 9, leave out "and other local bodies".—*(Alex Burghart.)*

This amendment means that a local skills improvement plan must identify actions that providers can take regarding certain post-16 technical education or training that they provide when making decisions about that education or training. Amendments 6, 7, 8 and 9 reverse an amendment made at Lords Report.

Question put, That the amendment be made.

The Committee divided: Ayes 10, Noes 6.

Division No. 5]

AYES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

NOES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 9 agreed to.

Alex Burghart: I beg to move amendment 10, in clause 1, page 3, line 10, after "any" insert "English-funded".

This amendment limits the post-16 technical education or training about which a local skills improvement plan must identify actions that can be taken to such education or training that is English-funded.

The Chair: With this it will be convenient to discuss Government amendments 11 to 17.

Alex Burghart: Officials in my Department have engaged closely with counterparts in the Welsh Government, and we believe that we have reached a satisfactory position from a devolution perspective. Government amendments 11, 12, 13 and 14 provide further clarification as to the definition of 'relevant providers' that may be in scope of the duties relating to local skills improvement plans in clause 1.

The amendments make it clear that those duties can only apply to institutions within the further education sector in England, English higher education providers, and independent training providers that provide post-16 technical education or training in England. Local authorities, 16-to-19 academies and schools in England may also be subject to the duties in the future should the Secretary of State exercise their power to make regulations under clause 4. Relevant providers will only be subject to the duties relating to local skills improvement plans if they provide English-funded post-16 technical education or training that is material to a specified area in England, including by distance or online learning.

Government amendments 10, 15, 16 and 17 provide further clarity in relation to the scope of local skills improvement plans. Amendment 10 limits the post-16 technical education or training about which a local skills improvement plan must identify actions that can be taken to such education or training that is English-funded. Education or training should be treated as English-funded where amounts are paid directly to providers in accordance with the regulations made by the Secretary of State under certain legislation, including, for instance, payments made in respect of student loans.

Mr Perkins: I do not intend to detain the Committee for long. The only question I wanted clarification on, given the conversation we have just had about areas, is about what thought had been given to the responsibilities of providers that are close to borders and provide services across them. We are supportive of Government amendments 11 to 14 and the clarifications established by Government amendments 15 to 17.

Alex Burghart: As I made clear in my remarks, it depends on whether provision is English-funded; that is, whether the money comes from England. That is how we explain the jurisdiction.

Amendment 10 agreed to.

Amendment proposed: 41, in clause 1, page 3, line 12, at end insert—

"(7A) Before local skills improvement plans are introduced outside of trailblazer areas, the Secretary of State must publish guidance relating to their implementation, subject to consultation of all Mayoral Combined Authorities and, where there is not one, the relevant local authority.".—*(Mr Perkins.)*

This amendment seeks to ensure that local and combined authorities are consulted on the Government's plans for the roll out of local skills improvement plans and are in a position to highlight any issues before publication.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 6]

AYES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	
Hopkins, Rachel	Perkins, Mr Toby

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Question proposed, That the clause, as amended, stand part of the Bill.

3.15 pm

Alex Burghart: It will be a great pleasure for everyone to hear that after three and a quarter hours of debate, we have nearly completed clause 1 of our 39-clause Bill. I will try not to detain the Committee for more than 45 minutes at this point.

With local skills improvement plans, clause 1 provides an important vehicle to give employers a more central role in local skills systems, working with providers, mayoral combined authorities and other key stakeholders to reshape provision to tackle skill mismatches and respond better to local labour market skills needs. To develop those plans, designated employer representative bodies will need to engage the widest possible range of employers and draw on a range of evidence, including existing analyses of skills supply and demand.

Local skills improvement plans will give providers an evidence-based summary of the skills, capabilities and expertise required by local employers, helping them to prioritise and focus investment in skills provision. The clause places a duty on providers to have regard to the plans, once developed, when making relevant decisions in relation to the provision of post-16 technical education and training in the area.

The clause will ensure the information, knowledge and expertise possessed by employers, providers and stakeholders is utilised to agree priority actions to align provision to better meet employer needs and support learners. The Bill is about making sure that we have qualifications, designed with employers, that ensure students get the skills the economy demands. Clause 1 is absolutely central to that mission.

Mr Perkins: I regret that the clause will leave this Committee in less good shape than when it arrived. The amendments agreed by the House of Lords were entirely sensible. They had cross-party support; they were agreed to only because they were voted for by Conservative Members who have tremendous knowledge and experience of these matters and who are much respected, alongside others. It is a matter of great regret that the Government have failed to take on board those helpful amendments, which were added in entirely the right spirit.

We believe that local skills improvement plans are an innovation that is of value, but we are very concerned that the way they are envisaged will make it difficult for them to achieve what might have been achieved. When we come to clause 2, we will get into the debate about how local skills improvement plans might be more representative. What will happen in the event that things go wrong with the employer representative bodies is important. I look forward to hearing the Minister's response on those points.

We support clause 1 standing part, but we are disappointed that it leaves the Committee in less good shape than when it arrived.

Question put and agreed to.

Clause 1, as amended, accordingly ordered to stand part of the Bill.

Clause 2

Designation of employer representative bodies

Mr Perkins: I beg to move amendment 35, in clause 2, page 3, line 22, after "the" and before "employers" insert "public and private sector".

This amendment would specify that employers operating within specified areas for the purposes of section 2(1)(a) can be both public and private sector.

The Chair: With this it will be convenient to discuss the following:

Amendment 45, in clause 2, page 3, line 22, leave out "reasonably".

This is a probing amendment to test how the Secretary of State will determine what mix of employers is considered "reasonably representative".

Amendment 36, in clause 2, page 3, line 22, after "employers" insert

", local Further Education colleges, independent training providers, local authority (including Mayoral combined authorities) and Local enterprise partnerships".

This amendment would add local Further Education college, independent raining providers, local authority (including Mayoral combined authorities) and Local enterprise partnerships to those of which employer representative bodies much be representative, in order to be designated as a representative body by the Secretary of State.

Amendment 46, in clause 2, page 3, line 23, after "area," insert

"including the interests of small and medium sized enterprises, the self-employed and public and voluntary sector employers,".

This amendment seeks to ensure that employer representative boards include a wider range of local employer interests including small and medium sized enterprises, the self-employed, and public and third sector employers.

Amendment 37, in clause 2, page 3, line 23, at end insert—

"(iii) in the event that there is no body in the local area that is representative of the organisations listed under subsection (1)(a)(ii) the Secretary of State will instruct the Local Enterprise Partnership or Metro mayor to bring together a board which is representative of all the organisations outlined in subsection (1)(a)(ii), who will take on responsibility for drawing up the local skills improvement plan.".

This amendment places a duty on the Secretary of State, in the event that the Secretary of State is not satisfied that an eligible body is not reasonably representative of the employers operating within the specified area.

Amendment 42, in clause 2, page 3, line 25, at end insert—

"(c) the Secretary of State has received in writing the consent of the relevant local authority or Mayoral Combined Authority.".

This amendment provides for local authorities to give consent in the designation of employer representative bodies.

Mr Perkins: We appear to have raced on to clause 2. Amendment 35 is important, because so much of the Government's narrative makes it clear that when they talk about employers, they really mean private sector employers. There are huge skills shortages within the public sector. The public sector is an important employer, and it is of particular importance in some of the most deprived communities. Labour's approach to the Bill will be about asking the Government to place employers and those responsible for education at the heart of a skills strategy.

It is essential that employers in the public sector, including those in health and social care, as my hon. Friend the Member for Warwick and Leamington mentioned, be consulted in the formation of local skills improvement plans. Employer representative bodies must ensure that LSIPs fully reflect both private and public sector employers.

Amendment 45 is a probing amendment designed to test how the Secretary of State will determine what mix of employers is considered "reasonably representative". The Bill refers to the Secretary of State being

"satisfied that…the body is reasonably representative".

I think it would be interesting to define what exactly is a reasonably representative mix of employers on LSIPs. It is highly likely that chambers of commerce will be the employer representative body by default in most LSIP areas. We have had representations from organisations such as the Federation of Small Businesses, which has concerns about the powers to be handed to those chambers.

The Minister has said that ERBs that are not performing could be sacked and potentially replaced, but there are not numerous organisations that have the capacity to undertake that kind of work. Indeed, there is some question over whether many chambers of commerce will immediately have that capacity, but they will have the responsibility either way. As has been said, some areas have an active and vibrant chamber of commerce, and our proposals should not be viewed as being hostile to them. There are many excellent professionals in chambers of commerce and many really excellent chambers that make an incredibly important contribution to our local economies and to skills. However, it is important to recognise that membership and attendance can vary greatly within localities. The priorities of some chambers can be dominated by a small number of particularly loud voices. It is important that there are safeguards to ensure that any ERB is representative. I look forward to the Minister's assurance that that will be the case and that ERBs will consult widely in the formation of the LSIP.

What mechanisms are in place should the Secretary of State consider that an ERB is not representative? What mechanisms are in place to deal with complaints from others, such as further education colleges, which may consider that an ERB is not representative?

Emma Hardy: Much as I hate to return to the boundary issue, our local chamber of commerce is the Humber-based chamber, which may not end up being the geographical area represented by the skills body. To return to small and medium-sized enterprises, and the concerns of the Federation of Small Businesses to which my hon. Friend referred, in areas where most employment comes from SMEs or the public sector, how can we ensure that they are heard when the skills plan is developed?

Mr Perkins: That is a really important point. In some cases, chambers of commerce and branches of the Federation of Small Businesses have constructive relationships; in other areas the relationship is less constructive. To place the role of one above the other in respect of an ERB is potentially exclusive.

Amendment 36 would add local further education colleges, independent training providers, local authorities, including mayoral combined authorities, and local enterprise partnerships to those of which employer representative bodies must be representative to be designated as a representative body by the Secretary of State. We are seeking to ensure that colleges, independent training providers, local authorities and LEPs are not shut out of LSIPs and that all form part of the consultation when LSIPs are drafted by ERBs.

Amendment 46 seeks to ensure that ERBs include a wider range of local employer interests, including SMEs, the self-employed, sole trader businesses, and public and third sector employers. In some sectors such as construction, a huge number of those responsible for ensuring that a new generation of people come into the sector are self-employed or sole traders. Historically, they would just have taken on a young apprentice to work with them; they will now potentially be excluded from doing that. We have seen the danger in the way the apprenticeship levy was introduced. Big business was very much in mind when it was introduced, and the way it was designed has massively reduced the number of small businesses offering apprenticeships.

There is a danger of SMEs being excluded from the measures in the clause, particularly in smaller town communities where there are not the major employers that there are in larger cities. We are really concerned that SMEs, alongside charities, community organisations and others, will be excluded from the decision-making process in the formation of LSIPs. Amendment 46 would ensure a role for them, alongside the self-employed, in the drafting of LSIPs.

[Mr Perkins]

Amendment 37 moves towards the heart of what a Labour local skills improvement plan would look like. The other amendments attempt to ensure that there is proper consultation by the employer representative body. Given that the Bill gives wide-ranging, undetermined powers to the Secretary of State, we want to ensure that local enterprise partnerships and metro Mayors have their role in local decision making enshrined in the Bill. Amendment 37 therefore proposes that, if no suitable employer representative body is found that can represent all aspects, the Secretary of State be required to set up a board in that area, which would have wider representation from organisations like FE colleges, metro Mayors and local authorities.

Emma Hardy: I recall the Minister saying that the Secretary of State will have the power to take control from chambers of commerce if they are seen not to be working properly. I wonder whether the Minister would seriously consider our amendment as a model they could use. If there is only one chamber in the area, and that chamber loses control or oversight, who are we going to use instead? Does the Minister anticipate that there will be some form of inspection to check the competency of chambers? Will there be key performance indicators, or some way of flagging whether the chamber is successful or deemed to be failing?

Mr Perkins: Those are all important questions. My hon. Friend is absolutely right. There are significant warnings to employer representative bodies in the Bill about failing to satisfy the Secretary of State. In the event that they are dismissed, as the Bill makes clear may happen, who is responsible for the local skills improvement plan after that? Many Members have said that some chambers are really strong, others have different strengths and others are not so strong. Putting all our eggs in one basket, which the Bill pretty much does in the vast majority of geographies, is a cause for concern.

Amendment 42 would place a statutory duty on the Secretary of State to consult and seek consent from local authorities and combined authorities on the formation of employer representative bodies. Given that ERBs will be responsible for the formation of LSIPs, which will have budgetary commitments, it is vital that they have the confidence of local authorities and combined authorities, and that organisations are working in collaboration rather than in opposition, as we have said time and again would be the Labour approach.

Andrew Gwynne: I rise briefly to support the amendments. The nub of what my hon. Friend has set out to the Committee could easily have been resolved in our earlier deliberations, when the Minister promised genuine collaboration between the local chamber of commerce and a whole range of public and private sector bodies in developing the plans. The list in the Bill of those public and private sector bodies has been struck out by the defeat of the Lords amendments, so it is right that we have another go here.

3.30 pm

First, it is important to recognise, as my hon. Friend the shadow Minister did, the important role the public sector plays in many of our local economies. That is not to say that we should not be trying to boost and drive the involvement of the private sector—we should. We should be expanding the use and involvement of the private sector in the development of new jobs and new investment in all our constituencies. However, it is a fact of life that there is also a public sector in our constituencies. Whether it is the local council or, even after substantial reductions in the workforce over the past 10 years, significant employers such as the police, the fire service and the NHS, which is probably the biggest employer in our constituencies, they have skills and training needs too. We need to ensure that their views are fully integrated as part and parcel of the skills strategies, and the best way to do that is to involve them in the development of the plans. I therefore fully support the amendments tabled by my hon. Friend.

It is also important to future-proof the strategies. If the Secretary of State sees the local chamber of commerce as failing in its duty with regard to the strategy, there must be a plan B. Who takes over responsibility for the strategy? It makes perfect sense for that to be the metro Mayor or local government.

Emma Hardy: I hope that when the Minister responds, he defines whether there is going to be a transparent judgment or transparent criteria. Will the criteria be judged and evaluated? Who will do that judgment and evaluation to determine whether a chamber has failed? It surely cannot be at the whim of the current Secretary of State, whoever that may be, to decide whether a chamber is seen as successful or failing.

Andrew Gwynne: My hon. Friend is right. There has to be a fair arbitration process as well, because it may well be that the chamber of commerce does not agree that it is failing, in which case we will have a problem in trying to resolve the matter. I do not want to focus on possible failure, but we have to legislate for it, just in case. I want each and every one of these bodies to be a success but if, for whatever reason, one is not, we must know what the mechanisms are to ensure that the skills strategy for a given geographical area is carried on and made successful. My hon. Friend the Member for Chesterfield's amendment seeks to get that information from Ministers on what happens if, for whatever reason, things go wrong.

Lastly, I come back to the issue of how boundaries matter. If, for whatever reason, the boundaries for the skills strategy are different from those of whoever takes over that responsibility in the event of the chamber of commerce failing, we need to make sure that it is clear that the replacement covers the same area as what went before it.

Rachel Hopkins (Luton South) (Lab): It is a pleasure to speak under your chairship, Mr Efford. I rise to support amendments 35, 45, 36 and 46, which were well presented by my hon. Friend the Member for Chesterfield. It is particularly important to reflect the points well made by my hon. Friend the Member for Denton and Reddish about public and private employers. Much has been said about the potential for formulating the employer representative body from the chamber of commerce. The clue is in the name: it is about commerce and business, as much as employers.

That leads me on to the bit in between: our strong and vibrant voluntary sector. Recently, we have seen the greater rise of commissioning over many years by many public sector organisations. They have had 10 years of cuts, to be frank, so they have thought of innovative ways to deliver what I believe to be public services still. They have commissioned the voluntary sector, and it is vital for the voluntary sector—as suggested by amendment 46—to have a seat on that employer representative body, whether as a collective in an overarching grouping or as key individual employers in the designated area, whatever it might be. Equally, we must ensure an interrelationship with other significant public sector bodies—put well by my hon. Friend the Member for Denton and Reddish. Not being explicit is not recognising what the employment market looks like.

Emma Hardy: When the Government design the LSIP areas, I wonder whether it would be helpful to produce some data on the respective public-private employer difference in each area. Each area will look different, so I imagine that the employer representatives would be reflective of that particular labour market.

Rachel Hopkins: My hon. Friend makes an excellent point. Exactly that—this is an employer representative body. The Bill must be open and explicit about ensuring that the public and voluntary sectors, and others—small businesses, the self-employed—have a seat at the table, through whatever mechanism. It is for them to outline how they wish to do that, but perhaps through something like the Federation of Small Businesses. I think that is vital, because otherwise it just gets lost in the grain. If the measure is to be a success in pushing forward on the skills agenda, we need to be explicit about who is at the table, who is shaping the plans and which areas. I hope that the Minister addresses my comments in his response.

Matt Western: Briefly, the amendments seek to reflect the reality on the ground, as we have heard. Let us think about HS2 and what has been happening. We have had years—decades—of plans for HS2, but we have seen skills sucked out of the regions so that we cannot get normal construction projects completed. That is because there has not been the co-ordination that there should have been. How was that allowed to happen? The result has been a huge impact on our regional economies.

Amendment 35 looks at the inclusion of public and private sectors as employers on the ERB. How can we not include the national health service, for example, and yet are able to include Virgin Care or Circle and others? It is bizarre that the public sector is not included.

On linking to the public sector, amendment 46 also seeks to include other employers, such as SMEs, the self-employed—as my hon. Friend the Member for Chesterfield said—and public and third-sector employers. Right2Learn, in a written submission, stated:

"We believe it is critical that local skills and training strategies need to look far more widely at including third sector organisations, as well as HE and FE providers. There must be far more opportunities for the direct involvement of SME clusters and organisations and the so-called gig economy which the Taylor Commission highlighted, including co-operatives and self-employed."

I have said before, we must include charity-heavy provision and I gave the example of the Workers' Educational Association.

Amendment 46 states that we need to include the third sector and the local health boards. As I said, we have seen how good that can be through the pandemic. Local primary care networks and public health in our localities really stepped up and showed that what they do is what they know, which is their regions, their populations and their geographies, to deliver good services. The same would apply to the provision of skills across our regions.

Alex Burghart: I rise to speak to amendments 35 to 37, 42, 45 and 46. Amendment 36 would require designated employer representative bodies to be reasonably representative of a broad range of local stakeholders. We have already been clear that we want local skills improvement plans to be employer led, which means led by genuine employer representative bodies, but we have also been very clear that designated employer representative bodies should work closely with key local stakeholders to gather intelligence and consider their views and priorities when developing local skills improvement plans.

That includes local post-16 technical education and training providers and mayoral combined authorities, which, through our Government amendment, are already specified in the Bill as playing a key role. It also includes local authorities and local enterprise partnerships, among others. This will be covered in more detail in the statutory guidance.

Amendment 45 seeks to test how the Secretary of State will determine what mix of employers is considered "reasonably representative". When making a judgment on whether an ERB is reasonably representative, the Secretary of State will take into consideration the characteristics of its membership compared with the overall population of employers in the area. That speaks to the point that a number of Opposition Members have made.

We certainly expect designated employer representative bodies to draw on the views of a wide range of local employers of all sizes, reaching beyond their existing membership and covering both private and public employers. They will also need to draw on other evidence, such as other representative and sector bodies, to summarise the skills, capabilities or expertise required in a specified area. That type of engagement is already happening, and happening brilliantly, in our trailblazer areas.

Amendment 35 seeks to ensure that designated employer representative bodies are reasonably representative of both public and private sector employers. The Bill already ensures that that is the case. Clause 4 gives a definition of "employer" for the purposes of interpreting clauses 1 to 3 that covers public authorities and charitable institutions—to the point made by the hon. Member for Luton South—as well as private sector employers.

Amendment 46 seeks to ensure that designated bodies represent the interests of small and medium-sized enterprises, the self-employed, and public and voluntary sector employers. Public and voluntary sector employers are also already covered under the definition of employer in the Bill. Designated employer representative bodies must of course represent the interests of small and medium-sized enterprises in order to be reasonably representative.

Many existing employer representative bodies already do this effectively. For example, SMEs comprise the vast majority of the membership of local chambers

[Alex Burghart]

of commerce. In drawing on other evidence, designated ERBs may also need to consider the key skills needs of the self-employed in order to effectively summarise the current and future skills required in the area, and that will be referenced in statutory guidance.

Amendment 37 concerns a scenario where the Secretary of State is not satisfied that there is an eligible body within a specified area that is reasonably representative of local employers. We have thought about that, but we really do not think it is likely to happen. Although the "Skills for Jobs" White Paper mentioned accredited chambers of commerce, there are other employer representative bodies with either a national or local presence. We saw evidence of that from the expressions of interest process we ran to select the local skills improvement plan trailblazers, for which we received 40 applications despite only looking for six to eight trailblazers. Many hon. Members today have spoken about chambers of commerce, but the Government are entirely open to representatives from the Federation of Small Businesses and other geographically based organisations that could also be eligible.

Mr Perkins: To clarify, how many of the trailblazer organisations were not chambers of commerce?

Alex Burghart: All eight trailblazers were chambers of commerce. However, I believe there were expressions of interest and applications from others. For the record, we are not saying that this is solely the preserve of chambers of commerce. We are supporting the trailblazers with £4 million of funding this financial year, and we will continue to support ERBs as they are designated, so that they can develop credible and robust local skills improvement plans.

Mr Perkins: I appreciate the Minister's response. I remain of the view that public and private sector employers should feature in the Bill, so I will press amendment 37, which spells out Labour's much more collaborative approach to this matter, to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 37, in clause 2, page 3, line 23, at end insert—

> "(iii) in the event that there is no body in the local area that is representative of the organisations listed under subsection (1)(a)(ii) the Secretary of State will instruct the Local Enterprise Partnership or Metro mayor to bring together a board which is representative of all the organisations outlined in subsection (1)(a)(ii), who will take on responsibility for drawing up the local skills improvement plan."—*(Mr Perkins.)*

This amendment places a duty on the Secretary of State, in the event that the Secretary of State is not satisfied that an eligible body is not reasonably representative of the employers operating within the specified area.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 7]

AYES

Gwynne, Andrew	Johnson, Kim
Hardy, Emma	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Ordered, That further consideration be now adjourned.—*(Michael Tomlinson.)*

3.46 pm

Adjourned till Thursday 2 December at half-past Eleven o'clock.

Written evidence reported to the House

SPEB01 Central YMCA

SPEB02 The WEA

SPEB03 London Institutes for Adult Learning

SPEB04 Association of Colleges

SPEB05 The Open University

SPEB06 EngineeringUK

SPEB07 Local Government Association

SPEB08 Birkbeck, University of London

SPEB09 Right to Learn

SPEB10 University of Salford

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

Third Sitting

Thursday 2 December 2021

(Morning)

CONTENTS

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not later than

Monday 6 December 2021

The Committee consisted of the following Members:

Chairs: †Clive Efford, Mrs Maria Miller

† Ali, Tahir *(Birmingham, Hall Green)* (Lab)
Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Gwynne, Andrew *(Denton and Reddish)* (Lab)
Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
Hunt, Tom *(Ipswich)* (Con)
† Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Thursday 2 December 2021

(Morning)

[Clive Efford *in the Chair*]

Skills and Post-16 Education Bill [*Lords*]

Clause 2

Designation of employer representative bodies

11.30 am

Mr Toby Perkins (Chesterfield) (Lab): I beg to move amendment 43, in clause 2, page 3, line 27, leave out "as the Secretary of State considers appropriate" and insert—

", including—

(a) the requirement for the local skills improvement plan to give due regard to relevant national and regional strategies, including in respect of the Decarbonisation Strategy,

(b) a requirement for employer representative bodies to publish a conflicts of interest policy for all those involved in approving plans or allocating funds which records actual or perceived conflicts of interests, and

(c) anything else the Secretary of State considers appropriate."

This amendment sets out conditions for employer representative bodies. The amendment would require that employer representative bodies publish a conflicts of interest policy and give regard to national strategies (including the Decarbonisation Strategy).

It is a pleasure to serve under your chairmanship again, Mr Efford. We will try not to give you any unpleasant surprises this time.

This is a relatively small but important amendment, which has three aspects to it. Given the exemplary cross-party work undertaken in another place on local skills improvement plans and climate change, we believe that the Bill can go further to ensure that, as a nation, we meet our commitment to the natural environment. It is therefore crucial to ensure that LSIPs give due regard to the decarbonisation strategy and that employer representative bodies produce plans with due diligence given to committing to ensuring that we have green skills for the future across local labour markets.

If we are to meet the UK's emissions target of net zero even by 2050—we already know that to be a challenging and potentially insufficient commitment—it is essential that green jobs are created and that that is a key focus of the local skills improvement plans in every single area across the country. One reservation expressed in our previous debates is that the different chambers of commerce and employer representative bodies will have different priorities. The amendment, in the first paragraph, seeks to ensure that, whatever the priorities of the chamber of commerce, it addresses the decarbonisation strategy. If it does not have the expertise itself, it needs to avail itself of that to ensure that the plans move us towards net zero. Once again, this demonstrates the need to align skills policy with national strategies across Departments—in this case the Department for Business, Energy and Industrial Strategy—so that LSIPs do not become silos.

The second paragraph of the amendment would require employer representative bodies to publish a conflicts of interest policy for all those involved in approving plans or allocating funds, to record actual or perceived conflicts of interest. This is an incredibly important proposal, because the Bill places responsibilities and duties on—predominantly, we expect—chambers of commerce in a statutory fashion. I think that is unlike anything we have expected them to do before—unless the Minister wants to draw my attention to something. Chambers of commerce are not statutory organisations, but they are now taking on a role that appears to have statutory status.

Many people at senior levels are involved in chambers of commerce. They are in there because they want to make their local economies better and to improve the opportunities for businesses in their local area. It is also perfectly possible, however, that they will have an agenda about the industry that they are in or represent. Therefore, if they are to take on a more statutory-looking role, it is important that we are aware of what their conflicts of interest might be. If a local skills improvement plan suddenly features policies to do with a certain industry, we need to know who put the plan together so that we can consider why they might have done so. It would therefore be basic best practice for a local skills improvement plan to include a declaration of any interests or potential conflicts of interest.

Rachel Hopkins (Luton South) (Lab): It is appropriate that I declare an interest again: I am a vice-president of the Local Government Association and a governor of Luton Sixth Form College. Many local authorities have third-party declarations, where councillors have to declare any potential conflicts of interest regarding the funding decisions that they are making, even if a partner works for a charity that is getting a council grant. It should be the same with regard to employment representative bodies and their members, so that we have a clear and transparent understanding of where funds may be allocated, and where there are potential or perceived conflicts of interest.

Mr Perkins: Precisely—I could not have put it better myself. In fact, I do not think that I was putting it better myself. If a chamber of commerce has, for example, a tree surgeon as its chair, and the local skills improvement plan has policies on attracting skills in tree surgery and no other does, people might consider that an agenda has been driven. There are all kinds of other examples. There is nothing negative about tree surgery—we all know how important it is—but people would need to understand why it was in the policy and whether there were any other factors to consider. In recent weeks, there have been real concerns about the allocation of Government funding, who was getting it and on what basis, who was talking to who, who was donating to who, who was signing up to who, and who was the best pal or a publican of a friend of who. In that context, it is important to ensure that local skills improvement plans are not mired in the murk that we have seen from the Government recently.

Kim Johnson (Liverpool, Riverside) (Lab): As we know, eight trailblazer ERBs were set up in July this year, with £4 million. Does my hon. Friend agree that

we need to find out how beneficial they have been before we decide to roll them out and have chambers of commerce leading on them?

Mr Perkins: My hon. Friend makes an excellent point. It is feature of the Government's approach, particularly to skills, that they set up pilots and then reach a conclusion before it is completed, as we saw on T-levels. We are debating the creation of something when the pilot is still at a very early stage. It was commented on, on social media and elsewhere, that the Minister said on Tuesday that it does not have to be a chamber of commerce; it could be any kind of organisation. When I asked him how many other organisations there are, he said, "Well, none." It is better if we are straight and honest about what we are talking about. The anticipation is that chambers of commerce will do it in the vast majority of cases. Other organisations may come forward, and we look forward to seeing that emerge, but clearly the legislation was written with chambers of commerce in mind, and they are taking on the trailblazer role. My hon. Friend makes a valuable point. Why not find out how these things are working before we rush ahead and do them?

Matt Western (Warwick and Leamington) (Lab): To amplify that point, I am sure that Members on both sides agree that we need greater transparency. All we are asking for is openness in the process, so that people cannot seek to influence decisions. To take one simple example, not very far from me there was a local enterprise partnership, the chair of which happened to be a huge landowner who was seeking to steer future business decisions towards that parcel of land. That is why this is really important. Of course, it could come from any direction; I just happen to use that example. Whether it is the cronyism that my hon. Friend referenced earlier, or the chair of the Office for Students, these things have to be out in the open and as transparent as possible.

Mr Perkins: Absolutely. That is particularly important because organisations such as local enterprise partnerships, the Office for Students and others operate on a statutory level, with expectations around that. From a governance perspective, they are kind of arms of Government. The chambers of commerce are independent of Government. The Government are outsourcing responsibility for a function that they have created. It will be delivered as a function of Government, but they are expecting a private organisation to deliver it. It is therefore important that that private organisation operates in a way that a statutory organisation would.

Rachel Hopkins: My hon. Friend is making a very interesting point about transparency and the outsourcing of a Government function to a private entity. Does he agree that, given that a freedom of information request cannot be placed on a private entity, this is another reason why it is vital that these conflicts—or potential conflicts—are raised early doors and up front for transparency?

Mr Perkins: My hon. Friend makes another incredibly important point. It is something that people should naturally accept. I will be very interested to hear the Minister's response. That was another important intervention from my hon. Friend, and I appreciate the interventions both she and my other colleagues have made—if any Conservative MPs want to involve themselves in the debate, they would be very welcome to do so. It is important that everyone gets to know what is being said, who is saying it and on what basis it was said. That is the reason for the amendment. We do not need to continue describing it, but I am very interested to hear what others have to say on it.

The Parliamentary Under-Secretary of State for Education (Alex Burghart): It is a pleasure to serve under your chairmanship again, Mr Efford, and I look forward to making even more rapid progress today, as we continue with clause 2 of our 39-clause Bill. I rise to speak to amendment 43, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, regarding specifying certain conditions for the designation of employer representative bodies. It is obviously right that a designation may be subject to terms and condition, such as the terms and conditions that the hon. Member for Chesterfield has set out. However, the precise terms and conditions need to be flexible, and may change over time in the light of wider circumstances. They also need to be tailored to the specific employer representative body in question. That is why the specifics should be set out by the Secretary of State in a notice of the designation, which can be modified from time to time, rather than in the Bill.

Mr Perkins: I thank the Minister for that very brief response—the Opposition have heard it. It is important that there is clarity about where people are able to find these conditions. We are once again being asked, "Vote for it now, and we will let you know what it means tomorrow." It sounds almost like the coalition agreement. I believe that a commitment at this stage to having those aspects in the Bill would have been useful. I do not believe the Minister touched upon decarbonisation at all in his response, which seemed quite an omission, but we are of the view that a decarbonisation strategy should play a central role in these LSIPs. For that reason, we will seek to test the mood of the Committee by pressing the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 8.

Division No. 8]

AYES

Ali, Tahir	Johnson, Kim
Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss new clause 3— *Report on the performance of employer representative bodies—*

[The Chair]

"(1) Within six months of the passing of this Act, and every twelve months thereafter, the Secretary of State must publish a report on the performance of employer representative bodies and lay it before both Houses of Parliament.

(2) Each report must contain a statement setting out—

(a) the role of employer representative bodies,

(b) the accountability of employer representative bodies,

(c) the cost of employer representative bodies,

(d) the number of employer representative bodies in England and the areas covered,

(e) the number of employer representative bodies that have been removed and the reason why.

(3) Each report must contain an independent assessment of the impact of each employer representative body on—

(a) the development of local skills improvement plans, and

(b) local rates of participation in further education."

This new clause requires the Secretary of State to publish and lay before both Houses of Parliament an annual report on employer representative bodies to allow for scrutiny of their role and performance.

11.45 am

Alex Burghart: Clause 2 is important for placing employers at the centre of the local skills system, shaping post-16 technical education and training so that it is more responsive to local labour market skills needs. It gives the Secretary of State the power to designate genuine employer representative bodies to lead the development of local skills improvement plans, working closely with employers, providers and local stakeholders. Employer representative bodies will be well placed to give a credible articulation of local skills need and drive greater employer involvement in local skills systems.

The Secretary of State will designate employer representative bodies based on criteria. They must be satisfied that a body is capable of performing the duties of developing and keeping under review a local skills improvement plan in an effective and impartial manner, and that it is reasonably representative of employers in the area. The body must also consent in writing to being designated. Designated bodies should draw on the views of a wide range of employers of all sizes, as well as other relevant employer representative and sector bodies, to inform the development of those plans. This should ensure it is as easy as possible for employers, especially small employers, to engage and have their voice heard. The success of the plans will depend on sustained and effective engagement between employers, convened and represented through the designated bodies, and providers.

Clause 2 requires the Secretary of State to provide written notice of the designation detailing the designated body, specified area, effective date, and any terms and conditions the employer representative body will be subject to. Introducing this power to designate is crucial to ensuring there is an effective employer-led body in place that is capable of leading the development of a robust local skills improvement plan for an area, working closely and in co-operation with relevant providers and stakeholders.

New clause 3, tabled by the hon. Members for Chesterfield and for Warwick and Leamington, is concerned with the performance management of employer representative bodies. It proposes a requirement for the Secretary of State to periodically

"publish a report on the performance of employer representative bodies".

We agree that employer representative bodies need to be accountable for their leadership of local skills improvement plans, and the Bill already provides a framework for this. The Secretary of State must be satisfied that an eligible body is capable of developing a local skills improvement plan in an impartial manner before they are designated. The Secretary of State can then specify terms and conditions to which a designation is subject and modify them as necessary. In its role, the designated employer representative body will be accountable to the Secretary of State, and the Department for Education will monitor and review its performance.

If a designated employer representative body does not have regard to relevant statutory guidance—as we were discussing last time—or comply with any terms or conditions of its designation, or if it ceases to meet the criteria for which it was originally designated, the Secretary of State may well decide not to approve and publish the local skills improvement plan, and has the power to remove its designation. If that power is exercised, the Secretary of State must publish a notice, which must include the reasons for the removal. The Secretary of State is already accountable to Parliament, and Members can of course raise questions on this issue if they wish.

Mr Perkins: With regard to clause 2, we remain of the view that without amendment 37, which the Committee decided to vote against on Tuesday, the Government will be introducing a good idea badly. As such, local skills improvement plans will not enjoy the holistic representation or offer the breadth of experience they could have done, which is hugely regrettable. I do not propose to repeat all of the arguments we made last Tuesday, or even any of them, but it remains our view that not incorporating amendment 37 in the Bill will fundamentally undermine local skills improvement plans.

New clause 3, which we have proposed,

"requires the Secretary of State to publish and lay before both Houses of Parliament an annual report on employer representative bodies to allow for scrutiny of their role and performance."

We think it is essential that there is proper scrutiny and oversight of employer representative bodies, that they enjoy the confidence of elected representatives at local and national level, and that local communities, local businesses and, crucially, learners—who are so absent from the Bill—can see how an employer representative body has performed and assess the quality of the plans they have produced. Given that employer representative bodies will control much of the adult education and skills budget and their direction through the formation of these local skills improvement plans, due diligence and accountability will be vital. All we ask for is an annual report to Parliament that will enable Members to analyse the performance of employer representative bodies and ensure they are doing the role they are intended to.

Alex Burghart: I want to clarify a point regarding something the hon. Gentleman just said. It is important for us all to realise and recognise that employer representative bodies will not be commissioners. They do not control budgets; they set out plans that local providers of education then have to respond to. He may not have meant that, but I just wish to clarify that point.

Mr Perkins: I am grateful to the Minister for clarifying that. I did understand that. When I used the phrase "control much of the adult education and skills budget", I meant that the direction in which that budget ends up being spent will be informed—in fact, legally, will have to be informed—by those local skills improvement plans. While they might not be writing out the cheques, they will very much be responsible for the pathway that that funding takes. I thank the Minister for his clarification, but I do not think it alters the point that I was making.

Matt Western: Clearly, the new clause is quite simply about, as my hon. Friend is saying, ensuring that there is scrutiny of the actions and the role of these bodies and that they are actually serving in the way that they are intended. The change being introduced is quite significant; while we see some of it as being positive—although perhaps not very well formed, as we have articulated previously—that is why it is important that there should be scrutiny. The Government should take interest in that. This is just another example of there not being enough scrutiny in our governance.

Mr Perkins: Absolutely, and the Government have been accused of treating Parliament with contempt. What we ask for here is an important change that would lead to an annual report to Parliament and ensure that the Secretary of State would come to Parliament and answer to that once-a-year report.

The Minister spoke about the accountability of ERBs to the Secretary of State, but said nothing about the accountability of ERBs to Parliament, or of the Secretary of State to Parliament. It is not good enough to simply say "Well, there will be a responsibility to the Secretary of State, and if you want to ask him a question, you can."

It is not asking too much to say "Once a year, provide a report. Members of Parliament expect a statement to be produced alongside that report, and any MPs with particular concerns have a tiny section of their parliamentary year to ask questions about employer representative bodies, and at least have those on the public record." That was the purpose of our new clause 3. I think that it is a very sensible one, and that it would be useful if the Government ensured that they were open to that scrutiny.

Matt Western: It is a pleasure to serve under you in the chair again, Mr Efford. I will just add a simple point. I appreciate that it is always difficult in these situations for a Minister, but I would urge him—I am sure my hon. Friend the Member for Chesterfield would agree—to reflect on this very constructive new clause. While it may not be successful today, perhaps in days to come, the Government will reflect on that and look to introduce it at a later stage. I think that would be a very positive thing for the Government to do.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

Clause 3

REMOVAL OF DESIGNATIONS

Question proposed, That the clause stand part of the Bill.

Alex Burghart: Clause 3 is an important accountability mechanism, which gives the Secretary of State the ability to remove an employer representative body's designation in certain conditions. Hopefully, that will not be required, but we need to be clear on when such circumstances may arise, and ensure there is a process—

Mr Perkins: On a point of order, Mr Efford. I do not think we have dealt with new clause 3. Did we?

The Chair: The new clauses are dealt with at the end of the proceeding. So we will deal with all of the new clauses and any votes then. You will move new clause 3 formally at that stage and we will vote on it.

Alex Burghart: As I was saying, we need to be clear when such circumstances may arise and ensure that there is a process for taking appropriate action, which will be through a published notice.

The ability to remove a designation is needed for a range of important reasons, for example in the event that an employer representative body does not comply with the term or condition of their designation, or does not have regard to relevant guidance on carrying out their role. This clause helps to ensure that the employer representative body designated for an area remains representative, and capable of delivering and keeping under review a local skills improvement plan in an effective and impartial manner.

Mr Perkins: This clause is obviously necessary, given the votes that have taken place already. It outlines the circumstances in which the Secretary of State can remove the designation of an employer representative body.

It would be useful to get clarification from the Minister about the reasons why the Secretary of State would look to replace an employer representative body, such as the performance of that body; any representations made by anyone within the body, be it further education colleges or other institutions; representations by other employer representative bodies that perhaps did not consider that the body was being consistent or was properly declaring interest; or any other criteria that might require an employer representative body to be replaced.

The other real concern is that the Secretary of State has awarded himself huge powers. He will be the person who will decide who to appoint; he will be the person who approves the local plan; therefore, he becomes the person who decides whether it is right policy for Bishop Auckland, or for Bishop Stortford, or for anywhere in the country—the Secretary of State is the man who decides whether or not a plan is the right one. If he then decides, "Oh, well, I don't really like this plan", or, "I don't like the way the employer representative body is carrying out its business", he can choose to get rid of the employer representative body as well.

The Secretary of State is taking a lot of powers under the guise of devolution to set policy in individual local areas. Although we understand the purpose of the clause and do not intend to vote against it, it would be useful to hear from the Minister a little more about the criteria that will be used. It is also important for these employer representative bodies to have clarity and that it is not just a case of, "Look, if you annoy the Secretary of State, he might get rid of you", and that instead we have a proper process and proper criteria.

Andrew Gwynne (Denton and Reddish) (Lab): We have to legislate for the worst case scenarios as well as for the best case scenarios. Given that there is little democratic oversight, particularly outside areas with metro Mayors, in this whole process, does my hon. Friend think that we perhaps need parliamentary scrutiny of any decision that the Secretary of State makes in respect of who the representative bodies are and are not at any one particular time?

Mr Perkins: That is an important point. Obviously part of my hon. Friend's constituency comes within the Greater Manchester Combined Authority. He and his colleagues in the Greater Manchester area have a very strong sense of the priorities for their local area. They might have worked very closely with an employer representative body and come up with a plan that they liked. However, the Secretary of State might not like that plan and might decide, "Well, I'm overruling that"'; the Secretary of State is sat there in Stratford-on-Avon, but he thinks he knows better than my hon. Friend what Greater Manchester needs. Some kind of process that just explains on what basis the Secretary of State will make these decisions would be very valuable.

This reminds me of what was happening around the time of the second coronavirus lockdown, when we know that the Government and the Secretary of State were very angry with Andy Burnham, the Mayor of Greater Manchester, for not complying with their strict demands and edicts. If it was an employer representative body that was angering the Secretary of State, goodness knows whether or not he would cite this clause and say, "Well, we'll have to get rid of you, because you haven't done what we said".

When the Secretary of State awards himself such powers—and we understand that there is a need to put in place a clause to replace ERBs, on occasion—some kind of parliamentary scrutiny is needed of those concerns and the desire to remove the designation.

It would be useful to hear more from the Minister about how that process will take place. Who will be able to make representations around the replacement of an ERB? What weight will be given to the representations of alternative employer representative bodies, FE colleges and independent training providers? The worry is that the plans may mean that independent providers that play an important role in individual sectors are overlooked and are not seen within the employer representative bodies or the local skills improvements plans. Who will be able to make representations on all that, and what level of scrutiny will there be? Those are important questions, and we look forward to the Minister assuring us on those matters.

12 noon

Alex Burghart: I have listened carefully to the hon. Member for Chesterfield, and I refer him to clause 3. The Secretary of State will set out terms and conditions for each employer representative body, and those terms and conditions will be public. Statutory guidance to govern how employer representative bodies behave will also be public. In the event that a Secretary of State wishes to remove the designation of an ERB, he or she will have to do so in writing. Under the terms of clause 3(3)(a), he or she will have to

"include reasons for the removal of the designation".

Obviously, the Secretary of State is accountable to Parliament. I imagine that there would be further urgent questions on the matter, and that Select Committees might want to look into it. I believe that our mechanisms for parliamentary accountability are sound and good—particularly when they are overseen by noble Chairs such as yourself, Mr Efford. With that, I resume my seat.

Question put and agreed to.

Clause 3 accordingly ordered to stand part of the Bill.

Clause 4

INTERPRETATION

Amendments made: 11, in clause 4, page 5, line 35, after "institution" insert "in England".

Amendments 11, 12, 13 and 14 ensure that a relevant provider, to whom the duties in clause 1(4) apply, must be in England. This amendment ensures that, for an institution within the further education sector to be a relevant provider, it must be in England.

12, in clause 4, page 5, line 38, leave out "a" and insert "an English".

See the explanatory statement for Amendment 11. This amendment ensures that a higher education provider will be a relevant provider only if it is an English higher education provider.

13, in clause 4, page 5, line 40, after "provider" insert

"whose activities, so far as they relate to the provision of post-16 technical education or training, are carried on, or partly carried on, in England".

See the explanatory statement for Amendment 11. This amendment ensures that an independent training provider is a relevant provider only if the provider's activities that relate to providing post-16 technical education or training are carried on, or partly carried on, in England.

14, in clause 4, page 5, line 41, at end insert "in England".

See the explanatory statement for Amendment 11. This amendment ensures that the only schools that can be relevant providers by virtue of regulations under clause 4 are schools in England.

15, in clause 4, page 6, line 9, leave out "in respect of which amounts are"

and insert

"funded, wholly or partly, by amounts".

This amendment, together with Amendments 16 and 17, ensure that education or training is treated as English-funded where amounts are paid directly to providers of the education or training in accordance with regulations made by the Secretary of State (as, for example, where payments are made by the Student Loans Company).

16, in clause 4, page 6, line 10, leave out "by the Secretary of State".

See the explanatory statement for Amendment 15.

17, in clause 4, page 6, line 11, after "made" insert

"by the Secretary of State".—*(Alex Burghart.)*

See the explanatory statement for Amendment 15.

Question proposed, That the clause, as amended, stand part of the Bill.

Alex Burghart: Clause 4 is important in providing clarity as to the providers who will be subject to the duties relating to local skills improvement plans and the employer representative bodies eligible to be designated to lead them. It also gives the Secretary of State the ability, through regulations, to include additional providers.

The clause enables the Secretary of State to specify further types of providers that deliver English-funded post-16 technical education and training in England to be encompassed in the future. However, those regulations

would be subject to annulment in pursuance of a resolution in either House of Parliament. I hope members of the Committee agree that this is an important aspect of the LSIP provisions.

The Chair: The question is that clause 4—

Mr Perkins *rose—*

The Chair: Sorry, I am getting ahead of myself.

Mr Perkins: We are moving at such breakneck speed, Mr Efford, it is hard to keep track.

The clause is an interpretation clause, clarifying what is meant by the various terms of eligible body, employer, training provider and so on. We have no reason to vote against it. Amendments 11 to 17 have just been made. It would be useful if the Minister could inform the Committee what the consequence of the proposals on local skills improvement plans will be for the Barnett consequentials. How may they be considered by the Scottish Government, Welsh Assembly and Northern Irish Assembly?

Alex Burghart: I thank the hon. Gentleman for his support for the clause. My understanding is that there are no Barnett consequentials as a result of this measure. If that turns out to be incorrect, I will let him know at the first available opportunity.

Mr Perkins: Given the amount of money that is being spent on local skills improvement plans and the initial budgets towards the trailblazer, I am slightly surprised to learn that there is no equivalent expectation for Scotland, Wales and Northern Ireland. I will take the answer that the Minister has given me as the one that will stand for now, and forever into the future, unless I hear otherwise.

Question put and agreed to.

Clause 4, as amended, accordingly ordered to stand part of the Bill.

Clause 5

Institutions in England within the further education sector: local needs

Question proposed, That the clause stand part of the Bill.

Alex Burghart: There is strong agreement on the importance of the provision of high-quality technical education and training that is responsive to local needs. For many colleges, the delivery of technical education is a key part of a wider curriculum that responds to different local needs.

The wider curriculum can include, for example, academic provision for students hoping to move on to university, English or maths provision for adults, or high-needs provision for learners with an education, health and care plan. Colleges also need to deliver other functions that support education delivery, such as careers education and advice, support for students with special educational needs and pastoral support.

We will only achieve our goal of provision that is responsive to local needs where there is effective strategic curriculum planning within every college. Such curriculum planning needs to reflect both the priorities set out in the local skills improvement plan, and the needs of different groups of learners.

The clause therefore places a duty on governing bodies of institutions within the further education sector to periodically review their provision against local needs and to consider changes that might improve the way those needs are met. The duty applies to further education and sixth-form colleges, and to institutions designated under section 28 of the Further and Higher Education Act 1992. That reflects the importance of those institutions in many local communities and the breadth of their curriculum offer.

In carrying out the review, the governing body must have regard to any guidance issued by the Secretary of State. A draft of the statutory guidance has been published by the Department. The guidance sets out the principles that should be followed when carrying out reviews and how reviews should be conducted, including working with different stakeholders and other governing bodies.

While the new duty builds on the existing good practice within the sector, there are also cases where improvement is required. That might include, for example, cases where intense local rivalries have led institutions to prioritise the needs of one group of learners over another, even if that is at the expense of learners in the local area as a whole. By putting in place a legal duty requiring reviews to be published, we are strengthening transparency and accountability around decisions on provision that are vital for local communities. When carrying out reviews, colleges will need to be mindful of their other relevant statutory obligations, including those in relation to learners with special educational needs and disabilities.

The clause strengthens the legal framework in which colleges, working both individually and in collaboration with each other, regularly review their provision to identify how it can be improved. That will help to deliver more responsive further education provision and will benefit local communities in all parts of England.

Mr Perkins: Clause 5 sets out the duty for institutions such as colleges to review provision in relation to local needs. The review must be published on the institution's website and must be conducted in line with the Secretary of State's guidance. The Opposition do not propose to divide the Committee on the clause. I am grateful to hear from the Minister specific mention of special needs. He will be aware that we are very concerned that that area should be reflected in local skills improvement plans, so I appreciate his reference to it. It is important to ensure that the review takes into account local circumstances and has the broadest possible base. We support the clause.

Question put and agreed to.

Clause 5 accordingly ordered to stand part of the Bill.

Clause 6

Functions of the Institute: oversight etc

Mr Perkins: I beg to move amendment 32, in clause 6, page 7, line 23, at end insert—

"(2A) The Institute shall perform a review of the operation of the apprenticeship levy, paying particular regard to ensuring that sufficient apprenticeships at level 3 and below are available.".

[Mr Perkins]

This amendment would require the Institute to perform a review of the operation of the apprenticeship levy, and would require the Institute to pay particular regard to ensuring that sufficient apprenticeships at level 3 and below are available.

The debate on this amendment is the only opportunity that the Committee will get to talk about apprenticeships in the skills Bill, and that is pretty remarkable. The amendment would require the institute to perform a review of the operation of the apprenticeship levy and to pay particular regard to ensuring that sufficient apprenticeships at level 3 and below are available. Apprenticeships are the gold standard in vocational opportunity. Every single one of us is aware of apprenticeship providers and employers that have excellent apprenticeship programmes in our constituencies, and we have met people whose lives have been changed by their apprenticeships. However, we also know that for many of our constituents—particularly our younger constituents—apprenticeships remain elusive. There are far fewer apprenticeship opportunities than there should be.

A Labour Government will be committed to increasing the number of apprenticeship opportunities and addressing the calamitous collapse in new apprenticeship starts at levels 2 and 3. We will promote apprenticeships as the No. 1 vocational opportunity for young people who are not attending university, and we will seek funding for them ahead of schemes such as kickstart, which is more costly and less well defined, demands less commitment from employers and makes less impact on learners. It is a vivid demonstration of the Government's complete failure to address key issues that while they preside over their failure on apprenticeships, they introduce a skills Bill that almost entirely fails to touch on the reform needed to salvage these crucial career opportunities.

Andrew Gwynne: I am grateful to my hon. Friend for raising this important point, because it is, quite frankly, flabbergasting that in a skills Bill there is very little mention—in fact, almost none—of apprenticeships. For so many, apprenticeships could be the route to developing the skills for the jobs of the future. When I talk to local employers, they now appear to be using the apprenticeship levy funding to upskill their own workforces, rather than using the money to skill up the next generation.

Mr Perkins: Absolutely, and that speaks to the heart of the amendment. The apprenticeship levy has, remarkably, led to a steep decline in those aged under 25 taking on entry-level apprenticeships. In fact, it must be the first policy—well, that is probably not true, but certainly it is one policy—that set out with a particular objective, only to achieve the polar opposite. We have an apprenticeship policy that has drastically reduced the number of apprenticeship opportunities, and it is worth reflecting for a moment on the scale of that failure.

12.15 pm

In 2016-17, 494,000—almost half a million—people were doing apprenticeships. By 2019-20, before we even take into account the collapse in apprenticeship starts during the covid crisis, that number had gone down to 322,500. That is a 35% reduction in the number of apprenticeships. On the point made by my hon. Friend the Member for Denton and Reddish about the number of apprenticeships going to under-19s, the number fell from 122,800 in 2016-17 right down to 76,300 in 2019-20—that is a 38% reduction in the number of apprenticeships for people under the age of 19.

Kim Johnson: My hon. Friend makes some important points about apprenticeships and the fact that the number of them has reduced. Does he agree that some of that is down to the lack of information and career guidance available in schools for many of our young people?

Mr Perkins: I absolutely agree. There are a huge number of causes, but my hon. Friend is right that one is the abandonment of careers guidance that happened in 2010, when this Government came to power and scrapped Connexions—got rid of many of those—and the statutory responsibility for careers guidance.

To give a scintilla of credit to the Government, they have at least realised to an extent that the decision made back in 2010 was catastrophic and made an attempt to rebuild some kind of careers service. We have many criticisms of their approach, but at least there is a recognition that simply getting rid of face-to-face careers guidance and going towards a purely online service was disastrous. My hon. Friend the Member for Liverpool, Riverside is absolutely right about the number of people not doing apprenticeships. We will have an opportunity later in proceedings to discuss careers guidance in more detail—it is a priority for the Labour party.

Without in any way undermining what my hon. Friend said, it is also important to make the point that there is a real shortage of opportunities out there; it is not purely that people do not want apprenticeships. I went to a training academy for construction on the south coast and I was told, interestingly, that there were about 100 applicants for every one of its apprenticeship opportunities. In an area with relatively low levels of unemployment, kids are still fighting to get hold of those opportunities. They recognise the value of apprenticeships. The importance of promoting apprenticeships is a strong point to make, but there is also a huge amount more to be done on supply.

To return to what I was saying a moment ago, it is important to understand the scale of the collapse in the number of apprenticeships. The number of apprenticeships going to 19 to 24-year-olds declined from 142,200 in 2016-17 right down to 95,500 in 2019-20, so there was a fall of almost 33% over that period. The levy was supposed to boost employer investment in training—my hon. Friend the Member for Denton and Reddish was in this place when the apprenticeship levy was announced, and he will remember that we were all told it would boost the amount that employers would invest in training—but that has declined, with £2.3 billion less spent in 2019 than in 2017.

The current funding arrangement particularly fails small businesses, which are a real priority for the Labour party. Especially in communities such as Chesterfield, small businesses are the prevalent providers of employment, and the fact that they have been shut out of the apprenticeship regime so dramatically with the introduction of the levy has had a massive impact. In 2016, 11% of businesses with less than 50 employees had apprentices in their organisation. I think 11% was probably not enough, but it was something. By 2019, there had been a 20% reduction in the number of small businesses with apprenticeships.

It is no wonder that the Chartered Institute of Personnel and Development described the apprenticeship levy as having "failed on every measure". It says that the levy will continue to

"undermine investment in skills and economic recovery without significant reform".

Where is the opportunity to provide significant reform to apprenticeships and the apprenticeship levy, if not through a skills Bill? Yet the Government have chosen to leave apprenticeships out of it. Where is the reform? What are the Government doing about this failure, and do they even acknowledge that it exists? The starting point for addressing a problem is to accept that there is one. We have been forced to shoehorn an amendment into this skills Bill in order to even talk about apprenticeships.

Let us take construction as an example. The Construction Industry Training Board estimates that we need 217,000 new entrants to construction by 2025 to prevent growth from being slowed. The Government have for 11 years presided over a low-growth, high-taxation economy. Without an increase in the construction workforce, that growth will continue to be stilted.

Andy Carter (Warrington South) (Con): The hon. Gentleman seems to have forgotten that up to 2019, this country had the highest level of employment in history. He is being very selective with the information he is providing.

Mr Perkins: The hon. Member talks about high levels of employment, but I have people in my constituency who are doing three jobs at once and still cannot pay their bills. The truth is that under this Government, we have a low-wage, low-growth economy. People are paying the highest level of taxes since the 1950s. He might not think it makes much sense, but to people in my constituency it absolutely does.

The Chair: Order. The interventions are straying a little bit away from the amendment. I would be grateful if we could return to the subject of the amendment, exciting though that exchange was.

Tahir Ali (Birmingham, Hall Green) (Lab): Compare high unemployment with the youth unemployment in core cities. The opportunities and pathways available to those young people are almost non-existent. Where local authorities, such as Birmingham, have worked tremendously hard to bring down youth unemployment, it has been reversed as a direct result of the actions taken by Government. In Birmingham, for example—

The Chair: Order. Interventions should be a lot shorter than that. I am sorry to interrupt the hon. Gentleman, but we must keep to the point. I will allow him one sentence to finish his intervention, then we will go back to Toby Perkins.

Tahir Ali: Does my hon. Friend agree that more needs to be done to address youth unemployment and apprenticeships?

Mr Perkins: Absolutely, and I thank my hon. Friend for that point. It is precisely the motivation behind the amendment, which we will get the opportunity to vote on. I think his point is incredibly important. Many young people in cities such as Birmingham look at the future and find that jobs are very thin on the ground. Even thinner on the ground are careers, rather than jobs. I am talking about opportunities to develop skills and get involved in a long-term career, as opposed to a casual job where they go to work, come home and are still living in poverty. That is why skills are so important, and why this investment is so important.

Brendan Clarke-Smith (Bassetlaw) (Con): I thank the hon. Gentleman for being so generous with his time. To go back to a point that has been made in previous interventions, does he recognise that although getting younger people into employment will always be an issue, the fact that this country's rates are so low compared with those of many of our neighbours on the continent, such as Spain and Italy, represents a roaring success story?

The Chair: Order. I will not allow you to answer that, Mr Perkins, because it takes us wide of the issue, which is the review of the levy and ensuring that there are sufficient apprenticeships. Can we get back to the amendment?

Mr Perkins: I appreciate your iron grip on the debate, Mr Efford. I will confine my contribution to the amendment, as I was doing before I was so rudely interrupted. There is a link between youth unemployment and apprenticeships, and it is precisely that link that the amendment, which I tabled with my hon. Friend the Member for Warwick and Leamington, seeks to address. The current funding arrangements are failing small organisations. It is important that the Government acknowledge that and take steps to recognise that problems exist. We are not seeing anything that suggests that they realise that there is a problem with the apprenticeship levy.

Lia Nici (Great Grimsby) (Con): Does the hon. Gentleman not see some irony in his speech? The reason why the Bill introduces LSIPs, and so on, is that we want employers to take control and understand more about apprenticeships, because there are lots of jobs and apprenticeships available, unlike when Labour was last in Government and we had 25% youth unemployment.

Mr Perkins: I do not see a lot of irony in my speech, but I saw quite a bit in the hon. Lady's intervention. The truth is that we have had 11 years of a Government that told us that every single reform that they took was about putting employers in charge, and yet, at the same time, apprenticeships have fallen. I will not repeat the figures.

Lia Nici: Will the hon. Gentleman give way?

Mr Perkins: Let me destroy the intervention that we have just had before I take another. If we accept that there is real value in apprenticeships, surely—given the fall in the number of apprenticeships, and the 11 years of reforms intended to put employers in the driving seat—anyone would think that continuing to do something that keeps failing is the definition of insanity. That is why we have tabled amendments to address that.

Lia Nici: I extend an open welcome to the hon. Gentleman to join a meeting of the apprenticeship diversity champions network, where we have more than 100 employers—more are joining—who are doing fantastic things with apprenticeships. I assure him that he will be able to hear lots of positive stories from them.

Mr Perkins: I would be delighted to attend that, and I look forward to receiving the invitation. I have already seen many examples of great apprenticeship programmes. I do not for a second decry those that exist, and I always enjoy seeing employers, in my constituency and elsewhere, who offer good apprenticeship programmes. It is because I recognise their value that I am so angry that apprenticeship starts have fallen from 494,000 in 2016 to 322,000.

One of the things that really concern me about the Government is that they operate by anecdote. They see something great, and it convinces them that everything is all right with the world. Actually, although there are superb apprenticeship programmes around and a lot of employers are committed to them, overall the numbers are going down. The number of them at levels 2 and 3 is going down. The number of small businesses offering apprenticeships is going down. The availability of apprenticeships in crucial sectors such as construction is going down, and so is the availability of people to get on to them, particularly in smaller towns that do not have major employers. That is what we are trying to address with amendment 32.

Matt Western: My hon. Friend is making, as ever, some very important and powerful points. The wording of the amendment is very simple and, I would have thought, pretty honest and straightforward. It is about better governance and better operation of any attempt to improve skills delivery in education and across our economy. The amendment simply says:

"The Institute shall perform a review of the operation of the apprenticeship levy".

I have spoken to many businesses in my constituency and elsewhere, and they are really concerned. They see the apprenticeship levy as having simply become a tax on business, with £250 million returned to the Treasury in 2020-21 and £330 million in 2019-20. Does my hon. Friend share my concerns?

12.30 pm

Mr Perkins: I absolutely do, which is probably why I teamed up with my hon. Friend to table the amendment. He is absolutely right. We do not oppose the apprenticeship levy, but it is really important that we explore the point he has made. The apprenticeship levy is a significant tax and it falls on 2% of all businesses, as the former Chancellor George Osborne told us when he announced it. At the same time, he completely withdrew the Government's own funding for apprenticeships and replaced it with this funding.

George Osborne did something unique: he created a tax that businesses get to decide how to spend. When we send a cheque or BACS payment for road tax, as all drivers do, we do not do so with an accompanying list of the potholes that we want to be repaired. When we pay our overall road tax, we get to drive and the Government and councils decide which potholes will be fixed and which road improvement programmes will be carried out. What happened here, however, is that the Government isolated a tiny fraction of all employers and said, "You're paying this tax. This is the only contribution to apprenticeships that is going to be made and you get to decide what it is spent on." All the other 98% of businesses, which are not levy payers, therefore have no funding for apprenticeships.

It is hardly surprising that we have seen a dramatic collapse in the number of small businesses that are able to offer apprenticeships, because they have been excluded from the system. They heard a very powerful message back in 2015: apprenticeships are something that big businesses do, and they are not for small businesses any more. All kinds of measures were put in place, in terms of the bureaucracy around apprenticeships, and that really reduced the opportunities available. Many small businesses that had up until then been successfully involved in apprenticeships got the message and got out of that environment.

Matt Western: That is the point. I am sure it was not by design that the money got lost in the Treasury, but it is a real tragedy that the money intended for delivering apprenticeships to small businesses has been lost. Therefore, the really important parts of our economy—the small businesses that might be working in our supply chains, our service sectors or whatever—are not getting the money they need in order to train the next generation.

Mr Perkins: My hon. Friend is absolutely right. Regardless of whether it was by design or not, it was absolutely foreseeable that that was what would happen, and many such criticisms were made at the time. The reality is that the Government set up the apprenticeship regime on the basis of successful programmes at organisations such as BAE Systems and Rolls-Royce. They thought, "That is what we want for everyone," so they created an apprenticeship regime that was designed around major businesses, without recognising that those major businesses are simply not available in many of our constituencies. If young people in my constituency wanted to do an apprenticeship, they were doing it at their local hairdressers, construction firms or other small businesses. A successful regime would support small businesses in accessing apprenticeships in the same way as large businesses. The Government need to recognise that the scheme's bureaucracy is simply pushing businesses away and preventing them from taking part unless they have large training, HR and personnel departments.

I have a level 3 apprentice in my office. MPs' offices are effectively small businesses, with very small numbers of people working in them, and that apprenticeship involves significant bureaucratic requirements. A very helpful independent training provider is supporting me on that apprenticeship programme and has worked through the paperwork with me, but high-quality apprenticeships should not have to be linked to bureaucracy and funding arrangements that drive small businesses away.

There is one legitimate question that has not yet been asked by the Government, but I will save them from having to do so by asking it myself. They talk about reform, but what should that reform look like? We want an apprenticeship regime that supports access for small businesses, ensures quality, and recognises that the majority of the apprenticeship levy should be spent on level 2

and level 3 apprenticeships. There is absolutely a role for degree apprenticeships—for people who aspire to get level 6 qualifications—but that should be about a journey, not organisations doing what they are currently doing in many cases, which is saying, "We've got this levy. What are we going to spend it on? Well, we'll let the finance director do his MBA—he's always fancied that." That is what apprenticeship funding is currently being used for in so many cases. I am never going to advocate against continuous professional development—of course it is important—but it is also really important to recognise that that is what is happening, and that it needs to be addressed.

The amount of money going back to the Treasury is actually worse than the figures given by my hon. Friend the Member for Warwick and Leamington. During the back end of this year, we got an answer to a parliamentary question showing that last year a total of £2 billion of apprenticeship levy funding had been sent back to the Treasury unspent. A huge amount of this funding is not being spent, which to me is the very definition of a failing system.

Matt Western: I thank my hon. Friend for giving way; he is being very generous with his time. Regarding that £2 billion figure he has just cited and his earlier point about the construction industry, surely the amendment's proposed review could give direction for the delivery of courses. For example, the construction sector needs to undertake recladding exercises up and down the country, and ensure that they are delivered on time.

Mr Perkins: Absolutely: construction is a great example. As I have said, there are 217,000 too few construction workers. Anyone who has tried to get serious construction work done at their house—an extension or similar—will know how tough it is to find a builder who has time to do it. Our country is losing huge amounts of growth and we are also facing a housing and homelessness crisis, because we simply do not have enough workers in the construction industry. It is incredibly important that these issues are addressed.

We would have liked to propose more specific reforms to the apprenticeship levy. More specific amendments would have sought to rectify years of neglect by this Government, particularly of SMEs and sectors that are crying out for a pipeline of apprenticeships. However, we were told that such reforms were outside the scope of the Bill. Nevertheless, we are proposing that the IATE introduces a review of the current operation of the levy, particularly in relation to ensuring that sufficient opportunities are available at level 3 and below. That is essential to ensuring that opportunities exist for young people who are seeking to step on to the first rung on the ladder, as well as adults who are seeking to retrain, particularly in sectors such as care and others that I have referred to. It is vital that levy funds are used to train up the next generation.

Within the scope of what already exists, the Government are attempting to do things that I think are positive, supporting businesses that pay the levy to allow their supply chain to use those funds, thereby benefiting more small businesses. However, this is still about trying to correct a wrong that was there in the first place: a better apprenticeship reform would be about making sure that more of that funding actually goes to small businesses and is used in every single community in the land. It would be about more people doing level 2 and level 3 apprenticeships, more opportunities for 16 to 19-year-olds, and the careers regime that my hon. Friend the Member for Warwick and Leamington referred to, which would give young people opportunities early in their school career to follow the apprenticeship path. It would allow young people to go into a level 2 apprenticeship at the age of 16 and to work their way through to a degree at 25 or 26, after having been paid all the way there. That is the kind of future that a Labour Government would get us to.

Andrew Gwynne: It is a pleasure to serve again under your chairmanship, Mr Efford. I rise to support the Opposition amendment—a modest amendment that simply asks for a review of the apprenticeship levy, paying particular regard to ensuring that sufficient apprenticeships at level 3 and below are available. This is really important. My hon. Friend the Member for Chesterfield has set out in great detail why we believe the apprenticeship levy is not working in the way in which the Government promised. The intention of the apprenticeship levy is a good one, but the practice of it in our constituencies is not working. We can see that in all the data and all the facts that my hon. Friend has laid out. The professional bodies responsible for training also support that view.

If the Minister has not already read the House of Lords Youth Unemployment Committee report, I encourage him to do so because it is very clear about the failings of the levy and the negative impact it has had on apprenticeship opportunities for younger people. It acknowledges that there has been an increase in higher-level apprenticeships, which is good, but drilling down into the data we see what the Opposition have already outlined—employers ensuring that their existing workforce are trained up to higher levels. That is good, and continuous improvement in the workplace is something we should support, but I do not believe the apprenticeship levy should pay for something that has always been paid for by employers. It goes against the ethos of the apprenticeship levy. Why do I speak so passionately about apprenticeships? I want to take the Committee back to 1990 when we had a Tory Government. We were in the 11th year of Baroness Thatcher's premiership.

Alex Burghart: Hear, hear.

Andrew Gwynne: I know how to warm up a Committee. It was also the year that 16-year-old Andrew Gwynne left Egerton Park High School in Denton with a clutch of good GCSEs, but I did not know what I wanted to do. All I knew was that I did not want to go to college, so I took the rather unusual decision, given how it was painted at the time, of applying to go on youth training, the successor to the old YTS—the youth training scheme. I was very fortunate in the opportunity that youth training gave me. As I say, I had a clutch of good GCSEs and could have gone on to study A-levels, but I did not want to do that. I wanted to go down the vocational route.

I had to have a job interview at ICL—International Computers Ltd, now part of Fujitsu—in West Gorton in Manchester. I got my new suit from Burton and got on the 210 bus, nervous as anything. I had my job interview and got the two-year placement. When I think of the real responsibilities that they gave that 16 to

[Andrew Gwynne]

18-year-old, I look back in horror because I am not sure that I would have given 16 to 18-year-old Andrew Gwynne those opportunities—*[Interruption.]* I can see you staring at me from the Chair, Mr Efford—I do not think you would have given 16 to 18-year-old Andrew Gwynne those responsibilities either.

12.45 pm

I had the opportunity to study at level 3—the same as A-levels—and I got a BTEC national certificate in business and finance, along with City and Guilds and Royal Society of Arts qualifications. That gave me a huge start in life, and I will be for ever grateful to those managers at ICL for the experience they gave me in the workplace. I want to ensure that those opportunities exist for the 16-year-olds leaving high school today, which is why I really support the amendment and a review of a system that is clearly not working in the interests of 16 to 18-year-olds. We should keep that system under constant review. I want the Minister to be as passionate about apprenticeships as I am, and I want him to ensure that the data outlined by my hon. Friend the Member for Chesterfield is reversed and becomes a positive trend for 16 to 18-year-olds, so that we get them skilled up to at least level 3.

Let us not belittle level 2 apprenticeships either. As my hon. Friend said, there is a skills shortage for a lot of jobs that require level 2 apprenticeships, so we need to ensure that, through a review, we get the right skills in the right places, and motivate and encourage young people to take those opportunities to develop themselves. Who knows, a 16-year-old leaving high school today might, in 30 years, be the hon. Member for somewhere or other.

Alex Burghart: I could listen to that all day. What a heart-warming story of great education and training achievement under a Conservative Government. Although I do not agree with all the detail given by Opposition Members, I echo their sentiment. We all care deeply about apprenticeships, and the good news is that we will get more of them, because the Chancellor committed to spending a great deal more money on apprenticeships, taking their budget to £2.7 billion a year by the end of the spending review period.

I am pleased that the amendment was tabled because it gives us an opportunity to go over some of this ground and talk about the great work that we have been doing on apprenticeships. Alas, we lack the time to go into all the detail raised by the Opposition, but I remind them that although there have been changes in the numbers of people doing apprenticeships, that has happened for a reason. It has happened because when the coalition came to power, there was a need to review the quality of apprenticeships in our country. The Richard review—a famous and widely respected review—found that apprenticeships were not giving employers the skills that they needed, and that one fifth of apprentices reported receiving no training and one third of apprentices did not know that they were on an apprenticeship. That is why we decided to go for quality, and that quality is now paying off.

I was lucky enough to be at the national apprenticeships awards last night—I was sorry not to see Opposition Members there—and it was a fantastic evening. We saw many people—some young; some not so young—who were doing apprenticeships at all levels, and fantastic employers, from big companies and small schools to the Royal Navy, which is a fantastic provider of apprenticeships at all levels. It was a real celebration of the new landscape of high-quality apprenticeships to provide young people, and not so young people, with the skills that employers need.

I recognise the points made by the Opposition about level 2 and level 3 apprenticeships, of which I also want to see more. However, in 2020 and 2021, those levels made up 69% of apprenticeship starts. The majority of employer-designed standards are still at levels 2 and 3—345 out of 630.

It has been this Government, during the pandemic, who have paid employers and providers £1,000 when they take on apprenticeships for young people aged 16 to 18. More than 80% of 16 to 18-year-olds were participating in education or an apprenticeship at the end of 2020, the highest number on record.

More than one third of apprenticeship employers are still SMEs. We will see that number increase as the excellent levy transfer scheme continues to go great guns. Already millions of pounds are being transferred by large employers to smaller employers in their supply chains and beyond. Some of the case studies I have seen so far are wonderful. I do not know whether they are in the public domain, so I cannot talk about them, but we are seeing providers pass their money on in really creative and interesting ways.

We must almost remember that 95% of the costs of training and assessment for smaller employers are still covered. The figure is 100% for the smallest employers who are taking on young people.

Mr Perkins: Someone listening to the hon. Gentleman who did not know about the subject might well think that he was talking about a record of success. The figures that I have referred to, and which the CIPD described as having "failed on every measure", are the reality of apprenticeships. It is one thing for the Government to say there is a problem here and they are seeking to address it, but the Minister seems to be talking as though everything is going well as the result of this policy. Is there any sense that this Government believe that the levy needs reform or that there is anything they are going to do to increase the number of opportunities for young people?

Alex Burghart: We are increasing the number of opportunities. We got an excellent settlement in the spending review. We are going to have more apprentices at every single level. This is a Government who believe in apprenticeships, who back them and who put their money where their mouth is. Listening to Opposition Members, one could be forgiven for thinking that apprenticeships in this country were worthless. That is not a picture I recognise. It is not a picture that providers I meet recognise. It is not a picture that the apprentices I meet recognise.

Matt Western: No Opposition Member has said that apprenticeships are worthless—quite the opposite. We really value them. I think the frustration is that businesses are saying that the system is not working, whether that is large businesses paying in and not getting any return,

or the smaller businesses not getting any gain. The money seems to be being lost to the Treasury, as my hon. Friend the Member for Chesterfield said.

Alex Burghart: If the hon. Gentleman had been at the awards ceremony last night, he would have struggled to find any provider saying that they were not getting any gain from the scheme, which is what he has implied—in fact, not implied; it is what he said explicitly. Equally, the small and medium-sized employers who were there were getting a great deal of gain from it. The people who are on the apprenticeship schemes are getting a great deal of gain. Where we absolutely agree is that there is a need for more apprenticeships. This Government are going to provide more apprenticeships. We have already provided more apprenticeships at a higher quality than we have ever had before. We are going to see that continue.

Matt Western: Just to be clear, I do not think I implied that at all. What I am saying is that, speaking to businesses, including some major businesses in and around my constituency that I talk to regularly, as I do with Warwickshire College, one of the largest colleges in the country, they have been saying that, while the programme is good and the apprenticeship levy had good intent, it is not working. That is why we tabled the amendment. We want to be constructive and help the Government make it work better.

Sadly, I was not invited to the awards last night. I will check my email, but I do not believe I was. I very much look forward to coming next year.

Alex Burghart: I very much hope that the hon. Gentleman is invited next year. I look forward to seeing him.

Tahir Ali: Have him as your guest.

Alex Burghart: The hon. Member for Birmingham, Hall Green suggests I take the hon. Member for Warwick and Leamington as my guest. I was myself a guest. I am sure those organising will have heard his appeal for a ticket.

We want more apprenticeships. We have a great many fantastic employers in this country, providing wonderful opportunities for people at all levels at the moment. We are going to see that increase under the commitment that the Government have made. It is for the Government to consider when might be the right time for a review of apprenticeship reforms, through consultation with stakeholders. For now, we want to focus on improvements to apprenticeships to make them attractive to employers in more sectors. We want to focus on making apprenticeships relevant in new and changing occupations, and on improving quality.

Mr Perkins: That was a very disappointing contribution. To describe the Labour party's view—that apprenticeships are the gold standard—as that we think apprenticeships are worthless, is beneath the Minister. I hope he will reflect on that. We absolutely do not think they are worthless; we think they should remain the No. 1 opportunity. We think far more young people who are not going to university should be going on to apprenticeships; we think that far more people who are going on to apprenticeships should use those as a vehicle towards university. We see them as one of the most important ways of tackling social mobility—they are a huge priority for us. It is precisely because they are a priority that we are so frustrated with this Government's failure. I do not recognise the way the Minister represented the Opposition's opinions on this.

I will return to the point that independent organisations, such as the CIPD, have described the apprenticeship levy as having failed on every measure. Everyone will have heard that we have a Government with no intention to reform the levy. If young people want more opportunities, if they want a Government that will invest more in 2025 than they did in 2015, which this Government will not be doing—even by 2025 they will not reach the amount that was contributed toward apprenticeships in 2015—and if young people want a Government that will change that, they will have to vote Labour. That is the message that is coming out of this debate today. There is one party that believes the apprenticeship levy could be a route to reforming and creating opportunities for young people, and one party that thinks that the apprenticeship levy is working just fine the way it is. That is what this next vote is all about.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 8.

Division No. 9]

AYES

Ali, Tahir	Johnson, Kim
Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Ordered, That further consideration be now adjourned.—*(Michael Tomlinson.)*

12.58 pm

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

Fourth Sitting

Thursday 2 December 2021

(Afternoon)

CONTENTS

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Monday 6 December 2021

The Committee consisted of the following Members:

Chairs: †Clive Efford, Mrs Maria Miller

† Ali, Tahir *(Birmingham, Hall Green)* (Lab)
Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Gwynne, Andrew *(Denton and Reddish)* (Lab)
Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
† Hunt, Tom *(Ipswich)* (Con)
† Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Thursday 2 December 2021

(Afternoon)

[Clive Efford *in the Chair*]

Skills and Post-16 Education Bill [*Lords*]

Clause 6

Functions of the Institute: oversight etc

Question proposed, That the clause stand part of the Bill.

2 pm

The Parliamentary Under-Secretary of State for Education (Alex Burghart): It is good to be back, as we cross the halfway point in Committee proceedings for the Bill. Clause 6 provides an important oversight duty for the Institute for Apprenticeships and Technical Education. It will ensure the overall coherence of the system of technical education and training, and will help to ensure that we have the right balance of provision to meet the skills needs of the economy. That includes apprenticeships, technical qualifications and other types of technical education, and training across all 15 technical routes.

Those routes underpin the institute's occupational maps. They are the groupings for occupations in relation to which apprenticeships and technical education might be approved by the institute. Routes include hospitality and catering, construction, creative and design. The clause places a duty on the institute to keep under review the technical education and training within its remit and, through that review, to consider the impact of its activity on the range and sufficiency of that technical education and training. That means that different types of technical education, such as apprenticeships and qualifications at different levels, will not be looked at in isolation.

The institute will consider whether there is anything further within its powers that should be done, or that should be done differently, to safeguard the coherence and sufficiency of the technical education and training in its remit. The institute may provide the Secretary of State for Education with reports on the range and availability of apprenticeships, qualifications and other technical education and training in the system, raising any matters that arise during its review.

In addition, the clause brings into the institute's remit other technical education and training that supports entry to occupations that are published by the institute in its occupational maps. That will allow the institute to play a role where education and training links to employer-led standards but does not lead to a qualification—for example, traineeships and skills bootcamps. That role might include, for example, advising or publishing guidance to support alignment with employer-led standards.

Aligning that type of provision to standards, where it is appropriate to do so, will create a joined-up system. It will benefit learners by supporting progression into skilled jobs, as well as further technical training. The institute is best placed to have oversight of the system as a whole because it has oversight of the occupational maps that bring together the occupations for which technical education is appropriate. It guarantees that the employer voice is at the heart of our skills system.

Mr Toby Perkins (Chesterfield) (Lab): We do not oppose clause 6. We tabled amendments on apprenticeships, but we are not opposed to the role of the institute in itself. It was an interesting debate, with some really valuable contributions from some of my colleagues. We also had another Conservative who enjoyed himself at a party, and another lesson about the importance of who we invite to our parties. It was very much in keeping with the debates of this week, but we do not oppose the clause.

Question put and agreed to.

Clause 6 accordingly ordered to stand part of the Bill.

Clause 7

Additional powers to approve technical education qualifications

Mr Perkins: I beg to move amendment 47, in clause 7, page 10, line 37, at end insert—

"(2A) Notwithstanding the provision in subsection (2), the Secretary of State will appoint by regulations a body other than the Institute to withdraw approval of a technical education qualification at Level 3."

This amendment requires the Secretary of State to appoint an alternative body to the Institute to approve the withdrawal of technical education qualifications at Level 3.

The Chair: With this it will be convenient to discuss amendment 48, in clause 7, page 11, line 19, at end insert—

"(10) The Secretary of State must publish criteria to define what is meant by 'high quality qualifications', which can be used as a framework for future deliberations about any defunding of qualifications.

(11) Any future defunding of qualifications must be reviewed by an appointed independent panel of experts, against the criteria set out in subsection (10).

(12) The Secretary of State must publish the proposed list of Level 3 vocational and technical qualifications which are proposed to be defunded, based on the criteria as set out in subsection (10), within 3 months of this Act receiving royal assent."

This amendment would require the Secretary of State to publish the criteria for what they consider to be high quality qualifications worth funding and to set up an independent panel to determine this.

Mr Perkins: The Government have decided to continue with Ofqual as a regulator of academic qualifications in England, and new powers are granted in the Bill to the institute to approve technical qualifications in the future. It is vital that both public bodies have the necessary statutory underpinning to carry out their roles effectively, and to ensure that there is no conflict of interest. We consider that the clause is insufficient, as it does not clearly define the roles of Ofqual and the institute in law to ensure a single regulatory framework, where all qualifications are regulated and treated in exactly the same way.

The Bill proposes a two-tier system of regulatory approval for qualifications, with Ofqual approving and regulating academic qualifications and the Institute for Apprenticeships and Technical Education approving technical qualifications. We are worried that that may reinforce the apparent low public confidence in technical qualifications. Ensuring that technical qualifications have parity of esteem with academic ones has been a challenge for successive Governments, and it is precisely one of the things that T-levels set out to address. We are therefore concerned that Ofqual is established as the independent regulator for what are seen as the academic qualifications, with a different organisation for the technical qualifications. We believe that that creates an artificial divide between the two routes.

The roles to be played by Ofqual and the institute in regulating technical qualifications need to be clarified, because the Bill indicates that it will bring about a dual regulatory system. Ofqual is established as the independent regulator under the Apprenticeships, Skills, Children and Learning Act 2009. That legislation introduced an independent regulator following a period of scandals and instability in the regulation of the qualifications and examination system.

There are worries that the Bill will introduce material conflicts of interest, because the institute will be the owner and provider of T-levels, as well as the regulator, with powers to decide which other technical qualifications might compete with T-levels and should be approved or withdrawn. For funding purposes, the organisation that owns T-levels will decide what happens to the other qualifications that exist. Our amendment seeks to address that and to give greater clarity on the different organisations and bodies.

I turn to amendment 48. It is essential for the Government to unveil what they deem to be useful qualifications before the Bill is passed. As with so much in the Bill, the Minister leaves a great deal to the imagination or to future clarification. Conservative Members have been remarkably trusting of what the Government have told them so far and have not told us a huge amount about what they think, with the honourable exception of the hon. Member for Great Grimsby. When it comes to the votes, however, we have seen that those Members are persuaded that the Minister will deal with everything later.

Amendment 48 would require a panel of experts to determine what a high-quality qualification is, ensuring that if qualifications are abolished, it will be left to those experts—working to criteria set by the Secretary of State—to understand whether that has been done because the qualifications lack the necessary qualities. There is a real concern in many people's minds that the Government are undermining BTECs and other level 3 qualifications by setting out to defend T-levels, on which they are getting small numbers of people, and trying to get rid of all the alternatives.

If the reason for getting rid of BTECs is, as the Government say, that the qualification is not of the necessary quality, let us see the evidence for that. Let us have a team of experts look at all the factors—people's ongoing progression routes, whether they get jobs after the qualifications, whether they can access universities and whether they are able to perform when they get to university—and let us see the criteria for establishing whether qualifications are of high quality. So far, the approach seems to have been pretty much of the back-of-a-fag-packet kind.

The Minister's and the Secretary of State's predecessors initially stood at the Dispatch Box and said, "We're scrapping BTECs because they are of low quality." Then they said, "We're not going to get rid of them all, just some of them. We will get rid of the poor-quality ones." We say, reasonably, "All right, but people studying those qualifications today want to know whether what they are studying is of high quality or not."

Tahir Ali (Birmingham, Hall Green) (Lab): Does my hon. Friend agree that a quality BTEC qualification would lead to skills and jobs? We should be focusing on BTECs, which have a good history, rather than getting rid of them and replacing them with something that is nowhere near as established.

Mr Perkins: My hon. Friend makes an important point. I know from what he said on Second Reading that this is a matter of significant personal interest to him because of his own and his son's history with BTECs, which he outlined. I am in exactly the same position. My son did a level 2 and a level 3 BTEC, having not done particularly well in GCSEs. He subsequently went on to university, completed his bachelor's degree and is now in the process of completing his master's. The BTEC provided a pathway and a bridge from—not to put too strong a point on it—failure in mainstream schooling to academic success. We know that BTECs have a history of turning around the lives of people up and down the country. This needs to be handled extremely carefully before decisions are taken that undermine those qualifications.

Lia Nici (Great Grimsby) (Con): I appreciate the hon. Gentleman allowing me to intervene. Do he and his colleagues not understand that BTEC is just a brand name of the Pearson group? Those high quality qualifications, those outcomes and those assessment criteria will go into things such as T-levels. They will just have a name change. Importantly, they will be led by employers and they will include essential work placements. We talk to members of the public about BTEC, but the only reason we do so is because BTEC is a brand name that has been out there for a very long time. Vocational and technical education will continue to be important.

Mr Perkins: What an interesting intervention. If the hon. Lady is saying that T-levels are simply a rebranding of BTECs—

Lia Nici: No, I did not say that.

Mr Perkins: I will allow the hon. Lady to clarify, because it is important.

Lia Nici: With respect, I did not say that. I said that BTECs are an overarching brand name. We have Cambridge Nationals, City & Guilds and so on, but what is important is the content of those qualifications. I am sure that what is of high quality in BTECs will be included in new qualifications such as T-levels.

Mr Perkins: I accept the clarification, and the hon. Lady makes an important point. If she is saying that not all level 3 qualifications are BTECs, I understand that, and I will come on to that when I speak to other amendments. There are many other important qualifications that are not BTECs, but BTECs make up the largest number of them, which is why many of us identify them in those terms. Both BTECs and T-levels are overarching brand names, if we want to put it in such terms. I have no objection to the brand names. If it is felt that T-levels will eventually be viewed with more regard by the public than BTECs—having the word "level" in them makes them sound more like a A-levels—I am fine with that, but the Government initially trashed the BTEC qualifications without telling us which ones they thought were good or bad.

Tahir Ali: In my industry of engineering and where I come from, there is a saying: "If it ain't broke, don't fix it".

Mr Perkins: Absolutely. My hon. Friend makes an important point.

Lia Nici: Will the hon. Gentleman allow me to intervene?

Mr Perkins: If I may, I will respond to my hon. Friend, who makes an incredibly important point. Even more worrying is the fact that the Government initially went out there and said, "This qualification is broken and we are going to replace it," but when the sector more generally—86% of respondents to their consultation—said, "This is a huge mistake", the Government said, "Okay, we will only get rid of some of it, not all of it." When we ask which bit they will get rid of, they say, "The low-quality bit," but when we ask which bit that is, they say, "We do not know; we are going to do a review." That is no way to do policy. It needs to be done the other way around. Identify which of the qualifications are not working, do all the research, find out where people are not getting on to the courses and then start talking about why we are getting rid of the qualifications.

Tahir Ali: On the issue of quality, lawyers make a lot of money from the word "reasonable". Similarly, how do you define quality? I challenge anyone to do that.

2.15 pm

Mr Perkins: That is an important point, and the amendment seeks to push the Government on it. They need to identify what those high-quality qualifications are, and quickly.

This is a point of real importance. The Government have started to undermine BTEC qualifications. It makes me genuinely angry, because people are studying for those qualifications now, and they are being told, "That thing you are doing may be pretty worthless and it might not take you anywhere. We don't know yet, because we haven't done the review, but we generally think that BTECs are not that great." At the same time, employers out there are saying, "Well, I have trusted this qualification over many years and I think it is okay." The Government are performing a review over three to four years. Students will be going on to the qualifications not knowing whether they will be undermined.

The Government really need to show us the evidence; do the research, if they have not yet done it; and come back with a list of the qualifications and what is going to be taken forward. That is what the amendment is designed to achieve.

Lia Nici: On the point about quality and outcomes, we want employers to lead this initiative, along with partners from training and education, because, as the hon. Gentleman has stated in his eloquent and long speeches, we want to ensure that people are trained in skills that are relevant to jobs. We know that we have a huge skills mismatch. We want our employers to be able to lead on that and say, "These are the training areas we want, now and in the future."

Mr Perkins: I do not disagree with that sentiment, but when the vast majority of employers responding to the Government's consultation say, "Don't get rid of BTECs", how does the hon. Lady arrive at the position that we are getting rid of them because that is what employers want? That is not what employers are saying. I agree that we must make sure have qualifications that are relevant, but parroting that does not alter the fact that employers say they support BTECs.

Jane Hunt (Loughborough) (Con): I ought to declare that one of my children has a BTEC level 3 extended diploma and went on to university, and the other has a level 3 apprenticeship. I suggest that it is the hon. Gentleman who is undermining BTECs, because he is the only one who has made that point in our debates. The Minister said on Second Reading that we are reviewing BTECs only where they cross over with T-levels, because we do not want duplication of work.

Mr Perkins: It is a strange representation of my position to say that because a Minister stands at the Dispatch Box and describe something as poor quality, I am undermining that thing by referring to what the Minister said. I am trying to defend what in many cases is a valid and trusted qualification. As the hon. Lady knows, my children have had a similar experience to hers. It is for precisely that reason that I seek to defend the qualifications.

More important than defending the qualification per se—there probably are some good ones and some bad ones—is to say that the Government should not undermine it until they know what they are talking about. That is the most important point here. They should do the research and then come back and tell us what the policy is, not the other way around.

The Government have set us on a path towards T-levels by undermining the alternatives—I guess because their T-levels have not so far had huge take-up—and they have done so without actually knowing what they are talking about. The hon. Member for Loughborough says that all they are looking to do is prevent duplication. That is absolutely not the case. In so far as there is duplication and reason to believe that a T-level is a better path than an existing qualification—a BTEC, a Council for Awards in Care, Health and Education qualification, or anything else—I have no problem with that, but clearly the Government have set out to rubbish the existing level 3 qualification in order to promote their T-levels. They cannot now row back and say, "Oh, we're only interested in duplication."

Andrew Gwynne (Denton and Reddish) (Lab): We really do not need to get drawn into the merits of T-levels against BTECs—that is a false choice. For many young people in particular in this country, BTECs are their route through the education system. I have BTEC levels 3, 4 and 5. Does my hon. Friend recognise the 2018 research by the Social Market Foundation, which showed that 26% of university applications are from young people with a BTEC? It is a significant route into higher education.

Mr Perkins: I recognise that point, but this is an area of real worry for me. The Government have said explicitly that they want to reduce the number of people doing university degrees that they consider to have low value. Again, they have not told us which ones. A disproportionately high number of learners from deprived communities are doing BTECs rather than A-levels. I strongly suspect that seeking to reduce the number of people doing certain university degrees will disproportionately affect the cohort who do BTECs. Although my hon. Friend is right that a lot of students, such as my son, the child of my hon. Friend the Member for Birmingham, Hall Green, and the child of the hon. Member for Loughborough, have gone to university via BTECs, I fear that the number will reduce under the Government's expressed strategy to reduce the number of students doing university degrees that they do not think have value.

Kim Johnson (Liverpool, Riverside) (Lab): My hon. Friend has identified that young people from disadvantaged communities are likely to suffer. There will also be a disproportionate impact on both black students and students with special educational needs who use that route into education and higher education.

Mr Perkins: I am glad that my hon. Friend made that incredibly important point. She is right that BTECs, and the further education sector in general, have a far higher proportion of black and ethnic minority students than mainstream schools. They are incredibly important routes, and it is important that they are spoken up for, and that that difference is raised. Different students study in different ways. The Government have a real bias against anything that is not largely exam focused. They believe that only an exam focus gives someone a real qualification, and BTECs have been much more based on a student showing what they have learned over a two-year course, rather than just in a couple of weeks at the end of June.

Such qualifications have been a route for many people to improve their social mobility. That is why the campaign to defend them is so strong. We will talk about BTECs in more detail under future amendments, but amendment 48 seeks to provide that the Government

"must publish criteria to define what is meant by 'high quality qualifications', which can be used as a framework for future deliberations about any defunding of qualifications."

It states:

"Any future defunding of qualifications must be reviewed by an appointed independent panel of experts, against the criteria"

that the Secretary of State has set out. It continues:

"The Secretary of State must publish the proposed list of Level 3 vocational and technical qualifications which are proposed to be defunded, based on the criteria set out…within 3 months of this Act receiving royal assent."

That amendment would make an important difference. First, the Secretary of State would tell us by what criteria he will continue to fund, or to defund, qualifications. Secondly, to ensure that the decisions are based on academic considerations rather than political ones, it would ensure that the independent panel of experts applies the criteria that he has put in place. Thirdly, it would ensure that the process for level 3 qualifications does not drag on endlessly.

The Government have started the process of undermining the qualifications by describing them as of low quality. That should not go on forever—within three months, we could have a list to say, "This is high quality, this is what you should study in future and this is what, under the criteria set out by the Secretary of State, we will no longer fund." I find it hard to understand why people would vote against such an amendment. It is widely supported and I am interested in what response we will get from the Minister and others to the amendments.

Andrew Gwynne: I support the amendments because, as I alluded to earlier, I feel passionately about the role that BTECs can play. The way in which the Government have handled the whole withdrawal of BTEC qualifications is a lesson in how such things should not happen.

I therefore support including in the Bill that the Secretary of State should appoint, through regulations, a body other than the institute to withdraw the approval of technical education qualifications. It is important that, before moves such as those we have seen on BTECs, we have a proper and thorough assessment of the qualifications, in particular when they are well known and respected by not just the general population, but academia and employers. That is the whole point of BTECs: everyone knows what a BTEC is and people know what the different levels relate to. BTECs are accepted as a standard qualification in academia and in employment.

Lia Nici: I am concerned that the Opposition are concentrating on BTECs. BTEC is a brand—it is a commercial brand. In ordinary parlance, we might use it as a throwaway term for level 2 or level 3 qualifications, but I am concerned that the Opposition are supporting one brand when we have a multitude of brands. I wonder whether they have been pushed by the brand owner's lobbying—why are we talking constantly about BTEC and not about other level 2 and 3 providers as well?

Andrew Gwynne: I find that quite offensive—to suggest that Opposition Members have been lobbied by Pearson to support a qualification. It was not always Pearson's. The hon. Lady talked about a brand, but it was Edexcel before Pearson, and before that it was the Business and Technology Education Council, which is where the term BTEC comes from. The reason that I am standing here to defend BTECs is that I have BTEC levels 3, 4 and 5.

Lia Nici: With respect, so do I.

The Chair: Order.

Andrew Gwynne: I am not giving way to the hon. Lady, because I am still answering her. I have BTEC qualifications at levels 3, 4 and 5. I am proud to have gone through the BTEC route, and I want to ensure that the next generation of young people and, indeed, adults have

[Andrew Gwynne]

the opportunity to go through the BTEC route, which is well respected and recognised by academia. I think only one university in the whole of the United Kingdom does not accept students with BTEC qualifications. I tell the hon. Lady that any lobbying I have had has come from the local colleges in my constituency, because they are incredibly concerned that withdrawing the qualification completely takes away a route to university for many people.

Lia Nici *indicated dissent.*

Andrew Gwynne: The hon. Lady can shake her head, but I invite her to Ashton Sixth Form College and Stockport College, and she can get into the real world.

Tahir Ali: I take great exception to the word "brand" being used for the BTEC. The BTEC is not a brand; it is a qualification achieved by those who do not want to pursue an academic route. If BTEC is a brand, GCSEs are a brand, A-levels are a brand, BSc is a brand, masters degrees are a brand. It is nonsense, and it is abhorrent to even refer to BTEC as a brand. The only brands Government Members are interested in are the ones that cost a lot of money.

2.30 pm

Andrew Gwynne: My hon. Friend is absolutely right that BTEC is not a brand.

Lia Nici: It is a brand.

The Chair: Order.

Andrew Gwynne: From a sedentary position, the hon. Lady says that it is a brand. It is not a brand; it is a qualification. I took BTEC qualifications when they were managed by the Business and Technology Education Council. The gown that I proudly wore at Stockport College's graduation ceremony in Manchester Cathedral was my BTEC higher national diploma gown—exactly the same gown that BTEC HND graduates wear today, even though it is a Pearson qualification.

Lia Nici: Will the hon. Gentleman give way?

Andrew Gwynne: We have heard enough from the hon. Lady. If she has nothing positive to add, I will not give way to her.

Matt Western (Warwick and Leamington) (Lab): I would like to think that the hon. Lady does have something positive to contribute. I say that as an act of decency, really. Like many Members in this room, I am sure, I found inappropriate the accusation that myself and other Opposition Members could have received money for making claims in favour of—*[Interruption.]* Or that we were being lobbied to speak positively—

Lia Nici: On a point of order, Mr Efford. That is not what I said at all. However, there are other level 2 and 3 providers. We constantly hear about BTECs. There are high-quality providers of other qualifications. We want to move towards T-levels. That is what this is all about.

The Chair: That is not a point of order. However, if the hon. Lady wants to make a contribution on that point, she can catch my eye. Have you completed your intervention, Mr Western?

Matt Western: I simply urge the hon. Lady to retract what she said in her point about Opposition Members being lobbied by Pearson.

Andrew Gwynne: I agree with my hon. Friend. That is what I said in answer to the hon. Lady when she made the assertion. I will happily give way to her if she will withdraw those remarks.

Lia Nici: Thank you very much for allowing me to intervene. I reiterate that Pearson is the owner of the BTEC brand, and because BTEC was being used again and again, I suspected that lots of lobbying was going on. I did not say that any money was changing hands or that anything corrupt was going on. I did not say that.

Andrew Gwynne: I will accept the half-hearted withdrawal from the hon. Lady if she says that she now accepts that we have not been lobbied by Pearson in the way that she implied. She makes the very real point that there are other qualifications at this level. I have a City & Guilds qualification and a Royal Society of Arts qualification at those levels. She is absolutely right that other really good qualifications are available to people to study at levels 2 and 3, and beyond. However, the main and most respected set of qualifications at this level is currently BTECs. I get that the Government want to introduce T-levels, and I support the concept of T-levels, but the hon. Lady and other Government Members must understand that there are some young people for whom T-levels will not be suitable but for whom BTECs are. Having the opportunity to study at BTEC level will allow them to progress to higher education or employment. To take those choices away is a retrograde step.

We are not here to debate the rights and wrongs of what the Government want to do. We are here to debate a sensible amendment that would ensure that, if the Government want to change the framework of qualifications in the way that they say in respect of T-levels and BTECs, there is a thorough assessment of the need to do that.

Jane Hunt *rose—*

Andrew Gwynne: I will come to the hon. Lady in a minute. There may be a duplication of some qualifications where one of them is no longer required. In that case, it may well be the right decision to withdraw funding from the BTEC qualification and put it into the T-level qualification. There may well be, however, two qualifications with a similar outcome—BTECs and T-levels, for example—but with different routes that are suitable for different sets of young people, meaning that although they get to the same end point, their starting point is very different. We should not be denying that choice.

Frankly, there will be some qualifications where a BTEC is the only game in town and it excels in providing those qualifications. Those should be retained. We are talking about ensuring that there is a proper assessment when Ministers seek to make academic changes. I will give way to the hon. Lady and then to my hon. Friend the Member for Chesterfield.

Jane Hunt: That is very kind; I thank the hon. Member. He seems to be agreeing with the Minister this afternoon. To quote from *Hansard*,

"Our qualifications review is vital to ensuring that what is on the market is the best it can be. I am clear that T-levels and A-levels should be front and centre of the level 3 landscape, but I am convinced that we need other qualifications alongside them, many of which exist now and play a valuable role in supporting good outcomes for students. It is quite likely that many BTECs and similar applied general-style qualifications will continue to play an important role in 16-to-19 education for the foreseeable future."—[*Official Report*, 15 November 2021; Vol. 703, c. 385.]

I wonder what the hon. Member has to say on that.

Andrew Gwynne: I fully agree with the intentions, and I have just said as much. From speaking to colleges that serve my constituency, the reality is that, although they want to, they will not be able to continue with a whole string of BTEC qualifications. That is the point. Moving away from the rhetoric to the reality, college principals are saying that this will be a retrograde step. Amendment 48, which my hon. Friend the Member for Chesterfield spoke to, is about ensuring that there is a proper mechanism to assess these changes. When we are putting through big changes to a well-established sector, we need to make sure that we do not throw the baby out with the bathwater.

We must ensure that we do not undermine opportunities for young people. We must not undo the well-respected and long-standing route of a BTEC qualification. If there is such a decision, we need a proper, detailed assessment. It might not be BTECs next; it might be that somebody decides that City & Guilds is no longer required or that the RSA no longer needs to provide qualifications, and so on. The assessment would need to go through the process that my hon. Friend the Member for Chesterfield set out in an independent and considered way. Ministers and, ultimately, Parliament would then make a sensible decision about how the higher education framework should look.

Mr Perkins: My hon. Friend was talking a minute ago about different qualifications and cases where a BTEC is the only show in town. The hon. Member for Great Grimsby was saying that we should recognise that there are other level 3 qualifications. Does my hon. Friend agree that an example at level 3 is the CACHE qualification, which is undertaken by people who want to work in the early years sector? The CACHE qualification has a big work experience element, and there are many reasons why early years students might be more likely to choose it over a T-level. The Government seem to have decided that T-levels are the answer and that they should decide what else can fit around them, rather than the other way around, which would be to identify where the holes are and to introduce T-levels to replace them.

Andrew Gwynne: My hon. Friend is absolutely right. That is why it is sensible to have a mechanism to assess these things properly, impartially and in the round and present that information to Ministers and Members of Parliament.

I have not yet heard any argument about what useful qualifications are. Is my BTEC national certificate in business and finance a useful qualification? Is my BTEC higher national diploma in business and finance a useful qualification? I do not know. The Minister has not set out what a useful qualification is. Whether these things could be done through T-levels or whether the BTEC option is a useful qualification—none of that has been set out. I want it set out independently, which is why I think it is really important that we get a mechanism in place that is independent and offers sound advice to Ministers and MPs.

As I have mentioned before, more than a quarter of higher education applicants—26%—come through the BTEC route. That is not insubstantial. I want to make sure that more young people and more adults come through an appropriate vocational route into higher education. If that is T-levels, great—let us get more people through T-levels into appropriate higher-level qualifications—but for many it will still be BTEC. It needs to be BTEC.

As my colleges are saying, we cannot undermine the ability to provide BTEC courses. At the moment, it is all T-level, T-level, T-level. BTEC is becoming an afterthought—and not necessarily a funded afterthought at that. That is my real concern, and it is why I am pleased to support my hon. Friend's very sensible and modest but very practical amendments.

Matt Western: I do not want to rehearse points that have already been made, but I highlight the fact that BTECs are written into the Bill, which refers on page 10 to

"BTECs, AGQ or a Diploma".

When we refer to BTECs, we are referring to them very honestly. There is no preference for any provider or qualification; they just happen to be a significant part of the skills agenda and, as I say, are written into the Bill.

Alex Burghart: May I make a small point of clarification? The hon. Gentleman says that BTECs are written into the legislation. They are, but only because of a successful amendment tabled by Lord Watson in the upper House. They are not in the Government's original drafting of the Bill.

Matt Western: I take the Minister's point, but that decision was reached and agreed across the parties in the House of Lords. The Lords accepted that BTECs are a qualification, along with AGQs and diplomas. As a point of reference, that is a pretty honest point made by noble Lords, and we agree. I just clarify that we are not favouring one provider or qualification over another; we are simply using the parlance of the FE sector.

As my hon. Friend the Member for Chesterfield mentioned, the issue is about criteria. I am really concerned, having spoken to colleges and universities in the higher education sector about the associations between FE colleges and universities. There are so many young people who may struggle through school and the normal academic process, but who have the chance to do a BTEC and rediscover learning and what is right for them. Qualifications such as AGQs and BTECs have provided a real opportunity for those young people. That is why we believe it is important that, rather than pursuing T-levels almost exclusively, as the Government have done, we should make a much more open choice available to young people. We are concerned about the move towards assessing the quality of level 3 courses and about what will be taken into account—hence our amendment.

2.45 pm

Alex Burghart: Let us get to the amendments themselves. Amendment 47 would require the Secretary of State to appoint an alternative body, rather than the Institute for Apprenticeships and Technical Education, to determine whether approval should be withdrawn from technical qualifications at level 3. The Government think this amendment is unnecessary. Institute approval is a mark of quality and provides currency with business and industry. It shows that employers demand employees who have attained the qualification, and that it delivers knowledge, skills and behaviours needed for particular occupations. Approval would be withdrawn when a qualification no longer meets the criteria against which it was approved and no longer delivers the outcomes that employers need.

It is entirely appropriate that approval and withdrawal of approval decisions based on the same set of criteria should be made by the same body. That body should undoubtedly be the institute. It is best placed to manage our system of technical qualifications and will actively involve employers when making approval and withdrawal decisions, including through its route panels of employers, who hold national sector expertise and knowledge of occupational standards. To be clear, the institute does not have the power to make funding decisions about qualifications. Those powers rest with the Secretary of State. However, we want to fund technical qualifications that hold currency with employers; institute approval will provide a robust basis for this.

Amendment 48 has three elements to it. The first is that the Secretary of State must publish criteria defining what is meant by "high quality" when it comes to deliberations around the defunding of level 3 vocational and technical qualifications. The second is that an independent panel of experts be appointed to review the defunding of any qualifications in accordance with these criteria. The final one is that a proposed list of qualifications in line to have their funding removed is published within three months of this Bill achieving Royal Assent.

On the first point, the Secretary of State was clear on Second Reading that the removal of funding for level 3 qualifications that overlap with T-levels will be based on the extent to which they overlap with T-levels. High-level criteria for the removal of funding for technical qualifications that overlap with T-levels were published in the summer alongside the response to the consultation. Further detail about those criteria will be published in the near future, alongside a provisional list of qualifications in scope for funding removal in 2024. These will include grounds for awarding organisations to appeal against the provisional decisions made the Department for Education.

On the second point, both Ofqual and the institute will play an important role in approving new and reformed qualifications independently from the Department, and the institute's approval will be a necessary pre-requisite for funding decisions taken by the Department. There is no need for any further independent body being built into the system. On the third aspect of the amendment, we want to have transparent processes for the removal of funding for qualifications and the approval of new ones. I have already made it clear that we will shortly publish the first list of technical qualifications that are in scope for the removal of funding because they overlap with T-levels. The funding of new and reformed qualifications will be based on strong quality standards, to be published next year, and decisions based on approvals involving two expert and independent organisations.

Mr Perkins: That was an interesting contribution from the Minister. On the first aspect of amendment 48, which calls for the Secretary of State to publish criteria to define what is meant by "high-quality qualifications", he seemed to be saying that, effectively, that has already been published—although there will be more to be published in future. This is so obviously a moving situation; the Government are desperately trying to recover from the position that the previous Secretary of State has put them in. I think amendment 48 is a constructive way of supporting them to get out of the situation they are in.

It appears from what the Minister says that he does not need to vote for the amendment because that will happen anyway. If it will happen anyway, what is the problem with voting for the amendment? Having specific criteria to define what is meant by high-quality qualifications —removing the case-by-case approach and any political agenda, and once again enabling decisions to be made according to academic and, one might almost say, evidence-based criteria, which is what the Secretary of State told us he would be all about—would be entirely sensible, so I do not understand why the Minister will not vote for the amendment.

On the second part of our amendment, the Minister suggested that we do not need an independent body because we have IATE. The whole point about amendment 47 is that an organisation having ownership of a qualification and also being the referee on other qualifications is a pretty complicated and worrying situation. It is a bit like saying that Toyota, which makes electric cars, can also say whether everyone else's electric cars meet the criteria.

Alex Burghart: It is worth bearing in mind that there really is not a conflict of interest here. The institute is not a market participant. Toyota manufactures and sells cars. The institute will not sell T-levels.

Mr Perkins: The Minister says that there is no conflict of interest. People in the sector believe that there is. Clearly it is a matter of opinion, but the perception of a conflict of interest exists. That is why we tabled the amendment, and I suspect it is why we were asked to do so.

The Minister suggests that he will vote against proposed subsection (12) of amendment 48, but at the same time he says, "Don't worry. We're going to publish it shortly. We don't want to be committed to three months, but it will be shortly." I do not know what the definition of shortly is if three months is too short. I understand that we are only in a position to press one of the amendments to a vote. We have not been given any encouragement by Government Members that they will support amendment 47, so even though we remain of the view that it would have been sensible, on advice I will withdraw it, but we will seek to divide the Committee on amendment 48. I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Alex Burghart: I beg to move amendment 18, in clause 7, page 10, leave out lines 38 to 40.

This amendment leaves out subsection (3) of section A2D6 (approved technical education qualifications: approval and withdrawal) to be inserted into the Apprenticeships, Skills, Children and Learning Act 2009. The subsection was inserted at Lords Report.

The Chair: With this it will be convenient to discuss Government amendment 19.

Alex Burghart: Amendment 18 removes an amendment from the Opposition Benches of the Lords that sought to delay the withdrawal of public funding from level 3 qualifications until 2026. The Lords amendment is not needed. We listened to the issues raised in the other place and, as such, the Secretary of State announced an extra year before public funding is withdrawn from qualifications that overlap with T-levels, and before reformed qualifications that will sit alongside T-levels and A-levels are introduced. Our reform programme is rightly ambitious, but we know that it would be wrong to push too hard and risk compromising quality. I believe that that additional year strikes the right balance between giving providers, students and other stakeholders enough time to prepare while moving forward with our important reforms.

The changes are part of reforms to our technical education system that will be over a decade in the making from their inception, building on the recommendations in the Sainsbury review, published in 2016, which itself built on the findings of the Wolf review of 2011. Both reviews found that the current approach is not serving learners or employers well. It fails to incentivise the active involvement of business and industry in technical qualifications, whereas our reforms will place employers at the heart of the system. We need to ensure that we get this right, but it is also important that we act quickly to close the gaps between what people study and the skills that employers need.

T-levels are a critical step change in the quality of the technical offer. They have been co-designed with over 250 leading employers and are based on the best international examples of technical education. We have already put in place significant investment and support to help providers and employers prepare for T-levels. By 2023, all T-levels will be available to thousands of young people across the country, and over 400 providers have signed up to deliver them so far.

We have learned from past reforms that, for T-levels to embed successfully, we should not continue to fund all competing qualifications alongside them. That is what we did when we moved from apprenticeship frameworks to apprenticeship standards: the frameworks were removed. Apprenticeship standards are the same employer-led standards on which T-levels and higher technical qualifications are based, and soon there will be a broader range of qualifications as part of our ambition for a coherent system in which employers play a leading role throughout the technical qualifications landscape. The Government's amendment will allow those vital reforms to be implemented so that more young people and employers can benefit from a high-quality technical offer, with one extra year to help providers and other stakeholders to prepare. That extra year does not require legislation.

Amendment 19, which also stands in my name, seeks to reverse another amendment from the Lords. That amendment said that no student would be deprived of the right to take two BTECs, an applied general qualification, or a diploma or an extended diploma. All learners should be able to attain the skills they need to succeed in higher education or progress into skilled employment. A-levels and T-levels will be the best academic and technical options for most 16 to 19-year-olds, and we want as many young people as possible to benefit from them. However, that does not mean that we are removing all applied general qualifications. We see a valuable role for such qualifications in the reformed landscape where there is a need for them and where they meet our new quality and other criteria. I assure Members that we recognise that there is a need for other qualifications —ones that provide knowledge and skills that are not covered by T-levels, or are less well served by A-levels.

In our response to the level 3 consultation in the summer, we set out the qualifications that we intend to fund alongside A-levels and T-levels. They include large academic qualifications, such as BTECs or similar, as a full programme of study in areas that do not overlap with T-levels and are less well-served by A-levels: performing arts or sports science, for example. Students will continue to be able to study mixed programmes, with applied general-style qualifications alongside A-levels, where there is a need and where they meet our new other criteria. That includes areas such as engineering, applied science and IT, in which T-levels are also available.

Successive reviews have found that the current approach has led to a complex and confusing market that is variable in quality, which does not serve students or employers well. Streamlining the qualifications landscape will help to simplify the market and provide students with both quality and clarity of choice. I therefore commend these amendments to the Committee.

Mr Perkins: This is a really important moment in the passage of this Bill, because Government amendments 18 and 19 seek to remove two of the most important amendments that were secured in the House of Lords. The Minister described the first of those as an Opposition amendment, but we should remember that it only passed because of the votes of Conservative peers, as well as Labour, Liberal Democrat and other peers. Indeed, the Conservatives who voted for that amendment included such renowned and respected peers as Lord Willetts, former Minister of State for Universities and Science, who was largely seen as one of the pioneers of policy in this area during his time in government; Lord Clarke, former Conservative Chancellor of the Exchequer; and Lord Howard, former Conservative party leader. These are not people who often vote against the Government—well, Lord Clarke did quite a bit. *[Laughter.]* On the whole, they are not people who regularly vote against the Government. They do so only with the greatest of regret and the greatest of persuasion, so when people such as Lord Howard, Lord Willetts and Lord Clarke say that this is a moment for the Government to pause before they get this wrong, then joking aside, they should be listened to seriously.

Matt Western: Am I right in thinking that Lord Baker was also involved?

3 pm

Mr Perkins: Lord Baker made his support for this approach known. I think he was absent from the vote, but he very much supported the move towards protecting this. In fact, he described the Government's approach as "an act of educational vandalism".

[Mr Perkins]

The Government have made an important concession. It is not in the Bill, but the Secretary of State has agreed to an additional one-year moratorium on the defunding of level 3 qualifications. That is important, and I have two points to make on that. First, it means that level 3 qualifications will not be defunded in this Parliament. If anyone out there wishes to ensure that level 3 qualifications—they offer real student choice, are respected by the sector and understood by employers—are defended and maintained in the future, they will have the opportunity: they will be able tao vote Labour in a general election. The fact that level 3 qualifications will not be defunded in this Parliament is an important concession. The opportunity to save the Government from that folly will be there in a general election, and we will push that argument very strongly.

Secondly, the clause that the Government are attempting to get rid of stated that there would be a four-year moratorium. We have heard that they are not having the four-year one, but they will have a one-year moratorium. Why not replace the words "four years" with "one year" in their amendment? At least then it would exist in the Bill. It seems churlish for the Government to say, "We will give you an assurance that we will do that, but we are still not going to have it in the Bill, even though we are offering you this commitment." It is deeply disappointing that the Government have removed an amendment that enjoyed cross-party support in the other place. There are real concerns that the number of students currently doing alternative level 3 qualifications will not be well served going forward.

The hon. Member for Great Grimsby was frustrated that Opposition Members kept referring to BTECs rather than recognising the variety of different level 3 qualifications, but it is important to say that BTECs are the largest number of those level 3 qualifications. Last year 230,000 students did a level 3 BTEC. The Government have an aspiration that in four years' time there will be 100,000 students doing T-levels. It remains to be seen whether they will be successful in that. If they are, there will still be 130,000 students in four years' time who will not have access to that qualification if those BTECs disappear, and that is why it is so important that we ensure those ladders of opportunity are not removed.

As our next amendment will show, when I will go into more detail, we need a lot more scrutiny of the success of T-levels before BTECs are defunded. We are still in the pilot phase. I will talk more about T-levels when we debate the next amendment, but before Members vote on this one, they need to understand that we are still only in the second year of the very first intake for those qualifications. Only three of the qualifications were actually started 15 months or so ago. Some of them are in the first weeks of being studied, and already the Government are making decisions about what will happen to the alternatives before the pilot has even taken place. It is like getting rid of a ship because you are in the process of starting to invent an aeroplane. It is an unreasonable way to operate.

There are real concerns around the narrow pathways devised for T-levels. BTECs are often a route to university for those who have chosen not to go down the A-level track.

On Government amendment 18, we believe that the House of Lords was correct to introduce the four-year moratorium, and the Government should respect that. If they do not, and they want us to believe that we can trust them that there will be a one-year moratorium, instead of a four-year one, why not put that in the Bill?

Government amendment 19 restricts additional opportunities for studying level 3 qualifications for people who have already got one. When the Prime Minister announced the lifetime skills guarantee at Exeter College, he talked about the need for people to retrain. It was at the height of the covid pandemic, and he said that some people are in areas that might not have a future, and that we need to allow them to retrain. The whole principle of the lifetime skills guarantee was around people retraining—perhaps they are in travel, tourism or hospitality, and we will move them to health and social care or engineering. However, when it comes to the guarantee, they cannot do that, because people are only guaranteed to do one level 3—if someone gets their level 3 at 19 and then wants to retrain at 40, they will have to pay for it. That will definitely be a barrier for people.

The Lords, very sensibly, introduced an amendment saying that

"no student would be deprived of the right to take two"

level 3 qualifications. We sometimes hear from Government Members about these perennial students who, if allowed to do these funded qualifications, would do qualification after qualification—although I do not believe such people really exist in any serious number. Whether someone in their 50s might do a degree as a matter of interest is a different matter, but no one does a level 3 vocational qualification just for the banter—they do it because it is a route to a job.

Even if that was true, and we accepted that there must be a limit on it somewhere, the peers did introduce a limit. They simply said that for a lifetime skills guarantee to be worthy of the name "guarantee", we have to let people do a second qualification if they need to retrain at some point. The Government are getting rid of that. We have just heard from the Minister; I would be very interested to understand why he thinks that someone who did a level 3 qualification 10 or 15 years ago and now wants to do a different level 3 should not be able to do that. He is proposing Government amendment 19, which scraps the right for people to do a second qualification, without, as far as I can recall, referring to it in any sort of detail whatever. People will be pretty disappointed with that.

More than 9 million jobs are currently excluded from the lifetime skills guarantee, which we will go into in more detail later. When whole sectors such as tourism and hospitality have been left out, it is a misnomer and a misrepresentation to call it a guarantee. It is an aspiration and nothing more.

I strongly oppose Government amendment 18, which removes the very sensible moratorium to protect level 3 qualifications, until the Government have worked out what the hell they are doing. I also oppose Government amendment 19, which removes the assurance that a student who has done a BTEC or any kind of level 3 qualification will be able to access a second one if, in the future, they need to.

Rachel Hopkins (Luton South) (Lab): I support the points made by my hon. Friend the Member for Chesterfield on the Front Bench. Yet again, I find myself agreeing with the Lords in their amendments, which, as a republican, is sometimes quite tricky. However, as my hon. Friend said, these eminently sensible amendments were put forward with cross-party agreement.

I find it fairly odd that Government Members want to restrict competition. For a party that seems to have market competition at the heart of many of its policies, I find it strange that they are trying to narrow it and not allow students to have choice.

Mr Perkins: I slightly challenge my hon. Friend's idea that this is a party that is in favour of market competition. We know it is in favour of a short list of one, devised by who knows the relevant Minister. They claim to be interested in market forces, even if their policies often do not follow that idea.

Rachel Hopkins: I thank my hon. Friend for that intervention. It is a pity that the cameras are not in this Committee room or he would have seen my wry smile in response to his comments. The reason behind wanting to ensure that applied general qualifications—BTECs—are still available for a longer period of time, in greater breadth, is all about student choice. Ultimately, this is a Bill about skills and post-16 education, which should have students at its heart. That is why I want to make the case to retain those Lords amendments and the case against the Government's proposed amendments to take them out of this Bill.

On retaining the moratorium for four years before any change to the breadth of BTECs, I want to query a point that the Minister made, which I hope he can clarify. He referred to the Wolf report and the Sainsbury report. The briefing I have received from the Sixth Form Colleges Association, which I have worked with as the governor of a sixth form college, rightly flags up that the Wolf report says that BTECs are

"valuable in the labour market, and a familiar and acknowledged route into higher education".

The Sainsbury report did not consider BTECs or A-levels as

"reform of this option falls outside the Panel's remit".

So, the Department's case for scrapping BTECs rests on one report that rated them highly—

"valuable in the labour market"—

and another report that did not look at them at all. I would be grateful for some clarity on that point in the Minister's subsequent comments.

On the second part, around being able to study for a second level 3 qualification, the case was made very well by my hon. Friend the Member for Chesterfield. As only a recent entrant to this place, I have spent my whole career in the workplace with people who want to better their careers. Looking at the pace of change of within the workplace over the last 10 or 20 years, many staff I worked with may have had some sort of qualifications—BTECs or whatever—but they needed to up their digital skills to become managers and to start leading teams. This amendment would mean that they would not have been able to do that if they wanted to take their career further. I think that shows a complete lack of understanding of what the world of work can be like for many people.

If people do not have money or savings, they will not be able to do that, which goes against everything that I want to see for people and social mobility, so that poor working class people in my town can get on and they are not held back by the short-sighted, narrowing of opportunities that these amendments from the Lords sought to prevent. The Government are seeking to narrow opportunities in the Bill.

One point made by my hon. Friend was that some areas are not included in these proposals. In Luton South, we have the town centre, which has lots of retail, hospitality, pubs and hotels, particularly linked to Luton airport, but the area would not be included. That is so narrow and makes me think, "Well, what is this all about?" Is it all about a two-way street, where someone who is poor will go and do technical qualifications, and someone who is able and has connections can go and do A-levels? The gap will not be filled by many of the applied general qualifications, which reflect the workplace.

It is not just about the qualification at the end; it is also about how the assessment takes place throughout the course of the qualification and the different assessment methods. I want to see that recognition. The point was raised earlier that it is not just about some exams at the end of two years, regardless of whether people are following a technical or an A-level route.

I would be interested to hear from the Minister about some the requirements around the T-levels with regards to employer placements, and the spread and availability of them. We appreciate that we are in the pilot phase of some of those T-levels, but that is why it is so important to ensure sufficient review of how T-levels have rolled out and how the success of the students taking them has manifested itself.

Will there be sufficient placements for students? That is one question and, to link back to much of the debate we had on Tuesday about the formation of the skills plans, another is how will students travel to those placements? When education maintenance allowances were taken away from many students, they could not afford a bus fare. To be aspirational for many of our students, they might have to travel out of area—I speak as someone who represents a town, but other colleagues have talked about smaller towns, villages and other areas—but how will they travel and get about?

3.15 pm

We need to have much more evidence of the success or otherwise of T-levels before we move in any way to withdraw successful vocational qualifications that already exist, BTECs or applied general qualifications. That is why I support the amendments and oppose the Government proposals to remove them.

Andrew Gwynne: My hon. Friend is touching on something that is important, but often overlooked about BTECs. Yes, they can be done as full-time qualifications, but many people do them on day release. People are already in employment, and they are released on a day to get a level 3, level 4 or level 5 qualification to make progress. Do we not absolutely have to keep that in the system?

Rachel Hopkins: Absolutely. My hon. Friend makes a fantastic point. That is so vital, in particular for people with more flexible arrangements in the workplace.

[Rachel Hopkins]

The pandemic has shown that people can work more flexibly through need, as much as through preference. For many, that day release is important. Many further education colleges work with local employers in their areas to ensure that the qualifications and the day releases meet the need. We must ensure that that can continue. We must not—as the phrase goes—throw the baby out with the bathwater. I hope that the Minister will address my points in his closing remarks.

Andrew Gwynne: I rise to support the Opposition's quest to retain their lordships' amendments to the Bill. As my hon. Friend the Member for Chesterfield said, the amendments are common sense. As someone who grew up in the 1980s and 1990s, the very figures he mentioned, who now sit in the other place, were leading lights of the Governments of the late Baroness Thatcher and John Major. They have huge knowledge in these areas—whether I agree with them or not politically.

No one can deny that Lord Baker was an Education Secretary of some standing. He knows what he is talking about. No one can say that Lord Clarke is not a man of great knowledge and understanding in these areas. Other former Ministers of those Administrations and a former leader of the Conservative party know what they are talking about when it comes to these issues.

Matt Western: So many senior experienced educationalists from previous Administrations over the decades—notably on the Conservative side, but also the likes of Lord Blunkett—came together. They understand the sector, and the fact that they have concluded and agreed on why such qualifications need to be retained is most telling.

Andrew Gwynne: My hon. Friend is absolutely right. I was going to come on to the Labour support in the House of Lords for the amendments. It is absolutely right that, when it comes to replanning a whole part of the further education sector, we should get that cross-party unanimity as far as possible. We want these changes to succeed, to last and to live through the current Government and future Administrations, as BTECs have done.

Mr Perkins: To reinforce my hon. Friend's point, he talks about Lord Howard, the former leader of the Conservative party, who voted for the amendment. For once, actually, I am thinking what he is thinking.

Andrew Gwynne: I can see what my hon. Friend did there. For once, I agree not only with my hon. Friend—I always agree with him—but with the noble Lord Howard. Of course, he did not need to be asked the question 46 times to give the answer that we wanted.

I went through the BTEC route. For the Committee's benefit, I will not go into all that again, but I believe that it is still a viable route for so many people—young people in particular but also adults—who want to better themselves and pursue a new career. To take away some of these options in the way in which the Government seek is regressive. My hon. Friend the shadow Minister is right that if the Government will not accept a four-year moratorium—even though they should—they should place the one-year moratorium in the Bill so that that is clear. I support their lordships fully on this issue.

I get what Ministers are saying about the risk of compromising quality, but nobody has ever made the case to me that the BTECs at my local colleges—Stockport College, Tameside College and Ashton Sixth Form College—are compromising quality. They give young people and adults some of the best opportunities to better themselves and reskill themselves.

Rachel Hopkins: The point about the quality of these qualifications has already been made. So many young people get to really good universities on a BTEC qualification, and surely those universities would not accept qualifications that were not up to scratch.

Andrew Gwynne: My hon. Friend is absolutely right. I believe that just one university in the whole of the United Kingdom does not accept BTEC qualifications, and it is not Oxford or Cambridge—they do. If these qualifications are good enough for Oxbridge, they obviously set the standard that academia wants to see.

It is more than that. BTEC is about more than reaching the same standards in theory as A-levels or years 1 and 2 of an undergraduate degree. There is also the experience and opportunities that BTECs bring to the people studying them, which academic qualifications—and possibly even T-levels—cannot.

I want the Minister think about the fact that some colleges are requiring GCSEs in English and maths to be considered for a T-level qualification That is fine, but what about those who do not have those qualifications but do have a whole string of other GCSEs at the equivalent of grade C and above, in old money? Do we really want to hold back our young people and keep them doing resits until they can get on to a T-level qualification, or do we want them to progress through T-levels and possibly study for English or maths resits at the same time? That really concerns me. I see colleges in Greater Manchester suggesting those entry requirements for T-levels, even though that is not necessarily the Government's intention. We must look at that.

With BTEC, students who did not have GCSEs had the opportunity of going through a BTEC first before progressing to BTEC national and BTEC higher national. It is really important that we do not take opportunities away from young people. We should be increasing opportunities.

Andy Carter (Warrington South) (Con): I just want to be clear that, on Second Reading, the Secretary of State indicated that the requirements for maths and English were being removed. I just want to make sure that the hon. Gentleman has not misunderstood that or is trying to suggest otherwise.

Andrew Gwynne: No, and I said clearly that that is not the intention of Ministers, but it is already happening de facto on the ground. Although colleges do not need to consider whether someone has English or maths qualifications, some are saying that they want people to have them. We have to ensure that that does not happen. At this early stage, the Minister can use his influence to ensure that colleges stick not only to the spirit of what was said on Second Reading but to the letter of what we want, which is no young person missing out on the opportunity to follow the BTEC further education route, as is currently the case.

Lastly, I will talk about depriving people of the right to take two BTECs, AGQs, diplomas or extended diplomas. In the good old days, when someone left school and went to work in what was likely to be their job for the entirety of their working life before they retired, these things did not matter. Today, the workplace and employment market are incredibly fluid. We cannot guarantee a job for life in 2021, and we certainly cannot guarantee that there will be a job for life in a decade's time, or even two decades' time. People going through college now cannot be guaranteed that they will remain in one job for the whole of their career. The reality is that they will have lots of jobs. The world of work will change, the challenges for people in the workplace in the future will change, and the way we work will change, so the way we learn about advances in technology and new job opportunities has to change as well. It may well be that somebody is currently employed in an area that will not exist in 10 years' time. Are we seriously going to deny them an opportunity to reskill in a whole new area of work that is currently unforeseen but might develop? Are we really going to be so rigid as to say that somebody cannot go back to college to do a qualification at the same level as the one they got 20 years ago but is no longer relevant to modern-day work?

I support the Lords amendment. It is absolutely sensible for the future, because we do not know what the future holds. Are we really going to hold back a proportion of the workforce who might have to retrain or start literally from scratch and do another level 3 qualification in a whole different area because the level 3 qualification they did 20 or 30 years ago is no longer relevant to the modern world of work? That is absolutely crazy.

Lia Nici: It is a pleasure to serve under your chairmanship, Mr Efford. I have been bobbing up and down a lot. I feel that I need to bring a little bit of balance to proceedings. I am concerned that people listening to the debate will be full of fear and dread about what may be happening. My concern is that the mantra has been that BTECs are going, it will be terrible, it will hold everybody back and working-class young and older people will not be able to do anything. That really is not a proper representation of what is happening.

We have had A-levels in our education system for many decades. They are not a brand. They are a qualification. T-levels will mean that vocational qualifications will be better understood. Not only will they be high quality, but they will have been shaped in part by our LSIPs and employers.

3.30 pm

Tom Hunt (Ipswich) (Con): Is it the case, like it is for me, that when my hon. Friend talks to employers in her constituency they often say, "We've got the jobs, but haven't got the skills locally"? The Bill will play a big part in changing that.

Lia Nici: My hon. Friend is right. A huge number of jobs are available. What we need to do now, and the Bill will enable us to do it, is pivot on an axis to ensure that employers are fully involved. We have some very good education providers in post-compulsory technical that work with employers, but a lot more work needs doing. When I go to see employers in my constituency, they all say that they have jobs available but cannot get people with the right skills. We have to do something about that, not only for our employers and our economy but for our constituents.

My constituency of Great Grimsby is the most wonderful place to live, but our skill levels are not where they need to be, for people in and out of work. If we are to level up for everybody across the country, particularly in my home town of Great Grimsby, T-levels will be a fantastic way for us to move forward. Apprenticeships are also extremely valuable, as people can earn while they learn. I am extremely concerned that we seemingly have a moral panic to try to get headlines to worry young people. I say to young people, and older people who are looking to train to level 3 qualifications, that it is not the disaster that it is being portrayed as for the sake of headlines.

There is a reason we do not want a long moratorium on such things as BTECs, which the Opposition are mentioning over and over again. I have worked in further education for 22 years. I have taught secondary school students and lectured at higher education level, and I happen to have a diploma at level 3, level 4 and level 5—a higher national diploma—one of which happens to be a BTEC. We want to ensure that education providers know exactly what is happening with a deadline. They are now ready to pivot on that. I have been talking to my biggest provider, Grimsby Institute of Further and Higher Education, and its experience of T-levels so far is utterly outstanding.

Tahir Ali: The hon. Member mentioned jobs in her constituency. I am aware that fishing is a significant sector in Great Grimsby. Will there be a T-level in fishing or swimming?

Lia Nici: I thank the hon. Member for his intervention. Great Grimsby has a history of fishing. Actually, it was the Icelandic cod wars and joining the EU that ended our fishing industry. We still have a very important fish processing industry that employs around 5,000 to 6,000 people in the town directly. I am working with the fishmongers' association, Seafish, and my local colleges and industry to look at new apprenticeships and T-levels, so he is right: I am working on that. It is extremely important, because we have lots of people in our communities who are working at extremely high levels and have no qualifications. We need to consider not only people who are new into the workplace but those who are working and are specialists in their field. I see them every week when I am out and about. They talk passionately and are very knowledgeable—to level 5, 6, 7 and beyond—and they worked their way through. We need to ensure that qualifications can do that as well.

Andy Carter: My hon. Friend mentioned the importance of engaging with colleges and employers. Does she agree that it is also critical that we engage with young people and hear their experiences of T-levels? Priestley College in my constituency was one of the first in the UK to undertake T-levels, and one of the best visits I have had in my almost two years of being the Member for Warrington South involved sitting with T-level students and hearing their experiences of going out into the workplace and learning in a very different way from what they expected. We have been able to gather a tremendous amount of insight, and we can build on that.

[Andy Carter]

My hon. Friend made the point earlier that Opposition Members' suggestion that vocational qualifications are moving in a direction that is perhaps not advantageous for young people is simply unfounded.

Lia Nici: I thank my hon. Friend for making that extremely important point. I speak to T-level students who are absolutely and utterly convinced that this is the way to go forward. I spoke earlier about my career in education and did a quick tot up of how many young people I have put through diplomas at level 3. I think about 45,000 students have been through my classrooms, studios and workshops, and they now work all over the world in a whole range of different roles within their specialism. It is really important to say that we do not want to put people in an absolute state of panic, because there are really good qualifications and jobs out there.

I will make a couple of points before I finish. The hon. Member for Denton and Reddish said that the Conservative party does not like competition, but I think there is a misunderstanding here. T-levels are not a brand; they are qualifications. All those different organisations, such as Cambridge, Pearson and the City and Guilds, will all be able to feed in and offer T-levels.

I want to pick up the point about the Wolf report, which said that BTECs are high quality. The Wolf report came out in 2011, so I would be cautious about looking at something that was published 10 years ago.

Andrew Gwynne: I am grateful to the hon. Lady for giving way. I want to quiz her on the assertion that BTECs are a brand. I studied for a BTEC national certificate in business and finance, and I qualified in 1992. Is that a qualification or a brand?

Lia Nici: Actually, the hon. Gentleman has a diploma, which happens to be accredited by the examining board of BTEC. That is what I am trying to explain. Although this has been a very interesting debate, I felt that I had to stand up and say something because there was some misrepresentation and some panic being put into this, which I really do not think is a positive thing for young people and their parents and carers, or for more mature students who are looking to do level 3.

The Chair: Order. Could we come back to the amendment? We have dealt with whether T-levels and BTECs are brands—we have been around that circuit already. I do not think we need to repeat that part of the debate.

Lia Nici: Thank you, Mr Efford. People will still be able to study on day release and part time. I know that everybody is passionate about this issue, but we need to be balanced. We all want our young people and older people to be able to study for qualifications that are high quality and that will help them to go on to further education or to get good-quality jobs, and I believe that the Bill will do that.

Mr Perkins: It is a great pleasure to follow the hon. Lady, whose contribution I did not entirely agree with. However, it has been so rare in our debates to have contributions from Conservative Back Benchers, so I do not want to discourage them when they take place.

There are a few things that I want to say. First, the hon. Member for Great Grimsby says that she is interested in providing qualifications that employers will value, but 86% of those who were consulted on the Government's review agree with the amendment that the Lords put in and disagree with the Government's intention to take it out. If her purpose is to do what employers want, she should be voting for the Lords amendment rather than against it. She says it was her belief that the BTEC was simply a brand, but it is clearly a qualification. To "other" BTECs as if they are somehow lesser than A-levels and T-levels is a considerable mistake. The amendments are very much undermined.

Matt Western: I want to draw attention to the points that have been raised by the Social Market Foundation and Universities UK on how important qualifications such as BTECs have been. There is a fear that T-levels will not allow for the same degree of social mobility as has been possible in the past, particularly for those from disadvantaged backgrounds, students with SEND and BME pupils.

Mr Perkins: I agree with my hon. Friend. The hon. Member for Great Grimsby said she speaks to employers in her constituency who say that they are not able to attract employees with the skills they need. We have all heard that refrain. That is precisely why introducing a reform that could see 130,000 students without the qualification they are currently getting is a hugely retrograde step.

The hon. Member for Great Grimsby says that she is concerned that people watching this debate will be misinformed. I have to say to her that the only people watching the debate know the sector very well indeed—there is not widespread competition for the number of viewers that "Coronation Street" gets. Those watching this debate already understand the sector. They are precisely the people who have responded to that consultation in great numbers—86% of whom have said that we should support this Lords amendment rather than get rid of it. I think that her worries about people in the sector being misinformed are very much out of line. Actually, it is the sector that is coming to us and saying, "Slow down. T-levels may well have real value, but we don't yet know. Before you chuck the baby out with the bathwater, take it steady. Let's support the Lords amendment and vote against the Government one."

Alex Burghart: This is another interesting debate. It is another opportunity for the Opposition to fawn over former Conservative Secretaries of State and to think back to the wonderful childhoods they had under Baroness Thatcher—*[Interruption.]* There are some great opportunities for 16-year-olds in Greater Manchester, it would appear.

I appreciate that there are cross-party points to be made. I do not need to remind the Committee that a lot of this work originates from the pen and mouth of Lord Sainsbury, who in 2016 put together the review that would ultimately lead to the design of T-levels, which he has been intimately involved in. I imagine that most members of the Committee have received communication from his lordship in the run-up to this debate, in which he has made it very clear that the reason we needed T-levels was because there was a need at level 3 for large qualifications, designed by employers,

that met the needs of employers and offer serious work placements, and that this would enhance the level 3 offer immeasurably.

Lord Sainsbury is a very strong Labour advocate for this policy. On his advice, we have designed a new suite of qualifications at level 3, designed with 250 employers, with nine weeks of work experience put in. It was wonderful to hear a speech from my hon. Friend the Member for Great Grimsby, because I have had the same experience. I have had the pleasure of doing this job for 11 weeks or so now, and I have travelled across the country meeting T-level providers. The level of enthusiasm among staff, pupils and employers who are providing the work placements is enormous. It is an electric moment in education.

I fully respect the serious point that the hon. Member for Luton South made about capacity for work placements, an issue that the Department is taking very seriously. My officials have absolutely busted a gut during the pandemic to make sure that young people on T-levels at this uniquely challenging time do not miss out on their work placement. I am pleased to say that the vast majority of young people who started their course in September 2020 have found a work placement, though a few have not, and we are working very hard to make sure that they do. It is a promising sign that even during a pandemic, we managed to do that, but we know that we will have to work hard on this issue, and we do not take the challenge lightly.

3.45 pm

Rachel Hopkins: I hope that the Minister will appreciate my concern. There are 10,000 students in the T-level pilots. He says that the Government are almost there on work placements, but nearly 250,000 people are studying for level 3 BTECs, so there would need to be a significant transition. I hope that he accepts those concerns about placements.

Alex Burghart: The hon. Lady makes a serious point of which we are mindful, but obviously there are lots of areas where there are no T-levels at the moment, and there are great opportunities for work experience; we are already engaging with employers and colleges.

Access has come up repeatedly. There is absolutely no good reason why a young person at 16 to 19 who is ready to study at level 3 should not do a T-level. The idea that large numbers of young people aged 16 to 19 will be shut out of studying at level 3 because of T-levels is simply wrong. There was a potentially serious obstacle in the English and maths exit requirement, which is why we removed that. I say in all seriousness to the hon. Member for Denton and Reddish that if there are colleges out there still using an English and maths entry requirement, I would like to know which ones they are—I will happily speak to their principals. I do not expect him to put that on record in *Hansard*, but I would be grateful if he supplied me with that information.

Andrew Gwynne: I am grateful to the Minister for that, because as I said, we really need to bottom this out. We absolutely need to make sure that we apply not just the spirit of what the Minister said on Second Reading, but the letter of it. I will certainly supply him with that information.

Alex Burghart: I am grateful to the hon. Gentleman for that undertaking, because this is about creating more and better opportunities. On the point about destinations, a number of MPs here have said that BTECs have led to higher education. That is excellent. There is no reason at all why T-levels should not do the same thing. Many universities have already come forward to say that they will recognise them, and we are very confident that the number will increase.

The hon. Member for Chesterfield raised a point about capacity. I am afraid that he may have got his figures slightly confused. In steady state, there is absolutely no cap on the number of people who can do T-levels. I think one estimate was that each cohort could be 100,000 people. There is plenty of space for anyone who is at the right level to do a T-level.

The Government are moving at pace, but over quite a long period. This process started in 2011, and was boosted by the work of Lord Sainsbury in 2016. We introduced our first T-levels in September 2020, and we will not begin defunding until 2024. We are taking proportionate steps to introduce a new generation of level 3 qualifications that will present great new opportunities to students, providers, employers and the economy.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 6.

Division No. 10]

AYES

Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

NOES

Ali, Tahir	Johnson, Kim
Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 18 agreed to.

Amendment proposed: 19, in clause 7, page 10, leave out lines 41 and 42.—*(Alex Burghart.)*

This amendment leaves out subsection (4) of section A2D6 (approved technical education qualifications: approval and withdrawal) to be inserted into the Apprenticeships, Skills, Children and Learning Act 2009. The subsection was inserted at Lords Report.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 6.

Division No. 11]

AYES

Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

NOES

Ali, Tahir	Johnson, Kim
Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 19 agreed to.

Amendment proposed: 48, in clause 7, page 11, line 19, at end insert—

"(10) The Secretary of State must publish criteria to define what is meant by "high quality qualifications", which can be used as a framework for future deliberations about any defunding of qualifications.

(11) Any future defunding of qualifications must be reviewed by an appointed independent panel of experts, against the criteria set out in subsection (10).

(12) The Secretary of State must publish the proposed list of Level 3 vocational and technical qualifications which are proposed to be defunded, based on the criteria as set out in subsection (10), within 3 months of this Act receiving royal assent."—*(Mr Perkins.)*

This amendment would require the Secretary of State to publish the criteria for what they consider to be high quality qualifications worth funding and to set up an independent panel to determine this.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 9.

Division No. 12]

AYES

Ali, Tahir	Johnson, Kim
Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Question proposed, That the clause, as amended, stand part of the Bill.

The Chair: With this it will be convenient to discuss new clause 6—*T-levels: Duty to review*—

"(1) Two years after the date on which the first T-levels are completed, the Secretary of State must perform a review of the education and employment outcomes of students enrolled on T-level courses.

(2) No qualifications may be defunded until the Secretary of State's duty under subsection (1) has been undertaken."

Alex Burghart: I rise to speak in support of clause 7. Much of the debate so far has centred on the level 3 qualifications that will be funded for young people in the reformed landscape. This is an important matter, and one that we have consulted on extensively as part of the post-16 qualifications review. We are making changes based on feedback. We are allowing that extra year before implementing our reform timetable, and we are removing the English and maths exit requirement from T-levels, bringing them more in line with other level 3 study programmes, such as A-levels.

However, I would like to bring us back to the specific purpose of this legislation, which is focused on the approval and regulation of technical qualifications. For the majority of technical and vocational qualifications, little scrutiny is applied to the content before they enter the publicly funded market under existing arrangements. That is in contrast to the more rigorous arrangements in place for general qualifications such as A-levels, and we do not think that it is right. We want students and employers to be confident that every technical qualification is high quality and holds genuine labour market currency.

Clause 7 introduces powers to enable the Institute for Apprenticeships and Technical Education to approve a broader range of technical qualifications than it is currently able to, with a particular focus on alignment with employer standards. Standards are developed by groups of employers and are managed and published by the institute. They set out the knowledge, skills and behaviours that are essential for a person to be competent in an occupation. Apprenticeships, T-levels and higher technical qualifications are based on those standards. T-levels have been co-designed with more than 250 leading employers and raise the quality bar of the technical offer at level 3. We want to ensure that all technical qualifications are high quality and meet the skills needs of business and industry. Extending the institute's role will make it certain that the majority of technical qualifications available in England are based on standards and deliver the skills outcomes that employers have told us they need.

This clause places a duty on the institute to regularly review the qualifications that it approves, upholding quality over time and ensuring continued labour market currency. It will give the institute the power to manage the number of qualifications in targeted areas—by issuing a moratorium on the approval of new qualifications—if the institute judges that there is a risk of inappropriate proliferation. Furthermore, it will enable the institute to charge fees for the approval of qualifications, subject to regulations published by the Secretary of State.

As the Sainsbury review found, the current approach is not working, with over 12,000 qualifications at level 3 or below. It has led to a complex and bloated landscape of qualifications, which is confusing for learners and does not serve them or employers well. Our reforms to technical qualifications will set a new quality bar, where the content of qualifications lines up with the skills needs of the workplace.

New clause 6 would place a duty on the Secretary of State to undertake a review of the education and employment outcomes of T-level students two years after the first cohort has completed the programme. It would also prevent the removal of funding from qualifications until the review has been carried out. T-levels are a much-needed step change in the quality of the technical offer for 16 to 19-year-olds, based on the same employer-led standards as apprenticeships. Their design draws on the best international examples of technical education.

A number of mechanisms are already in place to keep T-levels under review, including the institute's arrangements for reviewing T-level technical qualifications in live delivery. We are working closely with students, providers, employers and universities to ensure that stakeholders are clear on the range of progression opportunities that T-levels present. From 2024, we will publish statistics on the attainment of the T-level technical qualification and the employment outcomes of T-level graduates. That is set out in the technical guidance of the 16 to 18 accountability measures.

In addition, the Bill already provides for the review of approved technical qualifications. New section A2D8 under clause 7 places a duty on the institute to regularly review the qualifications it has approved. That includes

T-levels, higher technical qualifications and the other qualifications it will approve as part of our reforms. I therefore do not support the inclusion of new clause 6 in the Bill.

Mr Perkins: Labour welcomes T-levels in principle but has concerns about their implementation. The current cohort of pupils in the first year is pretty small, and there is insufficient evidence to assess the success, or otherwise, of the qualifications at this stage. We have real concerns about the work experience element of T-levels. My hon. Friend the Member for Luton South spoke about whether there are enough employers able to offer work experience, whether that work experience will be relevant and meaningful, and how it will be assessed. What safeguards will be in place to ensure that the work placements are relevant? Will there be a way of pupils failing their work experience other than by not attending?

We are also concerned that the amount of work experience required will restrict the number of institutions that are able to offer a broad suite of these qualifications. We think the failure to achieve the amount of work experience placements might mean that not enough of the qualifications are available at different institutions. A lot of students are finding that if they want to do the T-level that would take them towards the career they want, they might have to travel a very long way, because there will not be the same availability nearby.

The Government are attempting to trash the reputation of alternative and established level 3 qualifications in the minds of employers, students and their parents, while the T-levels are still standing on shifting sands. They were announced initially as a vocational route to take 18 to 19-year-olds towards the world of work. When a study in September 2020 showed that Russell Group universities were not willing to take T-levels as entry qualifications on to science and engineering degrees, the Government were entirely sanguine, describing them as ladders to work, not to university. Yet the Secretary of State's current favourite anecdote is of a student he met at Barnsley College called Greg, we are told, who now believes that he has the pick of universities because he is studying T-levels, so the outcome destination for T-level students in the Government's mind seems to have shifted overnight from the workplace to university, without any evidence as to why that is.

Just like the Minister, I recently visited a college to meet students and lecturers on T-level qualifications—I went to Derby College last week. I also met students who were doing other level 3 qualifications. I asked the 14 students doing the science qualification at Derby, "How many of you are pleased that you did this qualification?" Fourteen hands went up. They were very pleased with the qualification. They had been doing it for only a couple of months, but they were really encouraged. I went on later to meet students doing a BTEC level 3 qualification in digital technology, working towards gaming. I asked them the same question, and once again every hand went up.

4 pm

My impression is that the Government simply go and speak to T-level students and see the real enthusiasm, and think that that is all the evidence they need; but actually there are students who are doing different courses, have made different decisions and are very happy with their course. So we should not say that just because there are some students who really like T-levels, that is all the evidence we need as to whether they are a success.

When I was speaking to the managers in the T-level operation at Derby, we talked about childcare and education. They said that there are roughly five times more students at Derby doing the Cache level 3 qualification, which has many similarities with the T-level, than the T-level. I asked them why they thought more students did the Cache than the T-level, and they gave a number of reasons. The first reason was that the industry recognises the Cache qualifications, they are very well established and many people within the industry have already done it, so that is what they look towards—there is a real history there. Secondly, the T-levels are much more exam based, and many students like an approach that is not all about the last exam, but is more intermittent. Thirdly, T-levels are a very full-time qualification; as a result, there are many people who do the qualification and find they do not have the time to do additional work.

Particularly in working-class communities, a lot of 17 and 18-year-olds are told, "Look, you can go to college, but we need you putting some rent in. We need you doing some work." A T-level really restricts those opportunities. The Government have maybe not realised how important that is for a lot of students. These are often people for whom that bit of work that they get alongside their college studies makes the difference between the household being sustainable or not. Since the abolition of the education maintenance allowance that is all the more important. These are really crucial matters that the Government need to consider, and they need to be considered before we get rid of alternative routes.

I was talking about the extent to which the T-levels stand on shifting sands. We are now told, certainly in the last year, that work experience can be virtual: someone might not have to go to an employer; they can do their work experience online. That, again, is totally different from what was initially said. I suspect that if we look at these qualifications in 2023 and 2024, we will find that the amount of work experience has been diminished. I am confident that, across the breadth of qualifications that there are, there will be a real struggle to get the amount of work experience that is needed. The HR and heritage T-levels have already been scrapped before they even started. We have just heard from the Minister that there are 400 providers doing T-levels, but most of those will only do small numbers of them—there will not be the breadth that there currently is among colleges.

We heard about the importance of day release on BTEC qualifications. T-levels are a full-time qualification that people do for two years—the model where people do a BTEC over five or six years will not be available. There are all kinds of reasons why T-levels might not be suitable for many students. In the first cohort of T-level students, maths and English GCSE, or equivalent, at grade C was required prior to entry. We heard the Secretary of State announce on Second Reading that he is going to get rid of that as an entry-level requirement. However, the pilot is going to be done on a cohort who already had maths and English grade C at GCSE level; we shall be assessing, in a year's time, the outcomes of a group of students who started from a place different from where future T-level students will start.

There are all sorts of ways in which the whole situation is still changing. I do not blame the Government for that—when new qualifications are introduced there is a lot to learn. However, that is a reason to be cautious and careful before making dramatic decisions.

Matt Western: I want to clarify a point—really just for my own clarification. What number of GCSEs are people supposed to have, and at what grade, before they are eligible to take a T-level, and how does that differ from a BTEC, an AGQ or other forms of diploma?

Mr Perkins: As I understand it, from what the Secretary of State has said, going forward there will not be the need to have a maths or English GCSE before a student does a T-level. In the future, it will be similar to how it is currently, but last year's cohort—the first cohort—did have to have GCSEs in maths and English before they were allowed to do the qualification.

Alex Burghart: To clarify the point that the hon. Gentlemen are discussing with each other, there was never an entry requirement for T-levels—there was an exit requirement. Someone could start their T-level without any GCSEs at all, but up until Second Reading it was not possible for them to get their T-level certificate unless they had by that stage passed their English and maths. They could have spent their education at 16 to 19 getting their English and maths; they would have it at the end. That is no longer the case. In the same way as a person does not need to have GCSEs in order to do A-levels, they no longer need to have GCSEs to do T-levels. We obviously encourage all students to improve their English and maths at 16 to 19 years old.

Mr Perkins: We all encourage them, absolutely. I am interested in what the Minister says. I had the impression that a GCSE in maths and English was being used as an entry-level requirement, but I hear the Minister's point, and if institutions were to take a different approach, I dare say I would find out about them. I appreciate the Minister's comments.

Matt Western: So the point would be, as the Minister just described, that someone could have been very good at the T-level subject that they had chosen to do, but unless they got through—okay, the Government have changed their position just recently; whether they hold to that decision long term, we do not know—they would not get that qualification, even if they retook English and maths countless times. They may have spent years trying to get it, and they would still be a failure.

Mr Perkins: Well, I am not sure that I would use that phrase—

Matt Western: In terms of the qualification.

Mr Perkins: As I understand it—from what the Minister said, and from my understanding—it was previously an exit-level requirement. We were arguing against that for some time and we are glad that we have managed to persuade the Government of that argument. The important point here is that the Government are learning, visibly and in plain sight, but they have already made the decision on what the conclusions are going to be, while they are still working out what they are doing with the qualification that is working.

It is essential that Ministers get this right, to ensure that T-levels enjoy the confidence of employers, FE professionals and young people and their families. The amendment would offer oversight and ensure that the quality and standards of T-levels are assessed thoroughly, and that conclusions are drawn about any improvements or observations made in that review. It is absolutely fundamental that the Government should review after they have established what the T-level students have done, as things settle down. Qualifications originally planned to be T-levels are still being cancelled. We may well find in a year's time that further qualifications have not had enough take-up and they also start being cancelled. Let us see what is happening before any decisions are taken to defund alternative qualifications.

Alex Burghart: I do not wish us to keep treading over the same ground. I am very pleased to hear of the many happy students at Derby College, and that they are enjoying their courses. The key question before us is whether we want a system at level 3 that prioritises qualifications designed by employers and that offer a substantial element of work experience. I think we do. It is good for students, good for employers and good for the economy at large. We are designing a system of technical education, whereby a lot of students will go into level 3 technical and do T-levels. They will progress to apprenticeships and to work; some will progress to university. We will also have students at 16 to 19 who do level 2 and go into apprenticeships or traineeships, or work. There will be routes for everyone at 16 to 19 in our reformed system, but everyone will ultimately be doing a qualification that was designed with employers in the room, and many people will be doing a qualification with a serious workplace element.

We are advised to be cautious and careful, and I understand that; these are big reforms. Ten years have passed since we started this process, and it is five years since the Sainsbury review. By the time the first qualifications are defunded, four years will have passed.

Matt Western: Will the Minister give way?

Alex Burghart: Sorry, I have finished.

Question put and agreed to.

Clause 7, as amended, accordingly ordered to stand part of the Bill.

Clause 8

Functions of the Institute: availability of qualifications outside England

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The clause is an important first step in allowing qualifications such as T-levels to be made available outside England by the relevant bodies. To date, the Institute for Apprenticeships and Technical Education has not collaborated with bodies outside England for that purpose. The clause makes the power explicit.

We know that many qualifications taken in England are also taken by students elsewhere, both in the other nations of the UK and beyond. Those arrangements will remain unchanged for many qualifications. However,

there are some qualifications for which the institute owns the intellectual property, such as those forming part of T-levels. If other nations decide that they want to offer T-levels, the clause would allow the institute to engage with relevant bodies, such as regulators or education authorities, as appropriate. That engagement would enable all parties to work together to consider the arrangements that might be needed for programmes of education such as T-levels to be taken by students outside England.

Mr Perkins: I have nothing to add to that.

Hon. Members: Hear, hear.

Question put and agreed to.

Clause 8 accordingly ordered to stand part of the Bill.

Clause 9

TECHNICAL EDUCATION QUALIFICATIONS: CO-OPERATION BETWEEN THE INSTITUTE AND OFQUAL

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The clause recognises and supports effective joint working between Ofqual and the institute. Under existing legislation, the two bodies share statutory responsibility for oversight of technical education qualifications. Their respective functions and professional expertise are vital in safeguarding the credibility and integrity of technical qualifications. In particular, the institute ensures that qualifications are relevant to employers and deliver the skills they need, while Ofqual's regulatory role is vital to maintain educational standards and the consistency of technical qualifications.

Despite the close relationship between the two roles, the two strands of existing legislation governing them are currently separate. The clause fills the gap by reinforcing the co-operation that is necessary between the two bodies to ensure that they can each perform their respective functions effectively. The two bodies already work together. They have developed an administrative framework for co-operation. The clause, together with clause 10, will align the legislation with key elements of the framework that they have agreed. Clause 9 writes mutual co-operation clearly into their respective statutory remits, as well as their working relationship. The clause also empowers each of the two bodies to provide advice and assistance to the other and ensures that each will have regard to such advice. These provisions will reinforce the long-term stability of their relationship. In particular, they will reduce the potential for the two organisations' priorities, systems and processes to drift apart over time.

By working together effectively, the two bodies will minimise the scope for confusing, duplicated and overlapping processes. That will support the setting of clear, demanding quality standards for the qualifications. It will minimise the potential for confusion and unnecessary bureaucracy that could burden awarding bodies if Ofqual and the institute do not co-ordinate their requirements, systems and processes.

Mr Perkins: Throughout the Bill we have been calling for greater clarity and understanding of the roles of various operators within the sector, so we are pleased to see that that is the case with clause 9.

Question put and agreed to.

Clause 9 accordingly ordered to stand part of the Bill.

Clause 10

APPLICATION OF ACCREDITATION REQUIREMENT IN RELATION TO TECHNICAL EDUCATION QUALIFICATIONS

Mr Perkins: I beg to move amendment 49, in clause 10, page 14, line 17, leave out paragraph (a).

This amendment would ensure Ofqual remains able to make a determination under subsection (1) in relation to accreditation requirements relating to approved technical education qualifications.

Amendment 49 is brief and would ensure that Ofqual remains able to make a determination under section 138(1) of the Apprenticeships, Skills, Children and Learning Act 2009 in relation to accreditation requirements relating to approved technical education qualifications. The Bill hugely centralises power in the Secretary of State's hands, and it is important that an independent organisation can ensure that our technical education framework remains based on evidence and academic excellence, rather than on political priorities. For that reason, we would look to leave out paragraph (a) and ensure that Ofqual remains able to make such determinations.

4.15 pm

Alex Burghart: The amendment aims to retain Ofqual's power to accredit technical education qualifications that are also subject to the institute's approval processes. These two functions are very similar, so the amendment would undermine the intention to clarify the statutory approval process for technical qualifications.

By creating a single approval gateway managed by the institute, the Bill removes duplication in the processes for these qualifications and so ensures that the system is as efficient as possible. If we were to accept the amendment, awarding organisations might be subjected to two overlapping and very similar approval processes. The mutual co-operation requirements of clause 9 ensure that although Ofqual cannot decide to accredit technical qualifications, it will continue to play a key role in their approval. Ofqual will continue to exercise its regulatory functions in live delivery.

I should draw the Committee's attention to the comment by Jo Saxton, the Chief Inspector of Ofqual:

> "The Skills Bill heralds the acceleration of a unified system of technical qualifications based on employer-led standards, in which Ofqual has a pivotal role, providing students and apprentices with high quality qualifications…The Bill cements our close working relationship with the Institute, drawing on the strengths and expertise of both organisations, with our statutory regulation of technical qualifications continuing to underpin this system".

I think we can take it from that comment that Ofqual is very happy with the Bill as it is drafted.

It is more appropriate that the institute leads on the approval process, because its work is essential in ensuring that both the content and the outcomes of technical qualifications are aligned to the skills that employers have told us they need.

Mr Perkins: I heard what the Minister said. This was a probing amendment to try to understand a little more about how Ofqual's role would operate in the future. However, having heard what the Minister has had to say, I beg to task leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Alex Burghart: Clause 10 is needed in addition to clause 9 in order to clarify the roles of the institute and Ofqual in the approval of technical education qualifications. Under the existing legislation and the provisions of the Bill, the institute has specific responsibility to ensure that technical qualifications meet the skills needs of employers and different employment sectors. In parallel, Ofqual has the discretion to decide that individual types and classes of qualification should be subject to an accreditation requirement before they can be taught in schools and colleges. The purpose of the two processes is similar—to ensure that qualifications meet a high-quality bar before they enter the market. Therefore, the current legislation means that individual technical qualifications could be subject to two similar and unhelpfully overlapping approval processes. That would be unnecessary double regulation.

Clause 10 will remove the potential for overlap and duplication by creating a single approval gateway for all technical qualifications. Taken together with the mutual co-operation provisions in clause 9, it enables the two bodies to work together to provide a clear single approval pathway for technical education qualifications. It will remove the potential for duplication and additional bureaucracy both for the two bodies themselves and for the awarding organisations whose qualifications are subject to approval.

Mr Perkins: Given the concerns that we have raised with regard to the creation of the division between Ofqual and the institute, and the fear that that may lead to a two-tier approach and a sense that the investigations into academic qualifications that are seen with A-levels and other qualifications under Ofqual are different from those under the Institute for Apprenticeships and Technical Education and the technical qualifications, this is an issue that the Government need to be very careful about in future. They should ensure that there is real confidence that the technical qualifications are robust and subject to the same processes, and the same checks and balances, as other qualifications.

That is the key point that we make to the Government. We do not intend to oppose clause 10 stand part, but we seek reassurances that there will not be too much of a sense that the different pathways are of different merit.

Question put and agreed to.

Clause 10 accordingly ordered to stand part of the Bill.

Clause 11

Information sharing in relation to technical education qualifications

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The clause supports a critical aspect of the joint working needed to ensure that the whole technical education system works together to deliver the skills that employers need. It does so by ensuring that Ofqual can exchange information with the other bodies that have important roles in this framework. Under existing legislation, the institute can exchange information with other bodies to support its own functions and those of the other body involved. At present, similar powers do not apply to Ofqual. Ofqual's explicit information-sharing power allows it to share information only with other qualifications regulators in the UK to enable or facilitate the performance of the qualifications functions of that regulator. There is no explicit function allowing it to share information to support the functions of other types of bodies.

Mr Perkins: Could the Minister clarify a little more the kinds of information that he anticipates will be relevant under this clause?

Alex Burghart: It is—

Mr Perkins: No, he obviously cannot.

Alex Burghart: It is part of that long day you were talking about, Mr Efford. The purpose of the clause is to ensure that whatever information the institute and Ofqual want to share with each other, they can. It is open-ended, and is there to serve their purposes.

Mr Perkins: Will the Minister give way?

Alex Burghart: I will make some progress. The clause tackles that limitation by providing Ofqual with information-sharing powers in relation to technical education qualifications that correspond with those that already apply to the institute. Specifically, the clause enables each organisation to share information either to support its own functions, or to help other bodies in their own roles. For example, it would allow Ofqual to share information that it already gathers from awarding body organisations with other bodies, such as the institute, to avoid other bodies needing to duplicate data-gathering exercises. That approach of "collect once, use multiple times" would help reduce administrative load. Hopefully, that answers the question that the hon. Member for Chesterfield asked.

The clause plays an important role in supporting coherent, efficient joint working between Ofqual and other relevant bodies, and will help to secure high quality across the technical education system as a whole.

Mr Perkins: There are always concerns when it comes to this Government and information sharing. There have been many examples in which there has been real concern about the approach that the Government have taken to this sort of thing, which is why I was asking about the scope of these powers. We entirely understand sharing information about specific qualifications, but if it gets more granular than that—if it gets more into the area of personal data—there will be real concern. At future stages of the Bill's passage it would be good to get a more detailed understanding of precisely what information the Government are seeking powers to share. Notwithstanding that, on the basis that these information-sharing powers mirror the current arrangements with regard to the institute, we do not intend to oppose clause stand part.

Question put and agreed to.

Clause 11 accordingly ordered to stand part of the Bill.

Clause 12

Technical education qualifications: minor and consequential amendments

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The clause sets out minor and consequential amendments to the Apprenticeships, Skills, Children and Learning Act 2009 and other legislation as a consequence of the other provisions contained in chapter 2 of the Bill. That includes amendments that result from extending the powers of the Institute for Apprenticeships and Technical Education such that it will be able to approve a wider range of technical qualifications. These amendments are necessary to ensure that the statute operates effectively.

Mr Perkins: They certainly are.

Question put and agreed to.

Clause 12 accordingly ordered to stand part of the Bill.

Clause 13

RENUMBERING OF PROVISIONS RELATING TO TECHNICAL EDUCATION QUALIFICATIONS

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The clause sets out changes to the numbering of existing sections to the Apprenticeships, Skills, Children and Learning Act 2009, allowing for new and existing provisions to be sequenced and numbered in a logical manner. This is a technical but necessary consequential change to the legislation, resulting from other provisions in this chapter of the Bill.

Mr Perkins: It certainly is.

The Chair: We are all grateful for that clarification.

Question put and agreed to.

Clause 13 accordingly ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned. *—(Michael Tomlinson.)*

4.24 pm

Adjourned till Tuesday 7 December at twenty-five minutes past Nine o'clock.

Written evidence reported to the House

SPEB11 Universities UK

SPEB12 Pearson UK (re: Clause 7)

SPEB13 Course Hero

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

Fifth Sitting

Tuesday 7 December 2021

(Morning)

CONTENTS

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 11 December 2021

The Committee consisted of the following Members:

Chairs: Clive Efford, † Mrs Maria Miller

† Ali, Tahir *(Birmingham, Hall Green)* (Lab)
† Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
Gwynne, Andrew *(Denton and Reddish)* (Lab)
Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
† Hunt, Tom *(Ipswich)* (Con)
Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 7 December 2021

(Morning)

[Maria Miller *in the Chair*]

Skills and Post-16 Education Bill *[Lords]*

9.25 am

Clause 14

Amendments to section 42B of the Education Act 1997

The Chair: We now come to clause 14 and Government new clause 1.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 3, Noes 7.

Division No. 13]

AYES

Hopkins, Rachel	Western, Matt
Perkins, Mr Toby	

NOES

Bradley, Ben	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	
Hunt, Tom	Tomlinson, Michael

Question accordingly negatived.

Clause 14 disagreed to.

Clause 15

Support for lifelong learning

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 7, Noes 3.

Division No. 14]

AYES

Bradley, Ben	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	
Hunt, Tom	Tomlinson, Michael

NOES

Hopkins, Rachel	Western, Matt
Perkins, Mr Toby	

Question accordingly agreed to.

Clause 15 ordered to stand part of the Bill.

Mr Toby Perkins (Chesterfield) (Lab): On a point of order, Mrs Miller. Am I correct that new clause 1 has not been put to the Committee? I expected us to deal with it alongside clause 14. In the absence of the Minister, will you clarify what has happened?

The Chair: I can clarify that Government new clause 1 will be voted on later. It was grouped for debate with clause 14 stand part, but there was no debate.

Clause 16

Lifelong learning: amendment of the Higher Education and Research Act 2017

The Parliamentary Under-Secretary of State for Education (Alex Burghart): Clause 16 amends the definition of "higher education course" in the Higher Education and Research Act 2017 to make express provision for the regulation of modules and to make it clear what a module of a higher education course is, as distinct from a full course.

The current post-18 student finance system does not specifically provide for modules. The lifelong loan entitlement will transform student finance by supporting more flexible and modular provision. This legislative change is needed to provide the explicit underpinning for the delivery of modular provision. This clause makes specific provision for modules by amending part 1 of HERA 2017, which relates to the regulatory regime under the Office for Students.

The amendments relieve higher education providers of certain additional burdens that would otherwise arise from the addition of the concept of modules under HERA.

Mr Perkins: I am grateful to the Minister for moving the clause; he was not here to move clauses 14 or 15 stand part. He has offered no apology to the Committee. As we did not have the opportunity to hear from him before those clauses were voted on, will he explain what happened this morning?

Alex Burghart: I am happy to respond to the hon. Gentleman, and I apologise to the Committee: I was unexpectedly held up on my way here. I apologise to everyone for the inconvenience and for any discourtesy, particularly to you, Mrs Miller. The amendments relieve higher education providers of certain additional burdens that would otherwise arise from the addition of the concept of modules under HERA. These relate to certain requirements to provide or publish information under section 9 of that Act.

We want to reduce the bureaucratic burden on providers where possible, and these changes will ensure that the introduction of funding for modules through the LLE will not add to this.

We will consult on the detail and scope of the lifelong loan entitlement in due course. We will take this and other wider engagement into account before we reach a final position on fee limits and will bring forward further primary legislation on this matter.

Overall, the changes in the Bill will help to pave the way for more flexible study and for greater parity between further and higher education.

Mr Perkins: On a point of order, Mrs Miller. I appreciate the Minister's apology—these things happen—but I was under the impression that in the event of a Minister being unable to move a motion someone else

stands in. As a result of no one being here, clauses to the Government's Bill have passed without debate. For those who made representations, that feels like quite a discourtesy.

I accept the Minister's apology for his being unavoidably detained, but people listening to our deliberations might well wonder what the Government's intentions are as the Bill has been unable to be amended.

May we have your advice on how this unavoidable situation can be put right so that people can at least understand the Government's thinking?

The Chair: It is for the Government to decide how they deliberate on their business in the House. I certainly agree with Mr Perkins that it is unusual not to have a Minister here to move clauses, but the Minister has given us an explanation. New clause 1 has not been moved; it will be moved and voted on later. I think you have made your point, Mr Perkins.

Matt Western (Warwick and Leamington) (Lab): In fact, there is no need to extend this debate.

Question put and agreed to.

Clause 16 ordered to stand part of the Bill.

Clause 17

Universal credit conditionality

Question proposed, That the clause stand part of the Bill.

The Chair: With this, it will be convenient to discuss new clause 8— *Benefit eligibility: lifelong learning.*

> The secretary of state must ensure that no learner's eligibility to a benefit will be affected by their enrolment on an approved course for a qualification which is deemed to support them to secure sustainable employment.

Alex Burghart: Clause 17 seeks to change the law so that some students could keep their universal credit entitlement while studying.

It may help if I explain to the Committee that financial support for students comes from the current system of learner loans and grants designed for their needs. Section 4(1)(d) of the Welfare Reform Act 2012 sets out that one of the basic conditions of entitlement to universal credit is that the person must not be receiving education, which is defined in regulations made under subsection (6).

Where students have additional needs that are not met through this support system, exceptions are already provided under regulation 14 of the Universal Credit Regulations 2013, enabling those people to claim universal credit. This includes, for example, those responsible for a child—either as a single person or as a couple—or those aged 21 or under studying non-advanced education, such as A-levels, who do not have parental support.

It is an important principle that universal credit does not duplicate the support provided by the student support system. The core objective of universal credit is to support claimants to enter work, earn more or prepare for work in the future. There is an expectation that people who are able to look for work or prepare for work do so as a condition of receiving their benefit.

Let me reassure the Committee about the important work already that is under way. Officials at the Department for Education and the Department for Work and Pensions are working closely together to help to address and mitigate the barriers to unemployed adults taking advantage of our skills offers. For example, DWP Train and Progress is a new initiative aimed at increasing access to training opportunities for claimants. As part of this, in April 2021, a temporary six-month extension in the flexibility offered by UC conditionality was announced. As a result of this change, adults who claim universal credit and are part of the intensive work search programme can now undertake work-related full-time training for up to 12 weeks —or up to 16 weeks as part of a skills bootcamp in England—without losing their entitlement to UC. That builds on the eight weeks during which claimants were already able to train full time without losing their UC entitlement. This flexibility has now been extended to run through to the end of April 2022. Such measures are helping to ensure that UC claimants are supported to access training and skills that will improve their ability to gain good, stable and well-paid jobs. Claimants who enrol on a longer course that is not advanced education can also retain their entitlement to UC, provided they can still meet their UC conditionality requirements.

More broadly, we are continuing to support working families on UC. As we set out at the spending review, we have reduced the taper rate to 55% and increased work allowances to £500 per year, allowing UC claimants to keep more of what they earn. This is an effective tax cut worth £2.2 billion, meaning that almost 2 million of the lowest paid in-work claimants are better off overall by around £1,000 a year on average. We do not think it is necessary for the UC regulations to be amended in this way, and the clause should therefore be removed from the Bill.

New clause 8 seeks to ensure that eligibility to benefit is retained for claimants undertaking certain courses deemed to support them to secure sustainable employment. In addition to what I have stated on universal credit and Train and Progress, claimants on new-style jobseeker's allowance are able to undertake a full-time course of non-advanced study or training—not above level 3—for up to eight weeks if work coaches identify a skills gap and are satisfied that it will improve the claimant's prospects of moving into work more quickly.

The time spent on the course can be deducted from the hours of work search that the claimant is expected to undertake. Claimants on new-style employment and support allowance can already receive benefits while in education, whether full or part-time study, as long as they satisfy the eligibility conditions.

The DWP is monitoring the impact of Train and Progress, with the review date due in April, and will make decisions on continuing based on the evidence available. This will include the potential to extend the legacy benefit groups that have not transitioned to UC.

New claims for legacy benefits are no longer possible, so this is a diminishing case load. Existing claimants can still study part time as long as they meet their conditionality requirements and are willing to give up their study for employment, which they have agreed to look for.

The core objective of universal credit and other working-age benefits is to support claimants to enter work where appropriate, earn more or prepare for work in the future. There is an expectation that people who are able

[Alex Burghart]

to look for work or prepare for work do so as a condition of receiving their benefit. We therefore do not think it is necessary or appropriate to change eligibility criteria to benefits for those who enrol on a course, so the clause should not stand part of the Bill.

Mr Perkins: It is vital that the cross-party support in the House of Lords on ensuring that those in receipt of universal credit are not penalised for undergoing level 3 training is upheld in the Bill.

What the Minister just said, however, somewhat undermines other things that we have heard from him and other members of the Government about the importance of skills training and education. Much of the Government's approach to skills, which we support, has been about the importance of qualifications and apprenticeships being proper qualifications that are given depth and that develop people's learning. For that purpose, apprenticeships are a minimum of one year; level 3 qualifications are longer, and even level 2 apprenticeships are a minimum of one year.

It appears that the Government's approach to universal credit is that those who are seeking to get themselves into the jobs market should be allowed to do very basic training of the sort I have seen on many excellent work programmes, but that if they want to develop the qualifications they would gain on a one-year course they will be unable to do so while claiming universal credit.

It is essential that those who are furthest from the labour market have every opportunity to find work.

Alex Burghart: What one-year courses is the hon. Gentleman thinking of where claimants may continue on universal credit while studying?

Mr Perkins: Apprenticeships are a one-year course. Many people might be on an apprenticeship and on universal credit. I have had the opportunity to see many courses that people are not on for longer than what the Minister said and face perhaps significant barriers to accessing the world of work. We have real concerns, which were shared by those in the other place, that rather than helping people to move from universal credit into work this programme will prevent them from doing so.

Rachel Hopkins (Luton South) (Lab): It is a pleasure to speak for the first time in this important Committee under you, Mrs Miller.

One of the key points that we have seen is the move to online learning for many people, which would be time away from seeking work. Many of the modules last for a quarter, six months or a year. Does my hon. Friend agree that, under the clause, many people will feel uncertain about whether they can undergo training?

Mr Perkins: I absolutely do agree. Under the original drafting of the clause it was clear that to access universal credit people had to be on an approved course that took them towards the world of work. It fits in with the principles of universal credit, as we are led to understand them. Under the clause,

> "the Secretary of State must review universal credit conditionality with a view to ensuring that adult learners who are—
>
> (a) unemployed, and
>
> (b) in receipt of universal credit, remain entitled to universal credit if they enrol on an approved course for a qualification which is deemed to support them to secure sustainable employment."

The word "sustainable" is very important. The Government's approach seems to be that it is better to get anyone off unemployment and into work in any capacity, even if it is only a few days of casual employment, than to allow them to take sustainable steps to develop skills and get a job on which they can rely in the long term. My hon. Friend, many Labour Members and possibly Conservative Members will have come across constituents who are bedevilled by unstable employment—a day here or a few days there—without anything on which they can rely in the long term to sustain their families financially. Sustainable employment that they can trust is vital.

9.45 am

Ben Bradley (Mansfield) (Con): I shared many of the hon. Gentleman's concerns so I went to the Department for Education to seek clarity. As I understand it, many of the things that he is suggesting are already possible. Under both the current system and the new proposals, if a job coach accepts that a qualification would help someone into work, that coach can already approve that qualification and allow someone to do that training instead of job seeking under the work-based requirements for universal credit. Someone can also do a part-time qualification outside of working hours and still receive universal credit. Does he accept that that is true and perhaps contradicts some of his comments?

The Chair: Before Mr Perkins responds, may I remind Members that an intervention is just that; if you want to make a speech, make a speech.

Mr Perkins: A very well made point, Mrs Miller.

I accept that what the hon. Gentleman describes may be true on some occasions. However, the way in which the Bill is drafted and the very fact that the Government seek to oppose it, means that many job coaches, and many learners, will think that the Government would prefer to get them off the dole and into any job, at any moment, rather than invest in their skills. I have met many people in a variety of projects who are employed by the private sector, social enterprise or Jobcentre Plus to support people into work whose absolute focus seems to be to get one person from one list on to another. I fear that the long-term contribution to that person and ensuring that their training and qualifications are sustainable—the purpose of the Lords amendment—is lost as a result.

The hon. Member for Mansfield appears to be saying that the principles of the Lords amendment are already in operation given how job coaches operate. If that is the case, what is the harm of including the amendment in the Bill? If those rights and opportunities already exist for people, I cannot see the point in the Government's opposition to the amendment.

The noble peers saw the value in the amendment, which enjoyed cross-party support. It is disappointing that, by their attitude, the Government are continuing to create the impression that people on universal credit

who have the audacity to invest in their skills rather than simply take the very first opportunity to get off the dole and into work, however unsustainable or unreliable, should be discouraged from that.

On Second Reading, I was struck by the contribution from the hon. Member for Waveney (Peter Aldous). He said:

"the Government have placed much emphasis both on the importance of making work pay and on the current high level of job vacancies. Unfortunately, many people are currently some distance from the workplace and are not able to take advantage of these opportunities. However, many of them would be able to do so if universal credit conditions were reformed so that they could more readily access education and training. With that in mind, I urge the Government to consider carefully the amendment tabled by the Lord Bishop of Durham."—[*Official Report*, 15 November 2021; Vol. 703, c. 416.]

As I said at the time, the hon. Gentleman was absolutely right to say that.

Given the twin challenges of Brexit and covid, Ministers must do all that they can to ensure that those who are furthest from the labour market are able to retrain or upskill. It has never been more important to ensure that we make the best of every single person. We know that there are staff shortages and we can respond to that in two ways. We could say, "Well, we have got shortages in staff, so let's just get people into those jobs and fill the gap with a body." Or we could say, "Let's make sure we upskill the people who are currently furthest from the labour market, so that they are able to make a sustainable, long-term contribution." That is the approach adopted by the Labour party.

The Opposition believe that it is a travesty that people in receipt of universal credit can be penalised for taking up an opportunity that could help them move into sustainable employment. We understand that the Government want to prevent people from undertaking qualifications for the sake of it, but those in receipt of universal credit should be supported to undertake training that is deemed appropriate by their work coach, in line with the principles outlined in the Bill. I hope that Members recognise the importance of supporting the clause.

New clause 8 is designed to probe why the Government may be against people in receipt of other benefits developing their skills so that they get closer to the labour market. Many people who are on a variety of benefits, such as incapacity benefit and other legacy benefits, may be very nervous about losing their entitlements to them. We all know that it is much easier to be taken off those benefits than to be put back on them. With some patience, tolerance and support, those people would be able eventually to join the world of work. There is a false dichotomy between those who Jobcentre Plus says are ready to go into work and should be spending every hour of every day looking for a job and other people who the Government accept will never get into work. Instead, we should be supporting everyone, rather than threatening them. We tabled new clause 8 to understand for what reason the Government would be against people developing their skills in a manner that pushes them to the labour market, even if they are in receipt of benefits that do not prompt the immediate response from Government that they should be doing all that they can to find work. I commend the new clause and clause 17 to the Committee.

Matt Western: It is a pleasure to serve under your chairship, Mrs Miller.

I support clause 17 and new clause 8, tabled by my hon. Friend the Member for Chesterfield and me. The new clause relates to the universal credit conditionality clause that was inserted during Lords consideration of the Bill by the Lord Bishop of Durham and Baroness Bennett of Manor Castle. It relates to the issues surrounding adult learners who are unemployed and in receipt of universal credit, who would remain entitled to that benefit within law if they were on an approved course.

To put it simply, the current welfare system actively discourages people from getting the skills that they need. A person loses their rights to receive unemployment benefits if they take an educational training course. Surely that cannot be right. The "Let them Learn" report from the Association of Colleges that was published recently highlights the great work of colleges with Jobcentre Pluses to support unemployed people into work. In fact, the Association of Colleges described the current system as "unjustifiable and incoherent". Indeed, the principal of my local college wrote to me ahead of our consideration of the Bill to express her concern about the universal credit restrictions. She viewed them as causing barriers to retraining and upskilling. That cannot be right.

The truth is that unemployed people, or those in low-paid jobs, are the least likely to take out a loan for fear of risking greater indebtedness and poverty for themselves and their families. As someone who in the course of their career did courses at evening classes, I know that access to such courses is really important. However, if someone cannot afford to get to them, they simply will not take them up. The truth is that this will impact far more on certain groups than on others. We know that 53% of those on universal credit are women. We know that, as of July 2021, 30% of claimants were aged 16 to 29; 40% of people on universal credit are working.

How can those workers justify taking a cut in their monthly pay and finding time to reskill? Indeed, the Department for Education's impact assessment reveals that the cost of study is the greatest barrier to further study. That is why we propose new clause 8 and will vote against the Government. We believe that the clause introduced by the Bishop of Durham and Baroness Bennett of Manor Castle should be in the Bill.

Alex Burghart: We believe that it is important that the welfare system helps people to get into work as quickly as possible, but we are not blind to the fact that some people will need or desire additional training. I referred to the flexibilities we have introduced to allow people to do bootcamps—a very productive way of reskilling at speed. On my visits to Salford, Bedford and Doncaster I met people who had been referred by their work coaches and were acquiring new skills that would often lead them into new professions.

Similarly, as the hon. Member for Chesterfield mentioned, it is possible for people to be on apprenticeships while claiming universal credit if their pay is low enough, and courses for the new lifetime skills guarantee that the Prime Minister made will often be available to people who are on universal credit.

[Alex Burghart]

We have shown that the system is capable of flexibility. We do not believe that people ought to be able to claim benefit while on long courses. However, there are opportunities to skill up, move into work and still receive some protection from universal credit.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 4, Noes 9.

Division No. 15]

AYES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Clause 18

LIFELONG LEARNING: REVIEW

Mr Perkins: I beg to move amendment 50, page 22, line 6, at end insert—

'(1A) The Secretary of State must also prepare and publish a review of student maintenance entitlements."

This amendment would require the Secretary of State to review the maintenance support available to further education students and courses.

The amendment ensures that those from the most disadvantaged backgrounds have the opportunity to undertake level 3 qualifications in order to get a job or gain higher-paid qualifications.

The success of the lifetime skills guarantee depends on those who need training or upskilling being able to take up the opportunity. In his speech at Exeter college, the Prime Minister outlined, in a great fanfare, his intention—in the midst of the pandemic—that people should be able to retrain. It was clear that he appeared to have those people in mind, but little attention has been paid to how they will take up the offer if they cannot afford to put food on the table while they are studying.

We believe that it flies in the face of reason not to set out during the passage of the Bill maintenance support for those from marginalised groups and those furthest from the labour market. I believe that the Government are minded to say that they will respond in due course, but as the lifetime skills guarantee will not be fully implemented until 2023, which signals the Government's too little, too late approach to the skills challenge, we believe that it makes sense to announce maintenance support in the Bill, which is why we tabled amendment 50.

10 am

We do not oppose clause 18, but we believe the lifelong learning review is important, and that the Secretary of State should prepare and publish a report on the impact of the overall level of skills in England and Wales. In fairness to the Government, they have spoken in narrative terms but they have not been in a position to make clear their proposals. A review that ensures that there is a detailed investigation of the maintenance required by people to access the skills that they need would be of real value.

Alex Burghart: Amendment 50 would require the Secretary of State to publish a review of student maintenance entitlements, to be conducted annually, I believe. We agree wholeheartedly with the importance of ensuring students are supported to enable them to succeed in their studies. The Government's ambition for the lifelong loan entitlement is to help those studying at higher levels to have the opportunity to choose the best course or modules based on their learning needs, rather than just choosing the funding system that is most advantageous for them.

In our forthcoming consultation on the LLE, we are seeking to understand better the barriers that learners might face in accessing it, and how the availability of maintenance loans and other forms of support could help. It is crucial that we consider the importance of creating a sustainable student finance system.

Rachel Hopkins: I thank the Minister for taking my intervention. In the earlier part of the debate, when the Minister was not in place, we were not able to consider Sharia-compliant loans. Will the Minister please include that in his comments?

Alex Burghart: I believe we will come later in the debate to another clause that treats the subject of Sharia, and I will be happy to address the hon. Lady's point then. It is something that the Government will consider.

It is crucial to consider the importance of creating a sustainable student finance system, alongside what will be necessary to ensure that the Government can offer all eligible students the opportunity to study. However, as with clause 18, imposing an annual reporting requirement would create an unnecessary burden upon Government and the taxpayer. The student support regulations are updated annually, as it is, providing the Government with a regular opportunity to introduce improvements. In addition, introducing a review requirement before the maintenance policy is finalised would be untimely, and would pre-empt the outcome of the LLE consultation.

The Bill already provides the necessary powers for maintenance support to be introduced as part of the LLE, if the decision taken is that it should, following the consultation. Advanced learner loans are currently available in further education. Learner support funds are available for adult learners aged 19 and over, and there are bursaries of up to £1,200 a year for students in specific vulnerable groups, such as care leavers. With that in mind, and given that the amendment is burdensome, pre-emptive and unnecessary, we cannot support it.

Matt Western: I rise to speak in favour of amendment 50, which would require the Secretary of State to review maintenance support available to further education students and courses. The Augar review recommended that student maintenance should be extended to cover students in further education as well as higher education. That was one of the important findings in that review. We have been waiting two and a half years for some outcome from the Government, which I hope we will get soon.

The Association of Colleges reminds us in its briefing that many adults will be unable to take up lifelong learning opportunities, because there is no support for living costs when taking a course at that level. Such people will be prevented from transforming their life chances. The Minister will be aware that the Government's own impact assessment reveals that one of the main barriers to adult learners is the cost of study, including living costs.

Right across the higher and further education landscape, there are calls from many, including the Open University, for an extension of maintenance support to FE students. The Welsh model is interesting: the Welsh Government introduced reforms to tackle that issue by extending maintenance support including, importantly, means-tested grants to all students, regardless of mode of study, while maintaining low tuition fees for part-time study.

Elsewhere, in the written evidence, Birkbeck University argued for a maintenance grant to prevent further hurdles to taking up study. Universities UK states:

"We would…welcome further details on the government's plans for introducing maintenance support for individuals studying through the"

lifelong learning entitlement

"and, specifically, what would the minimum intensity of study be for individuals to be eligible for maintenance loans."

Those factors are important. My hon. Friend the Member for Denton and Reddish talked about his own experience the other day. I was lucky enough to go to university many decades ago—

Alex Burghart: No.

Matt Western: It is hard to believe. The Minister is right on that point but, as a third child, I would not have been able to go were it not for the maintenance grant, back in those days. That is why being given a maintenance grant is very much a mobilising and enabling part of the provision of education, to allow young people the chance to study. Since the removal of the EMA—education maintenance allowance—many have not been able to access education, because they just cannot afford to take the courses without some form of maintenance support.

For those reasons, we tabled the amendment. I very much hope that everyone in Committee will support it.

Mr Perkins: Apologies for the slight delay, Mrs Miller, I was still musing on how long ago it was that my hon. Friend went to university. It was quite a shock. The points he made are important. For that reason, we believe the amendment has merit. We have heard what the Government have said. We will get the opportunity to vote on clause stand part, so we look forward to supporting it. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The Government agree that many learners need to access courses in a more flexible way to fit their study around work, family and personal commitments, and to retrain as their circumstances and the economy change.

Existing equivalent or lower qualification rules, however, were designed to help maintain a sustainable system. As such, we are designing the lifelong loan entitlement not only to support students pursuing higher and further education flexibly, but to share the costs fairly. We want the lifelong loan entitlement to provide value for money to students, the education sector and the taxpayer.

The complexity of that balance and the transformative nature of the LLE is one of many reasons why we intend to consult on its detail and scope before legislating on eligibility. It is crucial that careful consideration of the needs of providers, learners and stakeholders informs our final policy design, and that we do not pre-empt the consultation's findings; however, introducing an ongoing obligation to report annually on eligibility before the policy detail is yet finalised may prejudice the outcome of the consultation, as it could indicate a future path for ELQ rules before there has been a chance for open consultation to happen.

Beyond that, the Government believe that a yearly reporting duty in perpetuity would be an undue and disproportionate burden at this stage. Placing such a duty in primary legislation would be restrictive and out of kilter with prior similar legislation passed by Parliament on student finance. For example, the Teaching and Higher Education Act 1998 gave significant powers to the Secretary of State over student finance, with much of the detail of the policy covered in a complex suite of regulations, including eligibility, repayments and fee limits to name but a few.

It would be disproportionate to put a requirement to report in primary legislation when the system is already under continuous review and subject to frequent amendment. Previously, much of the detail on how the system works has been set out in secondary legislation, with necessary monitoring and review undertaken only after changes have been implemented and had time to embed. The Government will of course address plans for review and monitoring as we work towards the roll-out of the lifelong loan entitlement from 2025 and post implementation. I therefore believe that the clause should be removed from the Bill.

Mr Perkins: It is regrettable that the Government will seek to remove clause 18 from the Bill. It was introduced by the Lords for entirely the right reasons. On many occasions we have all seen the Government having to be dragged to the House in order to answer for their performance. The country also faces significant skills challenges. Who would have known a year ago that we would have spent so much of the last few months talking about the heavy goods vehicle driver crisis? Such things arise suddenly.

Given the dynamic state of skills policy—particularly, at the moment, legislatively but also in terms of employers' ability to access skills—we think that clause 18 is proportionate. It requires the Secretary of State purely to prepare and publish a report on the impact on the overall level of skills in England and Wales of the rules regarding the eligibility for funding of those undertaking further or higher education courses. There is a lot of scope within that. The level of tuition fees in this country is so disproportionate to any other nation around the world, or any of the other major competitor nations in Europe, that inevitably it pushes students to access the courses that will lead them towards the jobs that pay the most.

[Mr Perkins]

There are many crucial public servants in this country who might not end up earning king's ransoms but are performing roles of incredible importance to our country. A regular review of funding and maintenance support in the context of the level of skills is of real value. As a result of that review, the Government might think about being more flexible on tuition fees for certain courses, or taking specific steps to support learners in a variety of areas to study for the specific skills that the Government think will be of most use to our country and economy, and providing incentives for them to do so.

There are all kinds of different professions for which the Government rack their brains about how they can get more people to study. Each year we hear of courses in medical environments, for example, where thousands of places go unutilised. Such a review could push the Government to take the steps required to ensure that the country addresses those areas of skill shortages. It was a sensible amendment by their lordships, and it is regrettable that that very minimal commitment expected of the Secretary of State should be too much for the Government.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 4, Noes 9.

Division No. 16]

AYES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Clause 18 disagreed to.

Clause 19

INITIAL TEACHER TRAINING FOR FURTHER EDUCATION

10.15 am

Alex Burghart: I beg to move amendment 23, in clause 19, page 22, line 34, leave out subsection (3).

This amendment leaves out clause 19(3) of the Bill (regulations about courses of initial teacher training for further education to include provision about special educational needs awareness training), which was inserted at Lords Report.

The Chair: With this it will be convenient to discuss new clause 2—*Lifelong learning: special educational needs*—

"When exercising functions under this Act, the Secretary of State must ensure that providers of further education are required to include special educational needs awareness training to all teaching staff to ensure that all staff are able to identify and adequately support those students who have special educational needs."

This new clause would place a duty on the Secretary of State to ensure that there is adequate special educational needs training for teachers of students in further education.

Alex Burghart: We can all agree that it is vital for teachers to be trained to identify and respond to the needs of all their learners. That must include those with special educational needs and disabilities. However, the Government do not prescribe the content of further education initial teacher training. We believe that experts from the sector are best placed to design training programmes to meet the needs of learners, using a clear occupational standard as their benchmark.

The new occupational standard for FE teaching, published in September, has been developed by representatives from the sector who themselves work alongside and employ teachers. The standard clearly articulates the key knowledge, skills and behaviour that FE teachers must demonstrate. That includes an explicit requirement to actively promote equality of opportunity and inclusion by responding to the needs of all students. We believe that the standard is the right place to set out the expectations of teachers and what their training should cover, and that view is shared by sector experts themselves.

The Universities' Council for the Education of Teachers has stated that the new occupational standard for teachers in the FE sector

"provides an appropriate framework for the design and delivery of FE initial teacher training programmes—including the new qualification that UCET and other sector groups are currently helping to develop".

UCET is of the view that

"the standard and qualifications based on it will help to ensure that all new FE teachers are properly equipped to recognise and respond to the needs of their learners—including those with SEND".

Furthermore, UCET has said:

"It is vital that providers of FE ITT should be able to use their expertise and judgement to tailor training programmes to the needs of trainees and learners within the framework provided by the occupational standard."

It concludes that

"it would be unhelpful to remove this flexibility by mandating the content of FE ITT programmes in legislation."

I believe that it is important that we listen to the voices of expertise in the sector and do not unduly tie their hands. We have been clear that we intend to make public funding available only to FE ITT programmes that meet the new occupational standard.

Clause 19(3) as drafted, although honourable in intent, is unhelpfully restrictive. It would require the Secretary of State, when making regulations for the first time under this power, to make provision relating to SEND awareness in FE ITT even if the regulations being made did not bear at all on the content of training programmes. This is, in our view, the wrong way to achieve the right aim.

I want to directly address new clause 2. The Government are already driving up the quality of teaching in further education and strengthening the professional development of the FE workforce. We provide significant funding for programmes to help to spread good, evidence-based practice in professional development. Examples are the T-level professional development offer, which integrates support for learners with SEND throughout its offer, and the FE professional development grant pilot. Making sure that teachers have access to high-quality training

and professional development will ensure that learners, including those with SEND, receive the highest standard of teaching.

Our continuing professional development offer for teachers also includes provision delivered by the Education and Training Foundation. That training improves the capability and confidence of the FE workforce to identify and meet the needs of learners with SEND.

Ultimately, providers themselves must make decisions about what training is relevant and necessary for their teachers. That means that they can respond to the specific needs of their learners and those who teach them.

It is also important to note, outside professional development, that under the SEND code of practice there should be a named person with oversight of SEND provision in every college. Those people co-ordinate, support and contribute to the strategic and operational management of the college.

The Government are committed to ensuring that all learners, including those with SEND, are benefiting from outstanding teaching in the FE sector.

Mr Perkins: I rise to oppose Government amendment 23, and to discuss new clause 2, tabled by my hon. Friend the Member for Kingston upon Hull West and Hessle. I believe that clause 19 is an important clarification added to the Bill by the Lords. The Minister spoke passionately about the need for ensuring that those who attended ITT further education courses have awareness of special needs. However, it is precisely because of that that we believe clause 19 is sensible. Government amendment 23 removes **c**lause 19(3), which ensures the duty for initial teacher training providers to provide special educational needs awareness training.

That is particularly important because a huge number of people, later in life, are identifying that they have learning difficulties, be that autism, attention deficit disorder, or Asperger's syndrome. These were not picked up throughout their school career because there has been such a low level of awareness about such issues within much of the teaching profession.

We know that awareness of issues like autism has improved a great deal in recent years, but there are still many people going through our school system with other conditions, such as dyslexia, dyspraxia and others. With access to the right support, teaching could have been provided that recognised their disability and enabled them to access the curriculum to the best of their ability. It would have also enabled them to understand themselves. That is a crucial point about special needs; we must help people to understand themselves. I have spoken to many people who say, "I always knew I was different, but I never knew what it was. It was only in my 20s or my 30s that I realised." There is a family member of mine in their 40s who has recently identified having a disability of this kind.

Tom Hunt (Ipswich) (Con): I speak as someone with both dyslexia and dyspraxia; I was diagnosed when I was 12. Does the hon. Member agree that it is important to ensure that every single teacher—not just SEN specialists, but regular teachers—have a certain level of understanding of different types of disability, and that not all young people, or adults, process information in the same way?

Mr Perkins: The hon. Gentleman makes an important point. That is precisely the value of this provision. It makes this not the responsibility of the special needs co-ordinator—who, if they get an opportunity to sit down with someone would have that professional awareness—but, instead, makes sure that people right across the sector are able to identify these needs. We would not expect every teacher to become a full SENCO expert, but it is about them having the awareness to identify that there may be issues that need to be given further consideration—that is what I think is of real value.

New clause 2 attempts to find a different way to deliver the same initiative as the one proposed by their noble lordships in clause 19, whose subsection (3) places a duty on teacher training providers to ensure that SEN training is part of their work. In new clause 2, the obligation is on all providers of FE colleges to ensure that all their staff have been provided with special needs awareness training. There are two different ways to deliver that training. It can be delivered at the point where someone is qualifying, or can be certified at the point where someone is employed. There is merit in either approach; simply to dismiss both approaches is really disappointing.

New clause 2 would place a duty on the Secretary of State to ensure that there was adequate special educational needs training for teachers of students in further education. Given the high number of students with special educational needs who access further or adult education, often as a second chance when they have had a negative experience of school, it is particularly crucial that trainee teachers in the sector have an awareness of the issues the students face.

We must remember that people within the further education sector are far more likely to have an identified special educational need than those in mainstream schooling. The sector needs this kind of awareness. The Department for Education's own figures show that the percentage of pupils with a special educational need, but no education, health and care plan, has increased to 12.2%, continuing an upward trend.

Tom Hunt: As the hon. Member will know, it is important to provide support at that stage, but it is also important to start as early as possible. What are his views on the ten-minute rule Bill being introduced today by my right hon. Friend the Member for West Suffolk (Matt Hancock), which would require the assessment of every primary school kid for dyslexia, and whether that should be extended to dyspraxia?

The Chair: I am sure Mr Perkins will draw that comment back to the subject of the debate here today, as opposed to what might be going on elsewhere.

Mr Perkins: I am fiercely conscious of that point, Mrs Miller. I take the restriction that has been issued by the Chair, but would say briefly that there is real value in the hon. Gentleman's point about identifying issues as early as possible—I think every one of us would appreciate that point. But, accepting that that has not happened, it is crucial to ensure that people at every level in the further education environment understand and are aware of the issues.

[Mr Perkins]

The new clause proposed by the noble Lords has real value, and I urge the Government to consider ensuring in the Bill that people across our FE sector have that awareness. The Minister has said there may be many people in that environment who do not have the need to have that awareness. As I have laid out, it is my view that it should be the responsibility of everyone to ensure that they are able to identify various kinds of special need and know how best to support learners with special needs in all kinds of environments.

Matt Western: I rise to speak in favour of new clause 2 and against Government amendment 23. I have various concerns with clause 19 and where the Government seem to be going with the review on initial teacher training, including the market review that the Government are consulting on and where it seems to be heading. It would be easy to conclude that they are seeking to centralise control of how teacher training is being delivered and to move away from the diverse approach that we currently enjoy. I have real concerns about what clause 19 proposes, and specifically what the Government propose with amendment 23.

10.30 am

These amendments concern the inclusion of special educational needs training, as we have heard. Clause 19 was added by Lord Addington. Again, the Government are seeking to remove a clause that received widespread cross-party support. We have to understand the scale of special educational needs in our education system.

According to the National Autistic Society, one autistic child in four waits more than three years to receive the support they need in school—three years—which has a huge impact on families and loved ones, as well as those in the teaching profession. Further, 74% of parents who were polled by the society said that their child's school did not fully meet their needs. In fact, dissatisfaction levels have doubled in the four years since the charity's last education report. Proper education within the schools would certainly help to alleviate the matter. It is a shame that the initial teacher training market review did not spend more time focusing on the support that should be given to SEND students and trainee teachers to help to understand their needs.

Further education colleges have a proud record of supporting students with SEND and of providing an inclusive context. Some larger colleges cater for up to 500 SEND students, and a large minority of college students have some degree of SEND. According to the statistics, 21% of students in colleges have a learning difficulty and/or disability.

The situation has been made worse by the pandemic. According to a report from the National Children's Bureau in Northern Ireland, families of children with special educational needs and disabilities felt forgotten in the last 22 months during the response to the covid-19 pandemic.

It is vital that teaching staff have access to good-quality training in SEND as part of their continued professional development, which will help them to identify and adequately support those students who have special educational needs. That is why I am pleased to speak to and support new clause 2, which has been tabled by my hon. Friend the Member for Kingston upon Hull West and Hessle. She is the chair of the all-party parliamentary group for special educational needs and disabilities, which is why it is particularly important to give due support.

Alex Burghart: We fully understand the sentiment behind the changes that the Lords and the Opposition are trying to make, but we disagree with the way that they are going about them. We think that the occupational standard is the best place to contain such provisions and that the occupational standard is best owned by the profession itself. We believe that the profession ought to hold the ring on such matters. We do not want to set a precedent that every detail of initial teacher training should be set out in primary legislation. For that reason, we are acting as we are.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 4.

Division No. 17]

AYES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	Tomlinson, Michael
Hunt, Tom	

NOES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

Question accordingly agreed to.

Amendment 23 agreed to.

Question proposed, That the clause, as amended, stand part of the Bill.

Alex Burghart: It is important that the further education sector has enough suitably trained teachers to deliver the high-quality outcomes all learners deserve and that we all want to see. That is why a consistently high-quality initial teacher training offer in further education is needed. Initial teacher training in further education is not regulated, nor is there any primary legislation to allow for regulation. The clause gives the Secretary of State the flexibility to introduce measures through secondary legislation to secure or improve the quality of further education initial teacher training provision. The clause does not place requirements on trainee or practising FE teachers. To be clear, the Government have no intention of reintroducing mandatory qualifications for individual teachers in the FE sector.

We are already working with the sector to bring about the change and improvement needed. For example, we worked with a group of sector employers to support the development of a revised employer-led occupational standard for further education teaching. The clause sends a clear message that the provision of high-quality FE initial teacher training is vital, and therefore that secondary legislation should be introduced to complement and strengthen non-legislative measures where appropriate.

Mr Perkins: We do not oppose the clause. It is of real importance that initial teacher training for the further education sector is put on a statutory footing. We think that this is of particular importance given the scope and

scale of the sector, and that many people in FE—probably more than in any other academic establishment—move directly into lecturing from the workplace. There has often been a two-way path between people in all kinds of different vocational environments. For example, mechanics, plumbers and painter-decorators may sometimes practise their chosen trade and at other times move into the further education sector. For that reason, it is important that the best standards of training for those teachers is in place, so we welcome the Government's putting this on a statutory footing.

Obviously, it remains a regret that clause 19(3) has been deleted. We will continue to press the Government to ensure that, although that provision has been removed from the Bill, there is a real commitment to ensuring a high standard of awareness of special educational needs. On that basis, we will not oppose the clause.

Question put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Clause 20

OFFICE FOR STUDENTS: POWER TO ASSESS THE QUALITY OF HIGHER EDUCATION BY REFERENCE TO STUDENT OUTCOMES

Matt Western: I beg to move amendment 60, in clause 20, page 24, line 13, at end insert—

"(5A) When measuring student outcomes under subsection (5), the OfS must take account of mitigating circumstances, such as the impact of the Covid-19 pandemic.".

The Chair: With this it will be convenient to discuss the following:

Amendment 56, in clause 20, page 24, line 16, at end insert—

"(6A) The OfS must consult the higher education sector before determining a minimum level in relation to a measure of student outcomes.".

This amendment requires the OfS to consult the higher education sector before determining minimum levels.

Amendment 57, in clause 20, page 24, line 17, leave out "not".

This amendment requires the OfS to determine and publish different levels to reflect differences in student characteristics, different institutions or types of institution, different subjects or courses, or any other such factor.

Amendment 58, in clause 20, page 24, line 23, leave out "or subject being studied".

This amendment is intended to probe the OfS's powers of intervention at subject level.

Amendment 55, in clause 20, page 24, line 24, at end insert—

"(7A) When making decisions of a strategic nature in relation to a measure of student outcomes, the OfS must have due regard to the potential impact on the participation in higher education of students from disadvantaged and underrepresented groups.".

This amendment seeks to ensure that the OfS's measure of student outcomes does not jeopardise widening participation for students from disadvantaged and underrepresented groups.

Amendment 59, in clause 20, page 24, line 28, at end insert—

"(8A) The OfS must work together with the devolved authorities to minimise the potential for different assessments of the quality of higher education with a view to protecting the United Kingdom's higher education sectors' international reputation.".

This amendment probes the impact that moving the English higher education sector out of line with the UK Quality Code will have upon the coherence and consistency of UK quality assessment and the UK's HE sectors' international standing.

Matt Western: It is a pleasure to be able to give my hon. Friend the Member for Chesterfield a bit of a break this morning, given that he has been doing so much hard work in the past hour or so. The amendments essentially relate to the role of the Office for Students. I have been in my role a short time—slightly longer than the Minister—but I have to say that I have some reservations about what the Office for Students is doing presently. I understand its remit and purpose, but I am not sure what direction it seems to be taking us in. That direction comes from its leadership. It is a shame that the chief executive is standing down. We need more continuity there, and I await the appointment of her replacement with great interest.

We have tabled several amendments. Amendment 60 would require the Office for Students to bear in mind mitigating measures—for example, the past 22 months of the covid-19 pandemic and the impact it has had on students and therefore on outcomes. When assessing quality, it is important that quality is understood in the context of such factors. In the case of the past two years, there has clearly been a huge impact on students and their ability to learn, despite the best efforts of lecturers and the teaching profession to deliver as much as possible as well as possible in really challenging circumstances, whether face to face or mostly online. So much of the normal teaching framework has been greatly challenged.

The most recent pilot of the student covid insight survey showed that students' experience has changed dramatically because of coronavirus. On the academic experience, 29% of students reported being dissatisfied or very dissatisfied with their experience in the first term. Statistics from the Library highlight employment levels for those aged 16 to 24; I am not talking about outcomes. It is easy to look at what has happened to employment as an obvious measure of outcome, but employment levels have fallen 9%, which has clearly had a huge impact on the student outcome as a result of the national crisis.

The Institute for Fiscal Studies has also found that the impact of the pandemic has been very likely to disrupt the career progression of those in the early stages, with many graduates potentially delaying their entry to the labour market by staying in education. Research by jobs website Milkround provides us with further evidence. It shows that, compared with the typical 60%, just 18% of graduates are securing jobs this year—a third of the figure we would normally expect.

The purpose of the amendment is to identify and recognise the need to establish a link between what we might call force majeure events such as the pandemic and ensuring that the OfS is more flexible when considering student outcomes. It cannot be a static metric. That point is echoed by a significant representative body for the higher education sector, Universities UK, which states:

"Employment outcomes will also be impacted by national and local economic conditions."

It is important that the OfS bears that in mind in any framework that it establishes for outcomes.

Amendment 56 has been tabled because we want to see true and substantive consultation with the higher education sector before the outcomes are defined. The Government should talk to the Universities UK

[Matt Western]

representative body, which has been exploring the development of a framework in England for an institutional programme and course review process centred on best practice. Given that Universities UK represents 140 institutions, collaborating with them and exploring the work that already exists would be a sensible start for the Government to focus on. Universities UK also says that it is "unclear whether the baselines" of minimum assessment of standards

"will be subject to thorough consultation."

I hope the Government will start a consultation programme with all the representative bodies to understand how they may structure student outcomes.

10.45 am

We cannot afford this to become some simplistic metric that is based purely on initial earnings in the first year of employment, which is one such measure that has been proposed. Amendment 57 allows the OfS to publish data that takes into account the geographical and socioeconomic differences, which I am sure you, Mrs Miller, would appreciate, and how important such differences are in determining student outcomes. These differences must be considered because where someone starts and where they end up shows the improvement that is achieved through the education process. There is much variation, as we know, in all those factors, and they are significant in determining outcomes.

Unfortunately, it seems that, as it stands, the provision will adopt a "one-size-fits-all approach"—not my words, but those of the Open University. I am concerned that if we do not consider the regions and the types of students in this process, we will dissuade universities from accepting students from low-income backgrounds, who are more likely to drop out of their course because of outside factors.

The metric of retention may seem like an obvious and simple measure to use in terms of the quality or outcome of the course, but there are many factors that come into play. I stress that the Government need to consult with the sector to understand the complexities involved in arriving at the metrics to measure outcomes. As it stands, the clause will have a big impact on the smaller, more local universities that often take students from lower economic and more challenging social backgrounds.

Amendment 58 is an exploratory amendment to see if the OfS will probe into individual courses or modules. Various questions are being raised about how a one-size-fits-all approach to assessing student outcomes will be applied outside of a three-year degree. A three-year degree is a simple thing to measure, but are the Government and the OfS seeking to measure the component parts, that is, the individual modules taken in a course? Is that the granularity the Government are considering for measuring outcomes? That is something that we clearly need to know. In particular, with certain courses being delivered on a modular basis—say with the Open University or other providers—that will be extremely relevant.

The clause is currently a permissive clause and does not formally extend the OfS's powers, but it does clarify the levers available. My question to the Minister is, will he provide more clarity on how far that power will stretch, particularly in the light of the comments made just a few days ago by the chair of the Office for Students, Lord Wharton, on the second OfS strategy that the body will be more assertive in intervening on universities and colleges to uphold their obligations? The chair's language is perhaps slightly more aggressive than I would have expected, but we need to understand what is being considered because it seems that he is the person who is very much directing the course of higher and further education.

What considerations will be given to the UK quality code and the reputation of UK higher education? New analysis of the economic impact of international students in the UK has shown that the net impact of just one cohort of international students in 2018-19 was worth nearly £26 billion to the UK economy. The majority of overseas undergraduate students on STEM courses—51% of respondents—said that they chose a UK institution because of its reputation for high-quality education, with another 29% saying that a qualification from this country offers excellent career prospects in their discipline. Just over a fifth attributed their choice to the presence of friends and relatives, according to research from the British Council published the other day.

The amendments are designed to ensure that the Government open themselves to true consultation with the sector to get its views and understand the work it is already doing and the great number of factors that we all appreciate come into play and impact on a student's outcomes. That is important if we are to get a proper form of measuring university outcomes rather than using a simplistic measure for different universities and colleges when they are already doing a terrific job in their regions, perhaps against the odds.

Alex Burghart: I rise to speak to this monster group of amendments: 60, 57, 56, 58, 55 and 59.

Amendment 60 would add to the power in clause 20 an obligation on the Office for Students to assess and consider mitigating circumstances such as the pandemic. The OfS is already required to take into account wider factors when assessing the performance of providers. It has a general duty to have regard to the need to promote equality and opportunity and is subject to the public sector equality duty. It also has a public law obligation to take all material factors into account when reaching a decision.

The OfS will therefore consider a range of different contextual factors that may explain the reasons for a provider's performance before reaching any final judgment. For example, this may include factors such as the relative proportions of students from disadvantaged or under-represented backgrounds. This could also include information from the provider about the actions it has taken, or plans to take, to improve quality, and external factors that may be outside a provider's control such as the pandemic.

The OfS has previously produced guidance on how it expects providers to comply with the quality and standards-related registration conditions in the light of the pandemic. It is well aware that particular circumstances may be in play at a particular time, including the disruption caused by the covid-19 pandemic.

Amendment 57 would leave out the word "not" and in doing so completely reverse the purpose of this clause. Students would be expected to accept that they might achieve different outcomes—and, in some cases,

lower outcomes—depending on their background, which risks entrenching disadvantage in the system. That cannot be right. Every student, regardless of their background, has a right to expect the same minimum level of quality that is likely to improve their prospects in life. That is why we included the provision in this clause to make clear that there is no mandate on the OfS to benchmark the minimum levels of standards it sets based on factors such as particular student characteristics. The OfS will none the less continue to consider appropriate contexts, including student characteristics, and make well-rounded judgments when assessing individual providers.

Amendment 56 would require the OfS to consult before determining minimum levels of student outcomes. I reassure the Committee that, under the Higher Education and Research Act 2017, the OfS already has a statutory duty to consult before publishing any revised version of its regulatory framework, including on quality measures. In relation to student outcomes specifically, it has already undergone one round of consultation, while a further consultation on specific outcome levels and how the OfS will take wider context into account will be published early next year. The amendment is therefore unnecessary.

Amendment 58 suggests that the OfS may be required to determine different expected outcome levels by reference to each subject, which would be inappropriate. Requiring the OfS to determine different minimum outcome levels for different subjects would mean that students studying certain subjects would be expected to accept different and, in some cases, lower outcomes than if they had chosen a different subject. All students should expect that minimum levels of continuation and completion rates, as well as the proportion of students that achieve employment commensurate with their qualifications, will be the same for all subjects.

Amendment 55 would require that the OfS has regard to widening participation for disadvantaged and under-represented groups.However, I assure the Committee that the OfS already has to take due regard of the impact of its decisions on disadvantaged and under-represented groups. The minimum expected levels of student outcomes will form only part of the overall context the OfS takes into account as it makes rounded judgments. When itexercises any function, it must, under section 2 of the Higher Education and Research Act 2017, have regard to the need to promote equality of opportunity in connection with access to and participation in higher education, and that duty applies when the OfS looks at how disadvantaged students and traditionally under-represented groups are supported and what they go on to achieve. It includes access, successful participation, outcomes and progression to employment or further study. The OfS has a public law obligation to consider relevant wider factors, which could include, amongst other things, the characteristics of a provider's students, where appropriate.

Amendment 59 would require the OfS to work with devolved Administrations to minimise different assessments of higher education quality. HE is a devolved matter, and it is right that each Administration should be free to drive up quality in the way they think best. I understand that there is a concern about the removal of direct reference to the UK quality code from the guidance in the OfS's regulatory framework and its impact on the reputation of the UK's higher education sector, but the OfS has already made clear that its regulatory requirements would continue to cover the issues in the expectations and core practices of the quality code, which will remain an important feature of the regulatory framework. The OfS is not proposing to abolish the UK quality code—indeed, it has no power to do so. The code will continue to be important in the sector and providers will still be able to use it.

I would like to take this opportunity to announce the Government's intention to table an amendment on Report that will give the OfS an explicit power to publish information about its compliance and enforcement functions, in particular when investigating higher education providers for potential breaches of registration conditions, which will give the OfS protection from defamation claims when it does so. That increased transparency will be in line with other regulators' powers and protections, including appropriate safeguards.

Rachel Hopkins: I rise to support my hon. Friend the Member for Warwick and Leamington and the proposed amendments, in particular those including the requirement to consult the higher education sector before determining the standards. My constituency, Luton South, is home to the fantastic University of Bedfordshire, which takes many non-traditional students—for want of a better term. The majority of its students are older and may be working and studying additional qualifications to support their work. Many come from disadvantaged and under-represented groups. It is vital that we understand the difference that universities like the University of Bedfordshire make to those people's lives when considering the clauses and the amendments proposed.

11 am

I also want to ensure that the widening participation aspect is considered thoroughly. There are so many people who have had no formal education who then come on to access courses and foundation degrees as part of their working life in order to better their skill level. The Bill is all about skills and improvements. With regard to measuring student outcomes and reflecting on the public sector equality duty, many students at the University of Bedfordshire come from very low socioeconomic groups, which is not always covered by the equality duty. I want to ensure that that is explicitly understood in any guidance and requirements of the OfS. I add my support for the amendment and the intention of what it is trying to achieve, in recognition of the many students at the University of Bedfordshire in Luton South.

Matt Western: I thank the Minister and my hon. Friend the Member for Luton South for their comments. Let me pick up on the points my hon. Friend just made. Educators and educationalists are concerned that these measures could lead to a reduction in opportunity and access, and that many could feel marginalised in the education process. I am not a specialist and have no background in education, but I understand that many schools have started to direct and encourage students to take certain GCSEs, to stay on to take A-level, BTECs or whatever. They may be prevented from doing so because of concern about the results achieved by that school or college, which could dissuade them.

It can never be known at the start what will happen to a student with the right sort of teaching and course. That education could bring alive their interest in a

[Matt Western]

subject. I would underline the sense of caution that motivates the amendments. The Government need to tread incredibly carefully, for fear of reducing access and participation in our education sector. I appreciate that you may wish to restrict the number of amendments put to a vote, Mrs Miller, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 56, in clause 20, page 24, line 16, at end insert—

'(6A) The OfS must consult the higher education sector before determining a minimum level in relation to a measure of student outcomes."—*(Matt Western.)*

This amendment requires the OfS to consult the higher education sector before determining minimum levels.

Question put, That the amendment be made.

The Committee divided: Ayes 4, Noes 9.

Division No. 18]

AYES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Amendment proposed: 55, in clause 20, page 24, line 24, at end insert—

'(7A) When making decisions of a strategic nature in relation to a measure of student outcomes, the OfS must have due regard to the potential impact on the participation in higher education of students from disadvantaged and underrepresented groups." —*(Matt Western.)*

This amendment seeks to ensure that the OfS's measure of student outcomes does not jeopardise widening participation for students from disadvantaged and underrepresented groups.

Question put, That the amendment be made.

The Committee divided: Ayes 4, Noes 9.

Division No. 19]

AYES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Clarke-Smith, Brendan	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

Alex Burghart: Clause 20 clarifies the provisions set out in section 23 of the Higher Education and Research Act 2017, known as HERA, which relate to the assessment of the quality of higher education provided by a registered provider. Section 23 of HERA currently places no restrictions or stipulations on how the Office for Students might assess quality or standards. Clause 20 provides some much-needed clarity. It puts beyond doubt the OfS's ability both to determine minimum expected levels of student outcomes and to take those into account alongside many other factors when it makes its overall and well-rounded assessment of quality. It also makes clear that if outcome measures are to be used, the outcomes can be any the OfS considers appropriate.

The OfS looks at important indicators of high-quality higher education that are hugely valuable to students. They may include student continuation and completion rates and progression of graduates to professional or skilled employment or further study. The OfS is already regulating on that basis. The Government believe strongly that every student, regardless of background, has a right to expect the same minimum level of quality and the same opportunities to go on to achieve successful outcomes. Students from underrepresented groups should not be expected to accept lower quality, including poorer outcomes, than other students. That is why the clause also makes clear that there is no mandate on the OfS to benchmark the minimum levels of standards it sets based on factors such as particular student characteristics. The use of minimum levels for student outcomes is not and will not be a blunt instrument that relies only on data.

Absolute outcomes are only one aspect of a provider's performance. To make a well-rounded judgment on a provider's absolute performance, the OfS will consider a higher education provider's appropriate context before determining whether a registration condition has been met. Alongside that work on baselines, the new Director for Fair Access is tasked with rewriting national targets to focus on social mobility and ensuring that higher education providers rewrite their access and participation plans. New and ambitious targets will be set to raise standards in schools, reduce drop-out rates at university and improve progression into high-paid, high-skilled jobs.

Clause 20 is an important element of the Bill because it serves to ensure that higher education provision delivers quality for all students, the taxpayer and the economy.

Matt Western: I do not have any further points to make and will not press any other amendments.

Question put and agreed to.

Clause 20 accordingly ordered to stand part of the Bill.

Clause 21

List of relevant providers

Mr Perkins: I beg to move amendment 29, in clause 21, page 25, line 10, at end insert—

'(aa) for mayoral combined authorities or other authorities as defined by the Secretary of State, to keep a list of relevant education or training providers who meet the conditions specified by the authority in respect of that education or training;'.

The effect of this amendment is that mayoral combined authorities or other authorities as defined by the Secretary of State will be able to establish a list of their own relevant education or training providers.

The Chair: With this it will be convenient to discuss the following:

Amendment 30, in clause 21, page 26, line 12, at end insert 'including mayoral combined authorities or other funding authorities.'

This amendment is consequential on Amendment 29.

Amendment 31, in clause 22, page 27, line 8, after '(a)' insert 'or (b)'.

This amendment is consequential on Amendment 30.

Mr Perkins: It is a great pleasure to move the amendment in the name of the hon. Member for Bury South (Christian Wakeford), my hon. Friend the Member for Warwick and Leamington and myself. The amendments concern the Government's plans to have a list of preferred providers. What could go wrong with this Government and a list of preferred providers, I hear hon. Members ask? There have been reasons to question the Government's record when it comes to relevant providers. The particular concern that the hon. Member for Bury South and I, and others, have is that when it comes to the Secretary of State and his Whitehall colleagues providing a list of providers to be considered appropriate by metro Mayors and combined authorities in Birmingham, Manchester, Leeds or anywhere else, important local providers will be missed out.

The amendment was tabled because of those local providers, both private sector providers and social enterprises, which might not have the huge ability to do detailed tenders but are important and proven in many local areas. There is a real concern in Manchester from the metro Mayor, which I suspect is where the interest of the hon. Member for Bury South comes from, and in other areas, that their importance should be recognised.

The amendment says that provision should be made,

"for mayoral combined authorities or other authorities as defined by the Secretary of State, to keep a list of relevant education or training providers who meet the conditions specified by the authority in respect of that education or training".

Amendment 30 would add,

"including mayoral combined authorities or other funding authorities",

to clause 21. It is really important that those local providers can be utilised by local combined authorities and metro Mayors.

During the Bill's stages, there has been much talk about devolution and the importance of local decision making, but at every turn, we see the opposite—the Secretary of State is clawing back power for himself. In this case, without the amendment, that would be at the expense of local decision making, because if the mayoral combined authority was in a position to say, "We've worked really closely with a provider," but for whatever reason, the provider was not on the Secretary of State's list, it could be missed out.

The amendment seeks to ensure that the Government, who once passionately championed devolution, do not allow Whitehall decision makers to prevent the continuation of local arrangements and relationships that are delivering for local communities. As I said, there is concern that the Secretary of State's list of relevant providers will exclude local providers that may not offer the scale and scope of national providers but are proven and have a successful track record in local areas. I have been to Manchester and discussed in great detail the strong relationship that the Mayor's office has established with local small and medium-sized enterprises and social enterprises that are doing great work locally.

It sometimes feels as though the Government have a love affair with major firms that promise them the world. We fear that smaller providers will inevitably be missed off the Secretary of State's list and that local learners and local businesses will be the biggest losers. It is vital that mayoral combined authorities, and other authorities that have local expertise, can continue those agreements with existing providers and that there is no break in provision where funding contracts are in place for adult education. Again, it feels as though the clause seeks to centralise power in the hands of the Secretary of State without paying due consideration to local representation, which is why I am keen to support amendment 29.

Alex Burghart: The amendments aim to give mayoral combined authorities and other authorities the power to keep their own lists of relevant education or training providers, specify their own conditions and exercise discretion about whether certain conditions have been met by relevant providers. The list of post-16 education and training providers that can be established under the powers in the clause aims to put in place guiding principles for a coherent and consistent scheme to protect learners in the case of provider failure. This important, specific point is made in subsection (5), which says:

"A condition may be specified in regulations under subsection (1)(a) only where the Secretary of State considers that specifying the condition in relation to a relevant provider may assist in preventing, or mitigating the adverse effects of, a disorderly cessation in the provision of education or training by the relevant provider."

The whole clause is there to prevent circumstances in which providers crash out of the market and leave those in training with nowhere to go.

11.15 am

The amendments could lead to multiple lists of providers with different requirements for each list, which would be confusing for providers and learners and would lead to additional bureaucracy for providers. We cannot support the amendments, because one of our principal aims is to create a consistent and rigorous set of requirements for providers at a national level, so that providers and learners have clarity on what is expected to protect learners and public funds from provider failure and the disruption that causes.

Mr Perkins: The Minister has a tendency to sit down rather abruptly before he has had the opportunity to respond to things that have been raised, so I just wanted to catch him at this moment. Will he explain what about subsection (5) in any way secures the quality and robustness of those providers? Is it his view that the Secretary of State's list will somehow ensure the finances or quality of that provider? What assurances can he give the hon. Member for Bury South and myself, and all those who have those local relationships, that those local relationships will not be the victim of this desire for consistency?

Alex Burghart: The hon. Gentleman makes a fair point. If he looks at subsection (7)(b), he will see that one key thing we seek—this is relevant to the point I am making regarding preventing provider failure—is providers having relevant insurance cover, which we might consider through regulations. There have been a number of cases in the past where some providers have not had that, and there has been a real risk of a break in the provision given to certain students. We do not want to exclude

[Alex Burghart]

small, local providers of the type he mentions at all. If ever it was felt that the Government were doing that, I draw his attention to subsection (10)(d), which says that an appeals process will be set out in regulations. I hope he can take some comfort from that.

Members will note written evidence from Learning Curve Group, an independent training provider, stating:

"Learning Curve Group welcomes the Government's proposal…to include a register of providers who meet certain conditions as we believe this will increase overall quality and ensure high standards."

We intend to work closely and collaboratively with mayoral combined authorities and other funding authorities on the creation of the list and the conditions that will apply. We will continue to engage with MCAs in designing the conditions and operation of the list. Through collaboration, we can ensure that we set a high bar for all providers for protecting learner interests. We certainly value the expertise and input that MCAs will have in this. As I said last week, we recognise the importance of the work of MCAs and their vital work in supporting local communities.

Mr Perkins: Subsection (7)(b) relates to the relevant provider having insurance cover. Will the Minister confirm whether that means insurance cover in the context of employer liability in the event of an apprentice or other adult learner being injured, or is it insurance cover in the event of the failure of the business and additional costs that might be attached to that? Will he clarify what the clause refers to?

Alex Burghart: It is the latter—in the case of business failure. The Bill sets out that we will consult on the conditions and provisions for being on the list prior to making the first set of regulations, to help ensure that those conditions manage and mitigate the risk of disorderly exit. That consultation will allow us to take into account fully the views of those affected by the scheme, including MCAs.

Mr Perkins: The Opposition are not opposed to clause 21 standing part, but there is a real danger that the way it is drafted will create much greater bureaucratic responsibilities. Inevitably, the result is going to be smaller providers not ending up on that list, either because they consider that their relatively small provision means that the Government's requirements make it prohibitive for them to carry on, or because they get missed, as inevitably happens when dozens of local lists are turned into one major one.

We are not opposed to the Government introducing conditions and having standards and the register, but there is a real danger that the concerns raised by the hon. Member for Bury South and a number of different combined authorities will mean that really important local relationships will end up falling by the wayside and that provision may end up getting lost. We will press amendment 29 to a vote. Amendments 30 and 31 are conditional on amendment 29.

The Committee divided: Ayes 4, Noes 10.

Division No. 20]

AYES

Ali, Tahir	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Ordered, That further consideration be now adjourned. *—(Michael Tomlinson.)*

11.23 am

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SKILLS AND POST-16 EDUCATION BILL [*LORDS*]

Sixth Sitting

Tuesday 7 December 2021

(Afternoon)

CONTENTS

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 11 December 2021

The Committee consisted of the following Members:

Chairs: Clive Efford, † Mrs Maria Miller

† Ali, Tahir *(Birmingham, Hall Green)* (Lab)
† Bradley, Ben *(Mansfield)* (Con)
† Burghart, Alex *(Parliamentary Under-Secretary of State for Education)*
† Carter, Andy *(Warrington South)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Gwynne, Andrew *(Denton and Reddish)* (Lab)
Hardy, Emma *(Kingston upon Hull West and Hessle)* (Lab)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hunt, Jane *(Loughborough)* (Con)
† Hunt, Tom *(Ipswich)* (Con)
Johnson, Kim *(Liverpool, Riverside)* (Lab)
† Johnston, David *(Wantage)* (Con)
† Nici, Lia *(Great Grimsby)* (Con)
† Perkins, Mr Toby *(Chesterfield)* (Lab)
† Richardson, Angela *(Guildford)* (Con)
† Tomlinson, Michael *(Lord Commissioner of Her Majesty's Treasury)*
† Western, Matt *(Warwick and Leamington)* (Lab)

Sarah Thatcher, Bradley Albrow, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 7 December 2021

(Afternoon)

[Maria Miller *in the Chair*]

Skills and Post-16 Education Bill [*Lords*]

2 pm

The Chair: A point of order was raised this morning about there not being a debate on new clauses 1 and 4 at the beginning of proceedings today. I am happy to cover the new clauses if the Government and Opposition want that. Although they could have been debated at the time, and Opposition Members did not take the opportunity to do so, out of a sense of fairness this is a way of getting through this slight wrinkle.

Clause 21

List of relevant providers

Question proposed, That the clause stand part of the Bill.

The Parliamentary Under-Secretary of State for Education (Alex Burghart): What a pleasure it is to reach our sixth and final sitting on this important Bill.

Clause 21 will allow the Government to introduce a list of post-16 education or training providers. To be on the list, providers will need to meet conditions that help to protect learners against the negative impacts of provider failure. It will also help to protect public funds by preventing or mitigating the risks of provider failure. Currently, there is a risk that the short-notice exit of a provider from education and training can significantly disrupt the experience of many young people and adults. This can be because of delays in finding a new provider and insufficient planning on what happens next in these circumstances. This clause focuses the operation of a list on the types of providers that the Department considers are most at risk of an unregulated and disorderly exit from provision—independent training providers.

While we value the role of ITPs in helping to provide a more diverse and innovative learning offer, it is not right that these types of providers should operate with less in-built protection for learners than other types of further education provider. Fundamentally, we want to protect learners and public funds if providers cease to provide education or training. Where other regulatory mechanisms are not in place, we want to ensure that there is a consistent set of requirements placed on providers to protect learners and public funds, even where the provision is funded by local commissioning bodies or through subcontracts from directly funded providers.

Where a provider is not directly funded by the Secretary of State—as can be the case with ITPs—the existing levers for the Secretary of State to protect learner interests are not as strong. Contractual conditions of funding to prevent disorderly exits may also not be consistent. The Bill will allow commonality and consistency across funding streams to mitigate provider failure risks. The clause also allows the Secretary of State to set out other matters in connection with the keeping of the list of post-16 education or training providers.

We intend to consult before deciding on the detail of the way in which the scheme will operate. The Secretary of State is required to do so before making the regulations that establish the list for the first time.

Mr Toby Perkins (Chesterfield) (Lab): May I record my thanks, Mrs Miller, for what you said a few moments ago about ensuring that new clauses 1 and 4 may be debated? I appreciate your flexibility.

We do not intend to divide the Committee on this subject, but I re-emphasise the point that I made in the discussion on the amendment. I entirely appreciate what the Minister says about the need to ensure protection for learners, but a small number of providers have a long track record of providing a small amount of provision that is none the less important in certain sectors and geographies. If this becomes a bureaucratic or economic minefield, they will simply withdraw from the sector, which will be the poorer for it. We received representations from the Manchester combined authority, which has a long history of working closely with smaller providers. It has real concerns that a national list will lead to smaller providers being missed out.

We do not intend to divide the Committee but we will continue to scrutinise the Government and ensure that the provisions put in place do not, as we fear they may if they are not carefully handled, exclude important, worthwhile providers from the list.

Question put and agreed to.

Clause 21 accordingly ordered to stand part of the Bill.

Clause 22

Prohibitions on entering into funding arrangements with providers

Alex Burghart: I beg to move amendment 24, in clause 22, page 28, line 15, leave out from first "to" to "paid" in line 16 and insert "an agreement for the funding authority to provide funding to the provider includes a reference to an agreement or arrangements between the funding authority and the provider by virtue of which amounts can or must be"

This amendment makes clear that an agreement between the Secretary of State and an education provider that must be in place in order for student loans to be paid directly to the provider counts as "funding arrangements" for the purposes of clause 22. It also covers arrangements other than agreements.

Amendment 24 is a minor and technical amendment that clarifies that advanced learner loan funding routed through the Student Loans Company is in the scope of clause 22. This has always been the intention of clause 22(9), and this amendment is merely a technical adjustment to the drafting. It ensures that advanced learner loan funding arrangements are captured by the "funding arrangements" definition in clause 22. Without the amendment, clause 22 may not be adequately applied in relation to providers who receive advanced learner loan funding.

Mr Perkins: We appreciate that clarification.

Amendment 24 agreed to.

Question proposed, That the clause, as amended, stand part of the Bill.

Alex Burghart: Clause 22 is important in ensuring that a funding authority is prevented from entering funding arrangements with a provider that is not on the list. It also makes sure that the funding authority can take action to terminate funding arrangements in an orderly way should a provider cease to be on the list.

The short-notice exit of a provider from the provision of education or training can significantly disrupt the educational experience of young people and adults. The transfer of learners to another provider can take time, be extremely disruptive and increase the risk of learner disengagement. The provision of post-16 education or training is commissioned by various funding bodies and is often subcontracted. As a result, there is a wide variation in the range of obligations and requirements currently imposed on providers.

The provisions in the clause are intended to ensure that a consistent set of requirements is placed on providers and funding authorities to protect learners and public funds, even where the education or training is funded by local commissioning bodies or through subcontracts. The clause also sets out that a provider must not rely on anything in clause 22 as a reason for not carrying out existing obligations under a funding agreement. A funding authority could continue to enforce those obligations even if a provider was not on the list, as the contract would remain valid. This may be important to allow a provider to teach existing learners until they had completed their course where the risk posed by the provider could be managed.

The clause also includes the power for the Secretary of State to set out in regulations the particular characteristics of the funding arrangements that are subject to these funding controls. This is necessary so that the Department can ensure that the controls are applied proportionately. For example, de minimis requirements may be needed so that short-term and low-value arrangements for the provision of relevant education or training are not captured by the requirement for the particular provider to be on the list. The clause is essential in ensuring that there are certain restrictions and controls on the public funding of education or training providers in the scope of the list.

Mr Perkins: It is important to ensure that information is shared widely, not only with providers that might be outside mainstream education provision but with funding authorities such as mayoral or combined authorities, to ensure dialogue and so that smaller providers are not missed out.

The clause clarifies that providers must be approved and have an agreement in place for them to be allowed to have student loans paid directly. Building on the contribution I made in the debate on clause 21, it would be useful if the Minister clarified the steps the Government will take to ensure that only providers with quality offerings and financial stability and robustness receive direct payments and that these steps will not prevent quality, innovative smaller providers from accessing the important opportunities to attract new students.

Further to that, does the Minister anticipate that the extension of student finance will mean that a greater variety of private sector organisations will be able to receive student loan applications? I have met people in my constituency, and have written to his predecessor about other courses whose students have previously been excluded from getting student loans to access them, despite having a long track record of their students going into employment. To what extent does the Minister think the Bill will increase the number of learners who can get student loans for their courses, and how will he ensure that quality, innovative, smaller providers can access those opportunities?

Alex Burghart: The Government are fully aware that ITPs come in all shapes and sizes, and play an essential part in the skills ecosystem. We are very mindful that we do not want to drive good providers out of the market by creating a list. The sole purpose of the list is to ensure that all providers have in place provisions to ensure that they have contingency plans for their students should they go under. That is something that exists elsewhere in the skills space. We are extending it to ITPs, and intend to do so in such a way that will not create a bureaucratic overload. To the hon. Member's point on student loans, it will very much depend on how the system evolves from this point.

Question put and agreed to.

Clause 22, as amended, accordingly ordered to stand part of the Bill.

Clause 23

FUNDING ARRANGEMENTS: INTERPRETATION

Question put, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 24 stand part.

Alex Burghart: Clause 23 provides definitions for key terms in this part of the legislation relating to funding arrangements with post-16 educational training providers, and ensures that the correct legal person and funding arrangements that they are party to are in scope of the relevant obligations. The clause is essential to the interpretation of the list of post-16 educational providers, and should stand part of the Bill.

Clause 24 provides that the regulations for creating or keeping the list, altering the categories of education and training in scope of it, or amending primary legislation will be subject to the affirmative procedure. That means that they will be subject to an appropriate level of parliamentary scrutiny over the use of those powers, and must be approved by both Houses prior to becoming law. The clause provides that the powers to make regulations in clauses 21 and 22 include the power to make supplementary, incidental, transitional or saving provision.

By way of example, once regulations have been made under clause 21, the Department may consider it necessary to amend statutory powers to provide financial assistance for relevant educational training so that they signpost the prohibitions that will apply, and which effectively constrain those financial assistance powers. One such power will be in section 2 of the Employment and

[Alex Burghart]

Training Act 1973. Clause 24 will ensure that there is appropriate parliamentary scrutiny over the use of the powers, and should stand part of the Bill.

Mr Perkins: We appreciate that clarification. The clause and its subsections clarify the powers to make regulations under clauses 21 and 22, and we have no desire to oppose it.

Question put and agreed to.

Clause 23 accordingly ordered to stand part of the Bill.

Clause 24 ordered to stand part of the Bill.

Clause 25

PROVISION OF OPPORTUNITIES FOR EDUCATION AND SKILLS DEVELOPMENT

2.15 pm

Mr Perkins: I beg to move amendment 53, in clause 25, page 30, line 17, leave out from "education" to end of line 17.

The Chair: With this it will be convenient to discuss the following:

Amendment 54, in clause 25, page 30, line 17, leave out from "has" to "level." and insert

"is earning below the Living Wage, as identified by the Living Wage Foundation."

New clause 7—*Level 3 qualifications provision*—

"(1) Employer Representative Bodies may prescribe additional Level 3 qualifications, as part of the Lifetime Skills Guarantee.

(2) Additional Level 3 qualifications may be prescribed under subsection (1), in instances where the Employer Representative Body identifies a local need or skills shortage."

Mr Perkins: The clause addresses the lifetime skills guarantee and the provision of opportunities for education and skills development. Subsection (1) says:

"Any person of any age has the right to free education on an approved course up to Level 3 supplied by an approved provider of further or technical education, if he or she has not already studied at that level."

Amendment 53 would simply remove the final eleven words of the sentence. It is a probing amendment to test the reasons why the Government are seeking effectively to remove the word "guarantee" from the lifetime skills guarantee, and instead offer a significant limitation on the number of people who are able to study under it.

We think it is vital that people in low-paid employment have the chance to take additional level 3 qualifications to support them into better paid work or into new sectors. We also think it is crucial that people in industries or sectors that are diminishing have the opportunity to retrain. Substantial financial barriers would prevent them from accessing those courses.

When the Prime Minister made his speech announcing the lifetime skills guarantee in Exeter, he seemed to understand that point. The speech was all about the need for people to retrain and to be able to move from one sector where there were not going to be jobs in the future to jobs in other sectors. He wanted them to seize those opportunities. Unfortunately, the lifetime skills guarantee, which is going to take a long time to come into being anyhow, already has limitations.

Amendment 53 seeks to test the Government's view on ensuring that more people are able to access a second qualification. Earlier, we gave the Government the opportunity to support a quite limited amendment on a second qualification.

I remind the Committee that a lifetime skills guarantee was in place for level 3 qualifications for everyone until 2013, when the former Chancellor George Osborne removed it. The decision to reintroduce this poor relation of that policy shows how the Government are learning at least some lessons from the mistakes they have made, but it lacks the ambition needed to reverse the failures of previous Government policy. More than 9 million jobs are excluded, many in sectors that have skills shortages and vacancies, such as tourism and hospitality.

I was speaking to a business in my constituency just this weekend that owns a number of establishments in the hospitality sector. It is desperate to attract members of staff into the sector. This is an organisation with a long track record of training up and developing members of staff, and ensuring that people make the best of their careers. It would be alarmed to hear that those kinds of opportunities are excluded from the lifetime skills guarantee. It is essential that the Government get this right. We hope they support our proposals.

Amendment 54 is an attempt to put on to a legal footing the promise made by the Secretary of State at the Association of Colleges conference in November. He said that

"from next April any adult in England who earns a yearly salary below the National Living Wage will also have the chance to take these high value Level 3 qualifications for free."

That is precisely what the amendment seeks to do. It says that if anyone has a level 3 qualification and is earning below the living wage, as identified by the Living Wage Foundation, they would be able to take another level 3 qualification.

As we have laid out, we think that restricting the opportunities for students to take a second level 3 qualification is a huge missed opportunity. As the Committee has rejected our more ambitious amendment to allow all students the right to take a second level 3 qualification, we believe that the Government should at least be willing to support an amendment that supports what the Secretary of State has said.

New clause 7 relates to students wishing to do a level 3 qualification in an area where the local skills improvement plan has identified a local skills shortage. It would allow the local skills improvement plan to approve funding for a second level 3 qualification where local labour market shortages are identified.

The Bill contradicts itself. Reportedly, its aim is to ensure that skills policy is determined locally. New clause 7 would ensure that local skills improvement plans were able to identify that there was a skills need in the area and encourage people to retrain in that sector. Anyone who votes against that once again will seize power from local skills improvement plans and place it in the hands of the Secretary of State. We look forward to hearing what I imagine will be universal support for our amendments from hon. Members who are keen to support people in their constituencies.

Andrew Gwynne (Denton and Reddish) (Lab): I rise briefly to support my hon. Friend the Member for Chesterfield in his amendments 53 and 54 and new

clause 7. We have had this debate already in Committee and I still think that the Committee made the wrong decision to prevent learners having a second chance at a level 3 qualification for the reasons that I set out.

Those reasons were as valid the other day as they are now for these amendments, because we live in a dynamic economy where industries come and go. The industry that my town was historically dependent on, and that the town of my hon. Friend the Member for Luton South is equally famous for, is hatting. Those industries have pretty much died out, but the hatting industry made Denton famous. The Bowlers of bowler hat fame came from Denton, although they made their money at Lock & Co. Hatters in St James's in London. However, that industry and those skills have gone.

In the past 50 or 60 years, my constituency has had to diversity and the workforce has had to retrain. That pace of chance will be prevalent in the decades ahead as technology advances, the global economy shrinks to make the world a smaller place, and international trade becomes the norm, meaning that we buy goods from other countries rather than make them here.

If we are going to have an industrial strategy that says that we want to be the lead nation in the new green industrial revolution, we need to ensure that we have the skills and the workforce to match that ambition. I am supportive of that and, if we are being honest, every Member of the House recognises the challenges and is supportive of it. That is not a top-level ambition, however; it has to be dealt with in the nitty-gritty of legislation.

We have a Bill going through Parliament that is rightly focused on skills and training and on ensuring that the next generation of the workforce has a built-in dynamism to be able to diversify, retrain and fill skills in the areas of the economy that have shortages. As the Opposition have said, that may mean someone has to have a second bite of the cherry at a level 3 qualification. If the subject in which someone has a level 3 is no longer fit for purpose, or relevant to the modern workplace, are we going to leave them languishing with inappropriate qualifications and skills that are no longer needed, or are we going to give them the opportunity to retrain, reskill and join the workforce, hopefully in highly paid, decent jobs? That is why I support amendments 53 and 54, which would put that idea on a legal footing, as my hon. Friend the Member for Chesterfield rightly said.

The voice of local businesses and the economic partnership between local government, businesses, academia and training providers are setting out local skills improvement plans. They identify key skill shortages in their economic areas, and they should be given the flexibility to say, "You know what, in my area, we have an absolute shortage of skills in a particular sector. We want to make sure that our area is really dynamic in that sector and therefore it is a key priority for our partners to skill up to level 3 adequate numbers of the workforce." That is sensible. It is devolution as it is meant to work, from the bottom up, and that is why I also support my hon. Friend's new clause 7.

Rachel Hopkins (Luton South) (Lab): It is a pleasure to follow my hon. Friend the Member for Denton and Reddish, because I agree with everything he said.

The amendments and the new clause address the issue from the relevant two angles. They are designed to offer a genuine lifetime skills guarantee for individuals—one that is aspirational and does not fall back on the argument that because someone got a couple of A-levels 30 years, they cannot now retrain for a level 3 qualification to meet a skills need in the local area. I think about the changing world of work, and how much more is now digital or IT-based. There has been a shift in skills, which is driving our economy. Unless we agree to the amendments, so many people will be locked out from making a genuine shift in their skillset and acquiring a higher skilled job, which would put them on a sustainable footing. It is short-sighted to attempt to restrict that opportunity.

We have heard much about the responsibility of employers to lead the development of skills plans for their areas, given that they understand their local economies. New clause 7 is positive because it would genuinely enable employer representative bodies to shape what that level 3 qualification should be, based on the skills shortages in their areas. The new clause would meet the purpose of ERBs in developing the skills plans and ensure the lifetime skills guarantee for local people.

I support the terms of the amendments and the new clause. I should add that there are still a few hat factories in Luton producing artisan hats, and very good they are, too.

Andrew Gwynne: And in Denton.

Matt Western (Warwick and Leamington) (Lab): I will speak to the amendments and the new clause that appear in my name and that of my hon. Friend the Member for Chesterfield.

Of course we all want to see a high-skill, high-wage workforce. We need that for our economy. A crucial part of that is the retraining of employees. I am sure that most people in the room agree that the evolving workplace means that we need a process of continuous development if we are to adapt and ensure that our economy thrives, against an ever-competitive global marketplace.

2.30 pm

One need only think back to what happened to clerks working in yesteryear—the Minister might say that that was in my time—to see how they had to retrain and develop typewriting skills, and then progress to work on computers and so on. With the advent of computer technology and handheld devices, simply picking items in a logistics centre moved from literally picking things up against a piece of paper to the use of mobile technology. These are skills that demand more of the workforce. We have to put that in the context of having the lowest productivity of the major European nations and among the lowest in the OECD. That is why the skills agenda is important, and I commend the idea behind the Bill the Government have brought forward.

A lot of this work was developed by a former Member of this place, Gordon Marsden, who did a huge amount of work. That was well remembered by my hon. Friend the Member for Denton and Reddish on the very Back Bench, who will have known him far better than me. Gordon Marsden was the one who really pushed the notion of a lifetime learning entitlement. It is right that we are looking to introduce that.

Amendments 53 and 54 would give any person the right to free education on an approved course to level 3 if they earn below the living wage as identified by the Living Wage Foundation. The wording of the Bill ensures that the LLE is available only to those who have not already studied at that level. That undermines one of the defining aspects of the LLE and what Gordon Marsden envisaged. The vast majority of people obtain a level 3 qualification between the ages of 16 and 18. This qualifier would limit the LLE too restrictively, as my hon. Friends have said.

Our amendments seek to expand the application of the LLE to those who need it most—those who are furthest from skilled work and who earn below the living wage—redefining the parameters to adapt the policy to fit the needs of the population. In fact, there was widespread support for the Lords amendments, including from Universities UK, that widened the eligibility so that an individual could access the LLE regardless of their prior level of study.

As my hon. Friend the Member for Chesterfield highlighted, the Secretary of State for Education announced just a few days ago in a speech to the Association of Colleges that the Government will be launching a pilot, which will see adults who earn below the national living wage able to undertake national skills fund level 3 qualifications for free. That is to be embraced. I am sure many of us, certainly on this side of the Committee, think that that is right. Why not actually commit it to the Bill, as my hon. Friend said? If there really is true ambition and a will to see proper levelling up and the reskilling of our economy, we should commit it to the Bill. It seems bizarre, or perhaps it has not been considered as fully as the Secretary of State led us to believe in his speech. Elsewhere, many are calling for and supporting the removal of the restriction in the Bill for those who have not already done a level 3 qualification. That would facilitate those who want to reskill rather than upskill, which are both equally valid and necessary.

New clause 7 would widen the availability of courses that form part of the lifetime skills guarantee by allowing employer representative bodies to prescribe additional qualifications as approved courses falling within the lifetime skills guarantee. The Augar review—the post-18 review—recommended an all-age level 3 entitlement. The Government have put this into effect, but only for a limited list of level 3 qualifications. The Association of Colleges wants that to be changed. My local college, which I referred to before—Warwickshire College Group—is one of the finest colleges in the country and certainly one of the biggest. Its principal is very vocal about wanting to see that change.

My question to the Minister is, therefore, what is the justification for such limits? The reform has the potential to be wide ranging and revolutionary. Before further meat is added to the bones in the form of the subsequent White Paper, the Bill in its current state will introduce unnecessary limitations on the LLE. That is why new clause 7 and the two amendments are important to ensure that we can broaden the skillset of our workforce and our population, ensuring that we are able to adapt to an ever rapidly changing global economy.

Alex Burghart: Amendments 53 and 54 taken together would alter the eligibility criteria for the proposed legal entitlement to a level 3 qualification for all adults. Amendment 53 in particular is intended to make anyone in England eligible for those qualifications, regardless of their prior qualification level; and amendment 54 is intended to make anyone in England eligible if they earn less than the living wage.

Amendments 53 and 54 highlight the reason why we are opposed to putting such an entitlement into the legislation in the first place: it could constrain our ability to respond quickly and flexibly to adapt such entitlements to benefit adults who are most in need of support. For example, if we wanted to change the offer within the legislative framework, we would have to change the legislation. We have already announced that, from April next year, we will also expand the free courses for jobs offer to include any adult in England who earns below the national living wage or is unemployed, regardless of their prior qualification level. We are able to do that without needing legislation.

By targeting eligibility on the lowest-paid earners and the unemployed, we will ensure that we support those most in need of support to access better job opportunities and to improve their prospects. I hope that the hon. Member for Chesterfield agrees with that, given that amendment 54 seeks to target those same adults. However, it is also not a good use of public funding to expand eligibility in a non-targeted way to anyone, regardless of their wages or prior qualification level, which is what amendment 53 appears to do. We therefore do not support the inclusion of amendments 53 and 54 in the Bill.

Mr Perkins: That was a useful and interesting little debate. We heard a lot about the—I want say burgeoning, but at least still existing—hat industry. My hon. Friends the Members for Luton South and for Warwick and Leamington will be glad to know that I have seen at least two colleagues in hats recently—one was my hon. Friend the Member for Cardiff West (Kevin Brennan), who as they know is quite a trend-setter—so it might well be that a recovery in the hat industry is looming. It was a useful debate, and we heard some valuable contributions on why the amendments are important.

Turning to the Minister's remarks, I accept that the amendment has similarities to and is possibly even more wide ranging than one that has already been rejected by the Committee, so we will withdraw it. However, we will press amendment 54 to a vote, because all that it seeks to do is to put on to a legal footing the promise that was made. I hear what the Minister says—"Don't worry, we are going to deliver the policy; we just aren't going to vote for it"—but I think there will be real value in ensuring that the Government commit to the thing that they say are going to do, which is about those who earn below the national living wage, as defined by the Living Wage Foundation, being able to access level 3 qualifications.

Given what we heard earlier in the passage of the Bill about the importance of local decision making, local skills improvement plans and local employers deciding their priorities, it would seem a sensible approach to allow them to identify local priorities and allow people to study a second level 3 qualification if addressing a known skills shortage. We will therefore look to press new clause 7, as well as amendment 54, to a Division. However, I beg to ask leave to withdraw amendment 53.

Amendment, by leave, withdrawn.

Amendment proposed: 54, in clause 25, page 30, line 17, leave out from "has" to "level." and insert

"is earning below the Living Wage, as identified by the Living Wage Foundation."—*(Mr Perkins.)*

The Committee divided: Ayes 5, Noes 10.

Division No. 21]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

Alex Burghart: The Government agree with the ambition to ensure that people in England have access to education no matter their age. We are committed to helping everyone get the skills that they need at every stage in their lives.

In April, we launched the free courses for jobs offer as part of the lifetime skills guarantee. That gives all adults in England the opportunity to take their first level 3 qualification for free, regardless of age. It is not right, however, to put the free courses for jobs offer into legislation. That would constrain the Government in allocating resources in future, and make it harder to adapt the policy to changing circumstances. The Secretary of State recently announced, for example, that from April next year we will expand the offer to include any adult in England who earns below the national living wage or is unemployed, regardless of their prior qualification level.

Through the adult education budget, full funding is also available through legal entitlements for adults aged 19 and over to access English and maths qualifications and fully-funded digital skills qualifications for adults with no or low digital skills. In areas where adult education is not devolved, the adult education budget can fully fund eligible learners studying up to level 2 if they are unemployed or earning below around £17,300 per year.

The spending review has provided a fixed quantum for adult skills, and the level of provision that is funded in any year needs to fit that quantum. Funding increases to follow increased numbers of learners, or a higher-funded mix of provision, will have to be subject to affordability within the overall envelope. The spending review process, rather than legislation, is the appropriate way for determining how the Government allocate resources over the long term. Funding for the free courses for jobs offer will be available throughout the three-year spending review period, giving further education providers the certainty that they need to invest in the delivery of the offer.

Moreover, the Bill is not an appropriate place to create new legal entitlements when we are in the process of reforming further education funding and of carrying out a review of qualifications at level 3 and below. Those vital programmes will ensure our skills system is fit for the future. By creating a legal entitlement for anyone to access their first qualification up to level 3, we would cut across those vital reforms and pre-empt the consultation process.

I now turn to the proposal in the clause that any employer receiving apprenticeship funding must spend at least two thirds of that funding on people who begin apprenticeships at levels 2 and 3 before the age of 25. The Chancellor's spending review commitment delivers the first increase to apprenticeships funding since 2019-20. Funding will grow to £2.7 billion by 2024-25.

There have been some changes in the make-up of apprenticeships since the reforms: a higher proportion of apprentices are now aged over 25. In 2020-21, 16 to 24-year-olds still accounted for 50% of apprenticeship starts. In the same period, level 2 and level 3 starts made up 69% of the total. I know that there are concerns about the fall in starts among young people. I recognise the value of apprenticeships to young people embarking on their careers, and I am determined to ensure that there are good apprenticeship opportunities at all ages and stages, but I am concerned about the implications of trying to address that in the Bill.

The clause restricts opportunities for older and younger employees, and it restricts employer choice. Eighty per cent. of the UK's 2030 workforce is already in work, so it cannot be right that only a third of apprenticeships funding is made available to those who are over 25. We want older people to be able to use apprenticeships to progress or retrain. The Confederation of British Industry estimates that one in six workers—5 million people—will go through radical job change and require re-training by 2030.

Age should not be a barrier to opportunities to learn or a limiting factor in our ambitions. I do not want to restrict young people to starting at level 2 or 3 apprenticeships. I also want an 18-year-old with good A-levels to see an apprenticeship as a strong alternative to university. They should be able to start a level 6 apprenticeship and gain a degree.

2.45 pm

Employers agree. In evidence submitted to the Committee, the Open University sets out that 82% of employers, both large and small, believe that it is important for apprenticeships to be available for those of all ages and at all levels. Our work on accelerated apprenticeships clearly shows our ambitions for young people. The institute has already published progression routes from T-levels on digital production, design and development, civil engineering and building services design to level 4 apprenticeships. As an example, a T-level graduate in digital production, design and development could move on to a level 4 DevOps engineer apprenticeship and reduce the length of the apprenticeship training by up to 12 months. I want the apprenticeships programme to be responsive to the different needs of individuals, employers and the economy. I therefore believe that we should remove clause 25 from the Bill.

Mr Perkins: There is a real concern about the number of apprenticeships that are available for people between the ages of 16 and 24. The Minister makes an important point, which I would not remotely disagree with, that

[Mr Perkins]

many people, for a variety of reasons, seek investment in their skills beyond the age of 24. Of course, opportunities should be there for them, but the lifetime skills guarantee, which might more accurately be described as a one-off skills guarantee, is really important. I do not agree with his description of 50% of apprenticeships going to 16 to 24-year-olds as a really big achievement. Too little apprenticeship funding is targeted at those under the age of 25.

Many people are concerned that since the introduction of the apprenticeship levy businesses have sat on this pot of funds, looking to utilise them. They have often not taken people on at entry level, but instead utilised the apprenticeship levy to provide MBAs for level 6 or 7 qualifications for their managerial staff. That is really what clause 25(3) seeks to address. Had the Minister said, "We've got a different approach to targeting that," that would have been one thing, but simply to wipe the clause from the Bill is very concerning, and will be met by real disappointment from many of those who share the view that too little apprenticeship funding is being targeted at those under the age of 25.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 4, Noes 10.

Division No. 22]

AYES

Gwynne, Andrew	Perkins, Mr Toby
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

Clause 25 disagreed to.

Clause 26

Further education in England: intervention

Question proposed, That the clause stand part of the Bill.

Alex Burghart: Colleges and designated institutions play a crucial part in their local communities by enabling young people and adults to gain the skills they need. In the small numbers of cases in which an institution is failing to deliver an acceptable standard of education or training, or is failing in other ways, Government must be able to intervene to secure improvement.

Existing powers under the Further and Higher Education Act 1992 to intervene in colleges in the FE sector can be used in certain prescribed circumstances in which there are serious failings: mismanagement, for example, or financial or quality failures. In those circumstances, action can be taken to remove or appoint members of the governing body, or to give direction. Clause 26 extends those existing powers to allow for intervention where the education or training provided is failing, or has failed, to adequately meet local needs. Where the prescribed circumstances are met, clause 26 also enables the Secretary of State to direct the governing body to transfer "property, rights or liabilities" to another body.

The statutory intervention powers that we are amending through clause 26 are intended to be used only as a last resort. Our core support and intervention activity is delivered through administrative processes set out in the published guidance, "College oversight: support and intervention". The Government are not seeking these powers in order to implement a new wave of mergers across the college sector—that is not the purpose of intervention. However, there is good evidence that structural change can, in the right circumstances, play a valuable role in securing improvement. We have also been clear that decisions on the college curriculum are for the governing body, not for Ministers to second-guess. We are working with Ofsted to increase the focus of inspections on how well colleges are meeting skills needs. The Government's primary focus is on supporting colleges and designated institutions, and preventing things from going wrong.

In conclusion, strengthening the existing statutory intervention powers is necessary to ensure that, as a last resort, the Government are able to act where there is failure and there is no alternative means of securing improvement.

Mr Perkins: Clause 26 sets out in detail some additional powers relating to further education colleges in England, and the desire of the Secretary of State to intervene. The intervention regime for colleges is already complex, having been noted as a cause for concern by the Independent Commission on the College of the Future. Dame Mary Ney's independent review of college financial oversight also identified the complexity of the regime, and in this Bill the Secretary of State is looking to find additional reasons to intervene, beyond financial failure. There is a real risk that this clause will just add to that complexity, going precisely against the apparent aim of establishing a simpler system.

Crucially, the Bill proposes new powers of intervention for the Secretary of State without giving colleges the freedoms to deliver. Last week, the Government passed an amendment that removed colleges from being strategic partners in the establishment of local skills improvement plans, so colleges are left accountable, but not empowered. Indeed, in a way, it goes further than that: if a college were to disagree with what was in the local skills improvement plan—if it were to consider that a local skills improvement plan that had been approved did not meet the needs of all of its learners—its failure to follow that plan could lead the Secretary of State to intervene and its being considered to be a failing college.

We accept that there needs to be an understanding of interventions, but there are questions that we would like to test the Minister on. First, why is it appropriate to hold colleges accountable for the delivery of LSIPs, but not treat them as strategic partners in developing those LSIPs? Secondly, do the new intervention powers apply equally to all post-16 education providers? If not—if they apply only to FE colleges—what consultation has the DfE undertaken with the Office for Students in order to ensure that this aligns with its approach to the oversight of higher education provision? Thirdly, what happens in circumstances where colleges believe that a

poor or inappropriate LSIP has been produced that is not in the long-term interests of their locality? Do they simply deliver on a plan that they believe to be inappropriate, or are there mechanisms available to them to make representations on that point? If the needs of the local learning community have altered but the LSIP has not, how would a college be able to raise that? What consequences would be available to the Secretary of State if a college was seen not to fit in with what the LSIP said, even if the circumstances on the ground had changed?

Alex Burghart: As we have made clear throughout the Bill, the Government are on a mission to create an employer-led system in which the provision of skills reflects the skills that employers in a community need. We are absolutely set on ensuring that we get qualifications designed by employers to give students the skills the economy needs, at both local and national level. The clause sets about creating an accountability framework that places colleges in that sphere. We want colleges to respond to the ideas set out in a local skills improvement plan. However, as I have also made clear, these are absolutely powers of last resort. What we are really looking for is a profitable relationship between employer representative bodies and local providers. For that reason, we hope the clause will stand part of the Bill.

Question put and agreed to.

Clause 26 accordingly ordered to stand part of the Bill.

Clause 27

Further education bodies in education administration: application of other insolvency procedures

Mr Perkins: I beg to move amendment 61, in clause 27, page 33, line 19, at end insert—

"(2C) Before applying to a court for an education administration order in relation to a further education body in England, the Secretary of state will conduct a review of the impact of the closure of a Further Education institution on learning opportunities in the local area and provide a report to Parliament on steps taken to ensure that the opportunities for learners are not restricted by his application for an education administration order."

Amendment 61 is a probing amendment that would require the Secretary of State to review further education provision prior to applying for an education administration order for a college. There should also be a review of the impact of closing a college; if the impact of such a closure would be a reduction or complete removal of provision, we would request that the Secretary of State report to Parliament to allow for appropriate parliamentary scrutiny.

It is crucial for the Secretary of State to ensure that local areas have adequate further education provision before deciding to merge and close colleges. The colleges most likely to be closed are often those in more rural areas, those that are smaller, those that are facing specific challenges or those in communities that face specific challenges because they do not have the density of population. Although we recognise that there may be financial collapse as a result of their geographic isolation, that should not necessarily mean that the provision their students rely upon disappears with the merger of the college.

It is important to have scrutiny at both a local and national level. We believe that it should be parliamentary scrutiny, to ensure that the Secretary of State commits to reporting to the House before announcing such a decision, and to ensure that there is a review of the impact of a closure on the local labour market and on the courses available to people in that local community.

Alex Burghart: Amendment 61 would require the Secretary of State to conduct a review of the impact of the closure of an FE institution on learning opportunities in a local area and provide a report to Parliament on the steps taken to ensure that opportunities for learners are not restricted ahead of an application for an education administration order. We will hear about education administration orders in the next few minutes.

I appreciate what Labour Members are trying to do, but the effect would be to delay an application for an education administration order, which would run counter to the purpose of the amendment. First, if an FE body becomes insolvent, it risks being placed into a regular insolvency procedure by a creditor or its board. The primary objective of a regular insolvency procedure is to prioritise the interests of creditors. This means that any closure scenario could result in the best returns to creditors being prioritised over the needs of keeping the body open for learners. Going down a standard insolvency route with a college will prioritise creditors, risking students studying there being pushed to one side.

3 pm

That is not the case with an education administration order. Education administration was brought into force via the Technical and Further Education Act 2017 for this very reason. An education administrator has a special objective to prioritise the interests of learners by avoiding or minimising disruption to student studies, which sits above the interests of creditors. This means that an education administration order does not immediately result in the closure of that FE body. Depending on the time available in any given insolvency situation, the Department conducts rigorous contingency planning in the run-up to a particular education administration—it is front-loaded; it happens before we actually place the order—including a review of the options available that best prioritise learners. Once an FE body is in education administration, all options to exit, including closure, are further reviewed by the Department in conjunction with the education administrator. When considering the various options to exit education administration, the interests of learners are paramount, given that special objective. The Department also conducts public sector equality duty reviews as part of that.

First, the requirement to undertake a review of learner opportunities and produce a report to Parliament, as the amendment proposes, would significantly delay an education administration application. Any delay at this time would risk the FE body being placed into a normal insolvency procedure, which would not prioritise the interests of learners.

Secondly, although I acknowledge the importance of transparency, a public report at that stage of the process would not be helpful. Without knowing specifically

what hon. Members intend to be covered in such a report, the broadness of the amendment means that a report would likely contain sensitive information, which in turn could jeopardise an education administrator's sale or transfer negotiations with other education bodies. This, too, could cause delays and actually reduce priority for learners.

Thirdly, reporting is already in place as part of an education administration. Education administrator reports, published according to statutory deadlines, are available from Companies House and include details of how the administrator has undertaken the education administration, the options considered and the reasons for a preferred course of action, together with financial information such as the statement of affairs of the FE body and the education administrator's receipts, payments and time costs.

Finally, I stress that education administration happens mercifully rarely. Only two further education colleges have been placed into education administration to date. The amendment would not introduce anything that is not already intended in an education administration and would, I am afraid, adversely affect the interest of learners. I therefore suggest that it is not added to the Bill.

Mr Perkins: I listened carefully to the Minister. As I said at the outset, this is a probing amendment to identify the extent to which the interests of learners are considered within education administration. I also listened to the Minister's point regarding the creditors of such an institution, which was important and well made. I accept what he said about the need to go into education administration with due urgency. In that process that follows, which he laid out, there is a real need for the Government to say more, perhaps through a parliamentary statement, for people to better understand the situation on the ground in regard to future provision and those affected by any change in that provision. Notwithstanding that, it is not our intention to push the amendment to a vote.

Matt Western: I was hoping to catch my hon. Friend's eye.

Mr Perkins: Within my intention not to push the amendment to a vote, I would like to give way.

Matt Western: It is like "Just a Minute". I thank my hon. Friend for giving way. I just want to elaborate on the point in his concluding remarks about how many colleges face financial uncertainty. According to the *Times Educational Supplement*, it was one in seven in a recent survey. We saw with Hadlow College—one of the two that the Minister was referring to—that 2,000 students suddenly lost their places. That can have a huge impact on a town and a region.

Mr Perkins: It absolutely can. Cases such as that impact not only the learners affected at that very moment, but on the provision for the next generations coming through. It has a very detrimental impact on the local community. My hon. Friend's point is well made. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to consider clause 28 stand part.

Alex Burghart: Clause 27 proposes to clarify ambiguities in the Technical and Further Education Act 2017 regarding the use of company voluntary arrangements—a procedure allowing a company or corporation in insolvency proceedings to come to an agreement with its creditors over the payment of debts. Company voluntary arrangements can be used as an exit route for normal administration, as set out in insolvency legislation.

Company voluntary arrangements can also be used as an exit route from education administration under the FE insolvency regime, which we have just been debating. That has been clarified in case law, which has been in place since March 2020, when the High Court of Justice Business and Property Courts of England and Wales ruled that in the education administration of West Kent and Ashford College, education administrators had the power to propose a company voluntary arrangement.

We are using the opportunity to legislate in the Bill to clarify ambiguities in the current legislation and cement that existing case law into legislation. To be clear, we are cementing what the courts have already decided on. To achieve that, clause 27 proposes to extend the existing power of the Secretary of State for Education to make regulations related to the application of insolvency legislation to FE bodies so that express provision may be made in respect of the use of company voluntary arrangements.

Clause 28 deals with the potential conflict related to the treatment of secured creditors as between the transfer scheme provisions of the Technical and Further Education Act 2017 and the provisions of the Insolvency Act 1986, as applied by the 2017 Act. Specifically, the proposal amends schedules 2, 3 and 4 to the 2017 Act, making it clear that, where a transfer scheme looks to transfer secured assets free of the security, that can happen only with either the consent of the secured creditor or a court order. That is in line with protections for secured creditors in normal administration in insolvency proceedings.

Clause 28 also cements into legislation the Government's response to the technical consultation for the insolvency regime for further education and sixth-form colleges, which was made in June 2018. We have informed the three main lenders to the FE sector—Barclays, Lloyds and Santander—of our proposed changes, and I am pleased to report that they are supportive. Barclays said:

> "As a lender with significant loan exposure to the English FE sector (and desire to continue to support colleges with new loans) we are in favour of the changes proposed. The Transfer Scheme changes in particular provides welcome clarity on a point that had previously had a negative impact on sector risk profile and our appetite to lend."

These clauses are good for the sector and good for the law, and I believe they should be good enough for us.

Mr Perkins: As the Minister was reading out that very positive quote from Barclays about his clause, it occurred to me how rarely he has had the opportunity to read out support for his Bill over the course of its passage. That is unsurprising, of course, when he is pressing ahead with amendments that 86% of respondents

to his consultation are against. None the less, it was good to hear that full-throated support for this proposal from Barclays.

We do not intend to vote against clauses 27 or 28. I will simply make the point that the financial pressures facing our further education sector over the past 11 years, and particularly the past 12 months or so, have been truly unprecedented. I regularly meet representatives of colleges who are absolutely at their wit's end, and not only about the scale of the funding cuts they have experienced over the past 11 years, but about the extent to which last-minute decisions are constantly made that leave them in a position in which they have to make redundancies in order to stay afloat, only then to discover sometimes that there is a change in the Government's policy and they have to recruit for some positions that they had made redundant only a few months before.

So it was with the recent announcement about the adult education clawback. I have asked parliamentary questions on this issue. A number of colleges received a clawback from their adult education fund and were told that there was no right to any appeal. Then the previous Secretary of State said that they would allow appeals and I believe that in some cases the appeals were granted. In the meantime, however, those colleges were forced to cut their cloth accordingly.

Consequently, I say to the Government that although we do not oppose clauses 27 or 28, we believe that there needs to be a much greater sense of responsibility about the Government's role in the financial distress that many of our colleges are currently suffering, which my hon. Friend the Member for Warwick and Leamington referred to earlier, and about the impact on those colleges of the constant last-minute decision making that they have suffered over the past 11 years.

Question put and agreed to.

Clause 27 accordingly ordered to stand part of the Bill.

Clause 28 ordered to stand part of the Bill.

Clause 29

MEANING OF "RELEVANT SERVICE" AND OTHER KEY EXPRESSIONS

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 30 stand part.

Alex Burghart: Clause 29 is the first of a chapter of clauses that relate to the criminalisation in England and Wales of contract cheating services, which are more widely known as essay mills. Taken together, this chapter of clauses will make it an offence for an organisation or individual to complete, or arrange for another person to complete, all or part of an assignment on behalf of a student. It also criminalises the advertising of these cheating services. Essay mills threaten to undermine the reputation of our education system and to devalue the hard work of those who succeed on their own merit. They also prevent students from learning themselves and risk students entering the workforce without the knowledge, skills or competence they need.

Clause 29 provides clarity on the exact meaning of the key terms used throughout this chapter of clauses; removes the potential for unintended consequences to arise from the clause; and allows for fraudulent essay mill companies, their employees and contractors to be captured by the legislation. Because of the way that we have defined "relevant service", we have also ensured that generally permitted study support, such as revision guides, will not be in scope, but essay mill companies that complete assignments on behalf of students will be in scope.

Clause 30 criminalises providing essay mill services or arranging for such services. It is therefore crucial in our fight against essay mills. It provides a powerful legislative tool to tackle these deplorable organisations and individuals.

I will talk briefly about the practicalities of the offence that we are creating. It will be for the prosecution to prove that the cheating service has been provided to the student. However, the burden of proof in relation to the defence is on the defendant. For example, the defendant would need to prove that they could not have known, even with reasonable diligence, that the student would or might use the material provided to complete an assignment. For example, simply asking a student to sign a contract that states that they will not use the work in a certain way is not a defence. Clause 30 states that clearly.

If someone were to be found guilty, they would be liable to be punished with a fine. The appropriate fine will be determined by the courts in accordance with Sentencing Council guidelines. Clause 30 will help to tackle the existence of these companies and to fine them appropriately if they continue to carry out these illicit services.

Mr Perkins: Clause 29 defines the term "relevant service" and other key expressions. We have no desire to vote against it.

I am interested in the representations that the Minister has received about the way clause 30 is drafted. Subsection (4) will immediately set those with more experienced legal minds than mine—there are such people in this place—to consider how difficult it may be to achieve a successful prosecution under these provisions. If there is a defence that enables a defendant to say, "I had no idea what the legislation was", that starts to bring home how difficult it might be to get successful prosecutions in this area.

3.15 pm

Notwithstanding that point, we support the Government in seeking to bring the provisions in the clause into being. We think this is an area of real importance. Every single student who diligently does their revision and their work, and who has a qualification in their hands that they have earned, needs to know that the qualification has meaning. If other people can win that qualification not through the same diligence and hard work but by accessing these cheating services, that undermines the qualification and those hard-working students. We support the intentions behind the clause, but are interested to see what representations the Minister has received on the drafting.

Will the Minister also tell us how he anticipates that the fines and offences will be regulated? For example, will the provision of a cheating service that is utilised by five different students be five offences or one? It is the technological advances that have taken place that make such a clause necessary—it would not have been previously. If, for example, an organisation was putting things on the internet that were subsequently being used in a way that was considered to be cheating, where is the line between the sale of those services and that information, and simply selling access to a website? Will the Minister tell us a little more about what he anticipates will be seen as a cheating service? That would be helpful.

Matt Western: I have a few points to add to my hon. Friend's remarks. In principle, these clauses make some important points about essay mills and the advertising of relevant services. There is a long-overdue need to legislate to prevent such services, and this will give the issue the importance that the sector has been demanding for some time. Back in 2018, something like 40 vice-chancellors wrote to the then Secretary of State demanding action on this issue. We are three years on. The problem has grown to an industrial scale and needs tackling.

The problem has become so—well, I would not say endemic, but it is widespread, and there are many students out there who seek to access these services or feel under pressure because of the need to get good grades. There was a case not so long ago where Coventry University students were blackmailed by an essay mill company, which said that if they did not pay yet more money, it would tell their university. There is a lot to be covered in this respect, and that is why the clause is very important.

Alex Burghart: I am pleased to see that the Opposition support our move to legislate on this matter. We are all of one mind that cheating services actually end up undermining the good work of the vast majority of students, and they introduce an unnecessary element of doubt.

I reassure the Opposition that the Bill has been carefully drafted with some excellent Government lawyers. Clause 33 is designed to ensure that convictions are much more likely and that some of the easy defences—for example, that these services were just providing information and had no idea that it would be used in cheating services—cannot be used as a get-out-of-jail card. We are confident that it is a major step forward in combating this insidious crime and we look forward to its enactment.

Question put and agreed to.

Clause 29 accordingly ordered to stand part of the Bill.

Clause 30 ordered to stand part of the Bill.

Clause 31

Offence of advertising a relevant service

Mr Perkins: I beg to move amendment 61, in clause 27, page 33, line 19, at end insert—

'(2C) Before applying to a court for an education administration order in relation to a further education body in England, the Secretary of state will conduct a review of the impact of the closure of a Further Education institution on learning opportunities in the local area and provide a report to Parliament on steps taken to ensure that the opportunities for learners are not restricted by his application for an education administration order."

This probing amendment is designed to find out the Government's anticipated tariff for such offences. To what extent is it seen as a serious offence? To us, it is absolutely obvious that the fine needs to be of a sufficient sum to make it not worth providing such services. Although we support the Government's intentions, we seek further clarification about the level of the anticipated tariff for such an offence. Will perpetrators get off with a fine that costs them the equivalent of a week's dinner money, or are the Government taking such offences seriously? Will they set the fine at a high enough level to act as a deterrent?

To return to the question to which I do not believe the Minister responded when we considered clause 29, in the event of a cheating service that is utilised by five students, would that be judged as five offences or one?

Alex Burghart: I am sorry, I forgot to reply to that. It would be five offences.

Mr Perkins: That is useful clarification. Can the Minister also clarify whether perpetrators would be guilty of a civil or criminal offence? Would they get a criminal record? In the event that a business was perceived to be providing those services, what would be the impact on that business? Or is an individual judged to have committed the offence? I would be grateful for that clarification.

Overall, we believe it is vital that there is a level playing field. We support the Government's intention to prevent the use of fraudulent services, such as essay milling, and we believe that the fines should be such to act as a deterrent. We also believe that there should be a corresponding damage to reputation provision when people or businesses commit that offence. It is crucial that the amount of the fine and the publicity surrounding those fines reflect the severity of the offence. As we have said, the practice significantly undermines the efforts of all students who work hard to achieve their qualifications legitimately.

Matt Western: It would be interesting to hear from the Minister what form of penalty the Government imagine. We heard the probing question from my hon. Friend the Member for Chesterfield about the case of five individuals. Can the Minister elaborate on what sort of penalties he envisages for the business behind the essay mill? If he does not agree with our suggestion, what scale of punishment does he believe would be appropriate? Is it more akin to dropping litter, fly-tipping or another offence?

Alex Burghart: We are in agreement that essay mills need to be driven out of business, and that is why the clauses are in the Bill. In response to the hon. Gentleman's points, these are serious criminal offences.

Andy Carter (Warrington South) (Con): I suspect that the Minister is about to say that the Sentencing Council will have a view on the issue, and actually it is for the Sentencing Council to determine the length and type of sentences that might be involved in criminal activities.

Alex Burghart: My hon. Friend is extremely prescient, and I congratulate him on that. This is a criminal offence and we want to see it seriously punished. However, for reasons I will set out, we do not think that amendment 62 would solve the problem in the right way. It would amend clause 31 by setting a minimum penalty of a fine of no less than £5,000 for the offence of advertising a cheating service. As drafted, the Bill does not state the level of fine payable on conviction. Instead, conviction of either offence carries the penalty of an unlimited fine—as the name implies, that is a fine imposed without financial limit. That approach carries serious potential consequences and provides a significant deterrent effect to those planning to advertise contract cheating services.

The Government do not believe that setting a minimum amount is appropriate, where maximum fines are unlimited. Setting a minimum fine of £5,000 risks that level of fine being seen by essay mill providers as a likely fine, rather than a minimum. Sentencing and the precise size of a fine should be matters for the independent judiciary, in accordance with Sentencing Council guidelines, based on the full facts of the case. I would draw hon. Members attention to the fact that Ireland, which has a similar legal system and a similar offence, imposes a fine of up to €100,000 per offence and/or a prison sentence. That is the sort of thing that might go through the minds in our justice system. We do not therefore think that the amendment is necessary.

Mr Perkins: I accept what the Minister says. I do not accept that introducing a minimum fine of £5,000 would necessarily lead to essay mill services thinking that that would be the likely level, but I take his point. The amendment was a probing amendment to try to reach some understanding of the Government's position. If there have been fines of the level that he outlined, that will be heartening for all those who want to see the issue addressed. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Alex Burghart: Clause 31 makes it an offence to advertise essay mills. Marketing and advertising are the lifeblood of any successful industry, and we do not want this industry to be successful or to have lifeblood. Many essay mill companies use marketing techniques that seem to indicate that they offer legitimate academic writing support for students, when in fact they are providing cheating services. Students who use essay mills risk their academic education and future employment prospects if they are caught cheating. Anecdotal reports indicate that some essay mills are even seeking to blackmail students who have used the services, as the hon. Member for Warwick and Leamington mentioned. The clause will put beyond doubt that advertising cheating services in England and Wales is not just unethical but illegal, and will provide the means to prosecute those who fail to comply with the law in England and Wales.

3.30 pm

Mr Perkins: I have already outlined our support for this move. We believe that this is a serious offence. It is important that any perceived legitimacy of essay mill services is aggressively challenged. On that basis, we will support the clause.

Question put and agreed to.

Clause 31 accordingly ordered to stand part of the Bill.

Clause 32

OFFENCES: BODIES CORPORATE AND UNINCORPORATED ASSOCIATIONS

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 33 stand part.

Alex Burghart: Clause 32 relates to which bodies can be prosecuted under the essay mill provisions in the Bill. Cheating service providers can range from UK-based organisations registered at Companies House with offices and permanent staff to lone individuals operating with minimal infrastructure. Where offences are committed by companies, unincorporated bodies and partnerships, the clause enables certain individuals, such as the directors of companies, to also be prosecuted in particular circumstances. It also sets out some relevant procedural rules. For example, it clarifies that proceedings for offences committed by an unincorporated body should be brought in the name of the body and not its members, and any fine imposed on conviction of an unincorporated body should be paid out of the funds of the body. The clause will enable the legislation to function with legal certainty. Clause 33 sets out the definitions of certain terms in this chapter, allowing for absolute clarity on the intended purpose of the clause.

Mr Perkins: We welcome clause 32. It is important that where offences are committed by bodies of this sort there are consequences for their officers. The clause ensures that directors, managers, secretaries or other similar officers of the body corporate are guilty of an offence, if an offence under this chapter is committed by their body corporate and either they are known to have consented and been in connivance, or it is attributable to neglect of their duties under the organisation. We will therefore support clause 32. Clause 33 is simply an interpretation clause that makes sense of the terms in clause 32.

Question put and agreed to.

Clause 32 accordingly ordered to stand part of the Bill.

Clause 33 ordered to stand part of the Bill.

Clause 34

16 TO 19 ACADEMY: DESIGNATION AS HAVING A RELIGIOUS CHARACTER

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clauses 35 and 36 stand part.

Alex Burghart: Clause 34 provides the Secretary of State with an order-making power to enable the designation of 16-to-19 academies as having a religious character. It also provides for the Secretary of State to make regulations about the procedures relating to the designation. In addition, it sets out the freedoms and protections relating to religious education, collective worship and governance that the designation provides. The clause will ensure

[Alex Burghart]

that when existing sixth form colleges designated with a religious character convert to academies they retain their religious character and associated freedoms and protections. It will also enable new and existing 16-to-19 academies to be designated with a religious character in the future. The Government are committed to supporting existing sixth-form colleges to convert to academy status. I am pleased that a significant proportion of them have already taken that step, and are making a strong contribution to strengthening the academy sector.

Clause 35 improves the efficiency of administration of the further education sector. It is thankfully rare for a further education body to enter into insolvency proceedings. However, where a designation order can form part of a rescue procedure, we need to ensure that it can take place swiftly, minimising disruption to learners and costs to the taxpayers. For some FE bodies in financial difficulty, it may be desirable to transfer the college institution from the insolvent FE body to a new solvent company as part of the process of exiting insolvency proceedings. To ensure that the institution remains within the statutory further education sector in order to keep it appropriately regulated, it would then need to be immediately designated accordingly. Existing legislation requires the Secretary of State to make a statutory instrument when he seeks to carry out such a designation. That process can take several months, and needs a completion date to be specified significantly in advance, which could complicate and delay the exit from insolvency proceedings. Delays impose a longer period of disruption on learners and could generate extra costs to the taxpayer. As such, clause 35 allows the Secretary of State to use an administrative order, which can be enacted relatively quickly, to designate an institution as being within the statutory further education sector.

Clause 36 relates to the high-level quality rating for higher education providers without an approved access and participation plan, which is currently an award under the teaching excellence and student outcomes framework. Higher education providers with a TEF award currently benefit from an uplift to their fee limit, meaning that they are able to charge a higher level than HE providers without such an award. There is currently an error in the legislation that could prevent a timely link between TEF awards and a provider's fee limit. To take an example, let us consider a provider that does not have an approved access and participation plan. If that provider is entitled to the TEF fee uplift in any academic year, it is dependent on whether it had an award on 1 January in the calendar year before the relevant academic year. That means that a provider seeking to charge the TEF fee uplift in academic year 2022-23 could only do so based on an award that was in force in January 2021, rather than January 2022, which was the original intent. Clause 36 will correct that error and ensure a more timely link between fee limits and the TEF award, helping to further incentivise excellence in higher education.

The Chair: I call Mr Perkins.

Mr Perkins: Sorry, I have got all tangled up here; give me a moment, Mrs Miller. For the sake of those listening on the radio, my hearing aid has got stuck in my mask.

The Chair: It is usually an earring with me, I have to say.

Mr Perkins: Sorry, what did you say? *[Laughter.]*

We do not intend to divide the Committee on clauses 34 to 36. We think it is important that the law does not discriminate against academies or institutions for having a religious character designation, should they wish to do so. Clause 34 would change the rules so that when the Department next seeks to create 16-to-19 academies, it will be possible for organisations to apply to set up one with a religious character. Ministers intend to change the law to ensure equality for technical education in school careers advice, and to allow religious sixth forms to academise. A group of 14 sixth-form colleges that are Catholic run have so far been prevented from doing so due to their religious character; this clause would overturn that obstacle.

We recognise that there are many excellent academies out there, just as there were many excellent state-maintained schools. We think it is regrettable that the Government have decided to prioritise academies over schools run by local authorities. I have a very personal reason for saying that: my children went to an outstanding school that was run under the local council. Unfortunately, due to its finances, it was forced into a position where it took on academy status, and ultimately, that academy was described as a failing school. The desire to drive that school into academy status caused really significant problems. It is my view that the academies that the Labour Government created were a positive thing, and that there are many excellent academies out there. However, we think that the Government should remain neutral on this issue, rather than trying to force schools down one route or the other.

Notwithstanding that, we support the changes in clause 34. Sixth-form colleges should not be discriminated against if they have a religious designation and wish to become academies.

Clause 35 assigns a designation to terms in the Further and Higher Education Act 1992. We can support the clause given that is sets out the designations of institutions in the FE sector relating to the 1992 Act. Clause 36 is a technical change that clarifies the relevant date, for purposes of fee limit, for certain higher education courses, as set out by the Minister. We are happy to support the clause, which sets out the determination of the fee limit.

Question put and agreed to.

Clause 34 accordingly ordered to stand part of the Bill.

Clauses 35 and 36 ordered to stand part of the Bill.

Clause 37

EXTENT

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 38 stand part.

Alex Burghart: Clause 37 sets out the territorial extent of the provisions. Obviously, Westminster does not normally legislate on devolved matters without the consent of the relevant devolved Administration. However, we have sought the support of the Welsh Government to lay a legislative consent motion where there is an impact on the competence of Senedd Cymru. We have agreed

with the Scottish Government and with the Northern Ireland Executive that legislative consent motions are not required.

Clause 38 sets out when provisions in the Bill come into force. General provisions on extent commencement and short title come into force on the day of Royal Assent. Subsection (2) sets out the provisions that will come into force two months after the Act is passed. All other provisions will come into force on a day, or days, appointed by the Secretary of State through regulations made by statutory instrument.

Mr Perkins: Clause 37 sets out the extent of the Bill. I heard what the Minister had to say about the Welsh Assembly; can he just confirm that he has consulted the Welsh Assembly on the extent to which this Act applies to Wales and, given that there are differences between what is offered in England and in Wales, that there is nothing in the Bill that has led to problems in that relationship? Notwithstanding that point, we agree with the extent to which the clause applies to England and Wales, and also the specific provisions that extend to Scotland and Northern Ireland. We agree with clause 38 on commencement and understand what it is saying.

Alex Burghart: I reassure the hon. Gentleman that we have consulted Welsh Ministers, and we are of one mind with our counterparts in Wales.

Question put and agreed to.

Clause 37 accordingly ordered to stand part of the Bill.

Clause 38 ordered to stand part of the Bill.

Clause 39

SHORT TITLE

Alex Burghart: I beg to move Government amendment 26, in clause 39, page 42, line 13, leave out subsection (2).

This amendment removes the privilege amendment inserted in the Lords.

For Bills starting in the House of Lords, a privilege amendment is included to recognise the right of this place to control any charges on the people and on public funds. It is standard practice to remove such amendments at this stage of the Bill's passage through the House of Commons.

Mr Perkins: The Labour party is always enthusiastic for powers to be centred in the hands of those with democratic accountability, so we are very keen on clause 39. The Government have not yet had an opportunity to explain why they thought it was sensible to start the passage of the Bill in the other place, notwithstanding the excellent job that their lordships have done, which the Minister has sought to wreck over the course of the past week and a half. It would be interesting to hear from the Government why they made the decision to start the Bill in the other place. Notwithstanding that, we have no reason to oppose the amendment.

3.45 pm

Alex Burghart: I have been a Minister for only a short time, and I have to say I am unaware why the Bill started in the Lords, but I have nothing but admiration for their lordships, who did a wonderful job. Obviously, we have had to amend some of their amendments in order to make the Bill as good as it can be, but I am sure that everyone can see that the parliamentary process is being done to the full, even if it is being done this way round.

Amendment agreed to.

Clause 39, as amended, accordingly ordered to stand part of the Bill.

New Clause 1

INFORMATION ABOUT TECHNICAL EDUCATION AND TRAINING: ACCESS TO ENGLISH SCHOOLS

"(1) Section 42B of the Education Act 1997 (information about technical education: access to English schools) is amended as follows.

(2) In subsection (1), for "is an opportunity" substitute "are opportunities".

(3) After subsection (1) insert—

"(1A) In complying with subsection (1), the proprietor must give access to registered pupils on at least one occasion during each of the first, second and third key phase of their education."

(4) After subsection (2) insert—

"(2A) The proprietor of a school in England within subsection (2) must—

(a) ensure that each registered pupil meets, during each of the first and second key phases of their education, at least one provider to whom access is given (or any other number of such providers that may be specified for the purposes of that key phase by regulations under subsection (8)), and

(b) ask providers to whom access is given to provide information that includes the following—

(i) information about the provider and the approved technical education qualifications or apprenticeships that the provider offers,

(ii) information about the careers to which those technical education qualifications or apprenticeships might lead,

(iii) a description of what learning or training with the provider is like, and

(iv) responses to questions from the pupils about the provider or approved technical education qualifications and apprenticeships.

(2B) Access given under subsection (1) must be for a reasonable period of time during the standard school day."

(5) In subsection (5)—

(a) in paragraph (c), at the end insert "and the times at which the access is to be given;";

(b) after paragraph (c) insert—

"(d) an explanation of how the proprietor proposes to comply with the obligations imposed under subsection (2A)."

(6) In subsection (8), after "subsection (1)" insert "or (2A)".

(7) After subsection (9) insert—

"(9A) For the purposes of this section—

(a) the first key phase of a pupil's education is the period—

(i) beginning at the same time as the school year in which the majority of pupils in the pupil's class attain the age of 13, and

(ii) ending with 28 February in the following school year;

(b) the second key phase of a pupil's education is the period—

(i) beginning at the same time as the school year in which the majority of pupils in the pupil's class attain the age of 15, and

(ii) ending with 28 February in the following school year;

(c) the third key phase of a pupil's education is the period—

(i) beginning at the same time as the school year in which the majority of pupils in the pupil's class attain the age of 17, and

(ii) ending with 28 February in the following school year.""—*(Alex Burghart.)*

This new clause replaces clause 14. It removes requirements about university technical college access to pupils, requires access to pupils to be given in each key phase once (rather than three times), requires proprietors to ensure pupils meet at least one provider (or a prescribed number), and makes technical changes.

Brought up, and read the First time.

Alex Burghart: I beg to move, That the clause be read a Second time.

I will now discuss new clause 1, which seeks to replace clause 14. We all agree that we need to strengthen provider access legislation. The Government introduced provider access legislation in 2018 to ensure that all young people get information about technical options when planning their careers, but too many schools have disregarded the law and are reluctant to promote alternatives to A-levels and university. We announced our three-point plan to improve compliance with that legislation in the "Skills for Jobs" White Paper back in January, and that included plans to strengthen the duty.

As it stands, clause 14 would require schools to deliver nine provider encounters per pupil—three during each of the first, second and third phases of their education. We are concerned that nine encounters would place unnecessary pressure on schools and risk taking up too much curriculum time. The clause would also name university technical colleges on the face of the Bill as one of the providers that every pupil must meet where practicable. That would give more weight to one provider than the rest, and we want to act in the interests of all providers, not just university technical colleges. The new clause strengthens existing provider access legislation by requiring schools to provide a minimum of three meetings with providers of technical education or apprenticeships for pupils in school years 8 to 13.

Mr Perkins: We understand the reasons for the new clause, but what is the Government's view about why the existing Baker clause has not been as successful as they might have liked? Has it taught the Minister anything with regard to the limitations of the statutory guidance, on which he may have chosen to reflect, and to why having things on the face of the Bill often carries greater weight than purely putting things into statutory guidance or secondary legislation?

Alex Burghart: The hon. Gentleman knows full well that Governments often keep things in statutory guidance in order to retain flexibility. The last Labour Government did that time and again. As a mere parliamentary researcher, I remember consideration of what is now the Apprenticeships, Skills, Children and Learning Act 2009, in which there were many examples of powers introduced through statutory guidance and secondary legislation. It is a time-honoured custom that is there for good reason.

In this case, we believe that there is a need to strengthen practice. In particular, I want to mention the need to strengthen quality. The other day, I was talking to a friend who has a 16-year-old daughter and who is herself in education. Her daughter had come home saying, "There is absolutely no way I'm going to do an apprenticeship." My friend asked why and her daughter replied, "Because the man who came to talk to us today was so boring it has put me off."

We need to ensure that we have interventions of quality. That is very much where our position is centred. The new clause includes the power for the Secretary of State to set out further details about the number and type of providers that pupils should meet under the terms of this duty. Putting the detail in secondary legislation will give us flexibility.

The new clause strikes the correct balance between widening pupil access to information on technical options in apprenticeships, without placing undue pressure on schools. It will set out in primary legislation that every state school must provide the three encounters of which I have spoken. Of course, we must ensure that those provider encounters are of high quality. That is why, for the first time, we are setting parameters for the content of the encounters in primary legislation.

We want to ensure that every encounter is meaningful and gives pupils the opportunity to explore what the provider offers, what career routes those options could lead to and what it might be to learn or train with that provider. We intend to consult school and provider representatives on the underpinning statutory guidance to ensure that we have provider access legislation that works for them and, most importantly, for young people.

With the Government's large-scale reforms to technical education, it has never been more important for every young person to understand the full range of options that are available to them. The new clause will be crucial in ensuring that every pupil, whatever their ambitions, can explore apprenticeships, T-levels and other technical education qualifications. We want to send a clear message that schools must open their doors to other providers, so that pupils get broad and balanced information about all their options.

Mr Perkins: The Minister outlines why he believes the new clause is necessary. Given his remarks at the end there, I have to say that he would have better achieved what he set out to achieve had his party not voted against clause 14. All new clause 1 does is weaken the clause 14 that was in the Bill and that the Committee voted against this morning.

Notwithstanding that, we recognise that the new clause will be better than not having it at all. It removes requirements for university technical college access for pupils. The Minister suggested that that would be prioritising UTCs above other organisations, but I did not see it like that. I thought that they were simply referred to as another provider, and no doubt ones that Lord Baker is particularly enthusiastic to see given access.

The points that Lord Baker made in his contribution in the House of Lords are important, however, and they need to be considered. The noble Lord suggested that many schools—through either lack of time or a deliberate attempt to ensure that their students looked only at the

school's own sixth form, for financial or other reasons—were not implementing the original Baker clause and were indeed subverting the opportunities that were placed in front of children. I would be interested in hearing whether the Minister agrees with Lord Baker about that, or whether he believes that there are other reasons why alternative providers are not getting access to young people at each of those three crucial stages.

The Committee will be aware that, as part of the Labour party's offer at the next general election, my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) has brought forward a plan for the equivalent of two weeks' compulsory work experience for every pupil, and for face-to-face professional careers advice to be something that every student can rely on. We think it vital that children and young people have access to professional and appropriate careers advice. Work experience can be genuinely life-changing for many young people, particularly those from more deprived backgrounds. It is crucial that work experience is seen as a mark of an excellent school provision, rather than an additional thing that is nice to do.

It has very much been my experience that many schools leave the responsibility for work experience to the child and their parents to sort out. Effectively, the only commitment that schools require is that the child does not die or get injured while they are there. There is no real assessment of the quality of that work experience, so the milkman's son ends up doing a milk round, while the MP's son spends a week in an MP's office—everyone just does the stuff that they already know. Worst of all, some children do work experience in a school, which is the one environment that they have been in for their entire lives, and that is considered acceptable.

Alternative opportunities for young people to look at different environments and learn about different opportunities are absolutely crucial. As clause 14 was rejected, we will support the new clause, but we believe it less ambitious than what their noble lordships had already introduced. Much of what the Minister said about the importance of the sector is undermined by his tabling of a clause that is weaker than the one that came from the Lords.

Question put and agreed to.

New clause 1 accordingly read a Second time, and added to the Bill.

New Clause 2

LIFELONG LEARNING: SPECIAL EDUCATIONAL NEEDS

"When exercising functions under this Act, the Secretary of State must ensure that providers of further education are required to include special educational needs awareness training to all teaching staff to ensure that all staff are able to identify and adequately support those students who have special educational needs."—*(Mr Perkins.)*

This new clause would place a duty on the Secretary of State to ensure that there is adequate special educational needs training for teachers of students in further education.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 10.

Division No. 23]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Hunt, Tom
Burghart, Alex	Johnston, David
Carter, Andy	Nici, Lia
Clarke-Smith, Brendan	Richardson, Angela
Hunt, Jane	Tomlinson, Michael

Question accordingly negatived.

New Clause 3

REPORT ON THE PERFORMANCE OF EMPLOYER REPRESENTATIVE BODIES

"(1) Within six months of the passing of this Act, and every twelve months thereafter, the Secretary of State must publish a report on the performance of employer representative bodies and lay it before both Houses of Parliament.

(2) Each report must contain a statement setting out—

(a) the role of employer representative bodies,

(b) the accountability of employer representative bodies,

(c) the cost of employer representative bodies,

(d) the number of employer representative bodies in England and the areas covered,

(e) the number of employer representative bodies that have been removed and the reason why.

(3) Each report must contain an independent assessment of the impact of each employer representative body on—

(a) the development of local skills improvement plans, and

(b) local rates of participation in further education."—*(Mr Perkins.)*

This new clause requires the Secretary of State to publish and lay before both Houses of Parliament an annual report on employer representative bodies to allow for scrutiny of their role and performance.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 9.

Division No. 24]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	
Hunt, Jane	Richardson, Angela
Hunt, Tom	Tomlinson, Michael

Question accordingly negatived.

New Clause 4

ACCESS TO SHARIA-COMPLIANT LIFELONG LEARNING LOANS

"(1) The Secretary of State must make provision by regulations for Sharia-compliant student finance to be made available as part of the lifelong learning entitlement.

(2) Regulations under this section are to be made by statutory instrument, and a statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament."—*(Mr Perkins.)*

This new clause allows the Secretary of State to make provision for Sharia-compliant LLE loans to ensure that the LLE is not a barrier to participation and upskilling.

Brought up, and read the First time.

4 pm

Mr Perkins: I beg to move, That the clause be read a Second time.

The new clause, tabled by my right hon. Friend the Member for East Ham (Stephen Timms), relates to access to sharia-compliant lifelong learning loans. It is important that students do not feel excluded from applying for lifelong learning loans because they are not sharia-compliant. There are many different aspects to loans under sharia law. Though their effect may be similar to that of other loans, the way in which they are set up and implemented is different, and the funds are also utilised in different ways.

It is incredibly important—and I think this is recognised by Members of both main parties—that action is taken on sharia-compliant lifelong learning loans. It is regrettable, however, that thus far nothing has been done. We have been given to believe that the Augar review may result in sharia-compliant lifelong learning loans, but we have not yet seen anything to that effect. My right hon. Friend's new clause therefore encourages the Secretary of State to

"make provision by regulations for Sharia-compliant student finance to be made available as part of the lifelong learning entitlement."

Alex Burghart: I am grateful for the opportunity to discuss sharia-compliant student finance. The Government have been considering an alternative student finance product, compatible with Islamic finance principles, alongside their other priorities as they conclude the post-18 review of educational funding.

New powers were taken in section 86 of the Higher Education and Research Act 2017 to enable the Secretary of State to make alternative payments, in addition to grants and loans, to enable the implementation of ASF. Clause 15 already makes provision for such alternative payments to be made as part of the lifetime loan entitlement. As such, when coupled with the existing provisions in HERA, the new clause would not give the Secretary of State any additional powers. The clause 15 provisions for alternative payments would come into force should the Government decide to commence the provisions in HERA that enable alternative payments to be provided to students. The Government will reach a decision on the availability of a sharia-compliant student finance product as part of the full and final conclusion of the post-18 review, and will provide an update on ASF at that time.

In relation to the second part of the new clause, the Secretary of State may already lay student support regulations using the affirmative procedure contained in section 42 of the Teaching and Higher Education 1998, should he choose to do so. The new clause would not add any powers beyond those already under the Bill or existing legislation, and so should not be added to the Bill.

Rachel Hopkins: I rise to support new clause 4, tabled by my right hon. Friend the Member for East Ham. The Minister says we will see the outcome of the post-18 review with regards to HERA. However, the reason why it is so important that the new clause is added to the Bill relates to further education. Because no finance or loans fit with the principles of Islam, many people end up saving up until they have sufficient funds to be able to afford their degree. The whole point of the Bill is the emphasis on ensuring that people can up their skills at level 3. If they are not able to access a loan that is compliant with the principles of Islam, and if they are on a low income, they really have no chance of being able to save up to afford to fund up front from their savings. The proposal of a lifelong learning entitlement through a loan therefore becomes a vicious circle, and they will not be able to access the training and gain the skills that they need.

For many people, this really is a matter of urgency if we are genuinely going to help people to reskill or upskill, particularly for many constituents of mine in Luton South. It is important to push the Government on this, particularly because HERA was published in 2017, and because of the commitment from the former Prime Minister, Mr Cameron, in 2013 when this first started to be talked about. This long-term delay and lack of action is not good enough. I support new clause 4.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 9.

Division No. 25]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

New Clause 5

NATIONAL REVIEW AND PLAN FOR ADDRESSING THE ATTAINMENT GAP

"Within six months of the passing of this Act, the Secretary of State must undertake a review to understand how to support those who have not achieved grade 4 or above in GCSEs in—

(a) English, or

(b) mathematics,

for the purposes of issuing a plan to support such people to achieve a level of attainment in those subjects through higher education, further education or technical education, as is necessary to advance their skills and education."—*(Mr Perkins.)*

This new clause intends to ensure that everyone is supported to attain the level of English and/or maths skills they need by ensuring there is a requirement for the Department for Education to have a plan to close the attainment gap based on a review of current policies and barriers to attainment in English and/or maths.

Brought up, and read the First time.

Mr Perkins: I beg to move, That the clause be read a Second time.

The new clause was tabled by my hon. Friend the Member for Rotherham (Sarah Champion). It would introduce a national review and plan for addressing the attainment gap and intends to ensure that everybody is

supported to obtain the level of English and/or maths skills they need by requiring the Department for Education to have a plan to close the attainment gap based on a review of current policies and barriers to attainment in English and/or maths. Our attainment levels as a nation, particularly in maths, are noticeably behind many of our competitor nations, and particularly the major nations in Europe. It is crucial that there are both local and national strategies to raise attainment for English and maths at grade 4.

I think there is widespread agreement on that across the House. The Government's approach has often been to say, "Well, until you have achieved this, you cannot do that." The Labour party's approach has always been much more of a carrot. We recognise that there needs to be greater investment, specifically in picking out those students who, for a variety of different reasons—whether as a result of learning disabilities or of social disadvantages—are less likely to attain grade 4 level in English and maths. We think it is crucial that we have a strategic approach to attaining that.

A large amount of the recent catch-up funding that was identified by the Government was never actually provided, and there has been a discrepancy between the amount of the catch-up funding that was directed to those in the most deprived communities and the amount that was provided overall. Catch-up funding, more than anything else as a result of the lockdown, particularly needed to be focused on those in the most deprived communities, who saw that attainment gap grow over the course of the covid pandemic. That the Government have a strategic plan and are operating a national review of the attainment gap—particularly setting out to achieve the reduction in their cap within six months of the passing of the Bill—is an important amendment. We therefore support the new clause.

Alex Burghart: New clause 5, tabled by the hon. Member for Rotherham, seeks to require the Secretary of State to undertake a national review and have a plan for addressing the attainment gap within six months of the Act passing in relation to those who have not achieved grade 4 or above in GCSE English or maths. The Government are clear that supporting people who are yet to achieve GCSE grade 4 or above in English or maths—the equivalent of level 2—is of the utmost importance, given that good levels of English and maths are linked to better economic and social outcomes. We want young people and adults to have the literacy and numeracy skills to thrive in work, education and life. That is why we already have a clear plan and are taking significant steps to support those who have not achieved grade 4 or above in English and maths.

All learners aged 16 to 19 are required to continue studying English and maths if they do not have a level 2 qualification in these subjects already, including, for example, those studying T-levels. Additionally, apprenticeships in particular have an exit requirement in English and maths in order to complete the programme. We also support adults by fully funding GCSE and functional skills qualifications in English and maths up to level 2 through the adult education budget. In addition, as of next year, we are rolling out Multiply, a new £559 million programme for adult numeracy, announced by my right hon. Friend the Chancellor at the spending review. This will significantly increase the provision and opportunities for adults to improve their maths skills.

More broadly, we have reformed functional skills qualifications, which are a widely acceptable alternative to GCSEs, improving their rigour and relevance. The Government have also established 21 centres for excellence in mathematics, designing new and improved teaching resources, building teacher skills and spreading best practice across the country through their wider networks. In response to disruption to education during the pandemic, a further £222 million has been provided to continue the 16-to-19 tuition fund for an addition two years from the 2022-23 academic year, allowing students to access one-to-one and small group catch-up tuition in subjects that will benefit the most, including English and maths.

Improving English and maths attainment is already a key part of the Government's plans across higher, further and technical education. In 2020, 68% of 19-year-olds held grade 4 or above in both English and maths GCSE, which is an increase of 6 percentage points since 2013-14, the year before we required students to continue studying English and maths. This is a major step forward. The OECD's 10-yearly survey of adult skills showed that in England people aged 16 to 65 currently perform significantly above the OECD average for literacy and around the OECD average for numeracy. The Government continually review the impact of policy, so a formal review at this time is not necessary.

Andrew Gwynne: I am heartened by what the Minister highlighted in his response to my hon. Friend the Member for Chesterfield about some of the Government's attempts to close the attainment gap, but the reality is that it still exists and we should redouble our efforts to close it. I feel passionately about that because failing to get a good GCSE in English and maths can hold a young person back and deprive them of real opportunities later in life.

I know that from experience, because as I mentioned last Tuesday, in 1990 I left high school with a clutch of good GCSEs, but they did not include maths. I really struggled with maths at high school, much to the frustration of my dad, who was a maths teacher. It turned out that I had dyscalculia, so I struggled with numbers.

4.15 pm

I desperately wanted to be a teacher—in my heart, I would still love to teach in schools. The best bit of this job is on a Friday when, as Members of Parliament often do, I go to local schools and think about what could have been if I had got a C or above in my maths GCSE. I resat it and still could not get a C—I got a D—so that was my teaching dream gone. Frustratingly, I went on to study a higher national diploma in business and finance, as I have already said, which is NVQ level 5, where I got a distinction and commendation in managerial economics, finance and advanced numeracy—but I cannot get the piece of paper that says "General Certificate of Secondary Education".

I strongly believe that we have to close the attainment gap and give young people every opportunity to get that piece of paper, because if they do not have a GCSE, even if they have subsequent pieces of paper that are worth far more, so many doors are shut, so many opportunities are missed and so many dreams are dashed. I recognise that the Minister will not support the new clause of my hon. Friend the Member for Rotherham, but I urge him to carry on doing all he can to ensure

that every child, young person and adult has the opportunity to do the best they can with the basic skills of English and maths.

Mr Perkins: Those of us who have been on the Committee in the last week or so may well have been wondering what the next episode in the life story of my hon. Friend the Member for Denton and Reddish was, and we were not disappointed. *[Laughter.]* Joking aside, he makes an incredibly important point.

Too often in this place, there is a suggestion or an implication that if only the teaching was a bit better or there was a bit more application, everyone would have those GCSEs in maths and English. Actually, as my hon. Friend has laid out and as many others will know, students who are brilliant in many regards can have barriers that prevent them attaining those grades. It is a crucial issue for us. Thousands of other people out there have had their dreams similarly dashed by being unable to achieve those qualifications, so I appreciate what he has just said, which adds weight to the debate on new clause 5.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 9.

Division No. 26]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

New Clause 6

T-levels: Duty to review

"(1) Two years after the date on which the first T-levels are completed, the Secretary of State must perform a review of the education and employment outcomes of students enrolled on T-level courses.

(2) No qualifications may be defunded until the Secretary of State's duty under subsection (1) has been undertaken."—*(Mr Perkins.)*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 9.

Division No. 27]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

New Clause 7

Level 3 qualifications provision

"(1) Employer Representative Bodies may prescribe additional Level 3 qualifications, as part of the Lifetime Skills Guarantee.

(2) Additional Level 3 qualifications may be prescribed under subsection (1), in instances where the Employer Representative Body identifies a local need or skills shortage."—*(Mr Perkins.)*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 9.

Division No. 28]

AYES

Ali, Tahir	Perkins, Mr Toby
Gwynne, Andrew	
Hopkins, Rachel	Western, Matt

NOES

Bradley, Ben	Johnston, David
Burghart, Alex	Nici, Lia
Carter, Andy	Richardson, Angela
Hunt, Jane	Tomlinson, Michael
Hunt, Tom	

Question accordingly negatived.

Question proposed, That the Chair do report the Bill, as amended, to the House.

Alex Burghart: On a point of order, Mrs Miller. I hope you will indulge me for a few moments so that I can thank you and Mr Efford for the way in which you have shepherded us through these six sittings. It has been an honour and a pleasure to serve under your chairmanship, particularly as this is my first Bill Committee on the Front Bench—

The Lord Commissioner of Her Majesty's Treasury (Michael Tomlinson): Hear, hear.

Alex Burghart: Who knows? Perhaps it will be the last. It has been a pleasure to hear a debate of this quality, to enjoy Opposition Members' paeans to the heady days of Thatcherism when there were great opportunities in the Manchester region, and to hear their fulsome praise for former Conservative Secretaries of State for Education. It is has been a privilege to listen to the sometimes philosophical debates about whether BTECs are brands. I feel that for the sake of future historians, we should put in *Hansard* how cold it has been in Committee Room 14. On one occasion, an hon. Lady had to bring in a blanket and wrap herself in it. Mrs Miller, thanks to you and Mr Efford, we have survived, and we look forward to taking the Bill forward.

The Chair: I thank the Minister for his very kind words.

Mr Perkins: On a point of order, Mrs Miller. On behalf of all my colleagues here, I add my thanks to you and Mr Efford for the work that you have both done and for your support through this debate, which has been very good natured and constructive, even if it was not, ultimately, as successful as we might have desired. I also place on record our thanks to the Clerks, who have been tremendously helpful in the enormous amount of work that we asked them to do. As always, we all very much appreciate the quality and timeliness of their

work, and their diligence. I thank everyone who served on the Committee for their varying contributions, whether they were here for all of it or not.

The Chair: I thank the Opposition Front-Bench spokesman for those kind words. I thank you all for your constructive debate throughout the Committee, and I thank the Clerks and *Hansard*.

Question put and agreed to.

Bill, as amended, accordingly to be reported.

4.26 pm

Committee rose.

Written evidence reported to the House

SPEB14 Sandwell College (Level 3 (T level) Qualification Reform – Strengthening their implementation)

SPEB15 Sandwell College (The Defunding of BTECs)

SPEB16 Sandwell College (Qualifications, T Levels and Work Placement feedback and suggested improvements)

SPEB17 Chegg Inc.

SPEB18 Mencap

SPEB19 Yorkshire Purchasing Organisation (YPO)

SPEB20 Community trade union

SPEB21 The Tutors' Association

SPEB22 CBI