

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## DEREGULATION BILL

*Fifth Sitting*

*Tuesday 4 March 2014*

*(Morning)*

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### CONTENTS

Written evidence reported to the House.

CLAUSE 3 agreed to.

SCHEDULE 1 under consideration when the Committee adjourned till this day at Two o'clock.

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**The Committee consisted of the following Members:**

*Chairs:* †MR JIM HOOD, MR CHRISTOPHER CHOPE

Barwell, Gavin (*Croydon Central*) (Con)

† Bingham, Andrew (*High Peak*) (Con)

† Brake, Tom (*Parliamentary Secretary, Office of the Leader of the House of Commons*)

† Bridgen, Andrew (*North West Leicestershire*) (Con)

† Cryer, John (*Leyton and Wanstead*) (Lab)

† Docherty, Thomas (*Dunfermline and West Fife*) (Lab)

† Duddridge, James (*Rochford and Southend East*) (Con)

† Heald, Oliver (*Solicitor-General*)

† Hemming, John (*Birmingham, Yardley*) (LD)

† Hopkins, Kelvin (*Luton North*) (Lab)

† Johnson, Gareth (*Dartford*) (Con)

† Maynard, Paul (*Blackpool North and Cleveleys*) (Con)

† Nokes, Caroline (*Romsey and Southampton North*) (Con)

† Onwurah, Chi (*Newcastle upon Tyne Central*) (Lab)

† Perkins, Toby (*Chesterfield*) (Lab)

† Rutley, David (*Macclesfield*) (Con)

Shannon, Jim (*Strangford*) (DUP)

† Turner, Karl (*Kingston upon Hull East*) (Lab)

† Williamson, Chris (*Derby North*) (Lab)

Fergus Reid, David Slater, *Committee Clerks*

† **attended the Committee**

# Public Bill Committee

Tuesday 4 March 2014

(Morning)

[Mr JIM HOOD *in the Chair*]

## Deregulation Bill

### Written evidence to be reported to the House

DB06 Professor Löfstedt

DB07 Equality and Diversity Forum

DB08 R3

### Clause 3

#### APPRENTICESHIPS: SIMPLIFICATION

8.55 am

**Toby Perkins** (Chesterfield) (Lab): I beg to move amendment 6, in clause 3, page 2, line 16, at end add—

‘(5) The Secretary of State shall report annually on—

- (a) the implementation of the changes made by this section and section 4,
- (b) the effect of the changes made by this section and section 4 on the number of apprenticeships, and
- (c) the scope for further proposals to increase the number of apprenticeships created by public procurement contracts.’

It is appropriate that we should debate this clause during national apprenticeship week. It is an incredible important week for all of us who hold apprenticeships dear and recognise their role in the fabric of our economic ecosystem as an important commitment by this generation to investing in the skills of the next generation. National apprenticeship week was started by the Labour party in government and I am delighted that it has been taken forward by this Government. It is part of a broader commitment, by each party and people across the political sphere, to real investment in skills and in the next generation. At a time of a youth unemployment crisis, apprenticeships send an incredibly important signal about our commitment to the next generation.

We are all conscious of the need to rebalance the economy in the context of geography. Over the last three and a half years, we have seen an increase in the imbalance between some areas of our country and others. We need to see that rebalancing, as well as a rebalancing of the economy more broadly, in terms of the kinds of jobs there are. We need a real commitment to manufacturing, engineering and investment in these kinds of high-skilled workplaces. Labour revitalised apprenticeships after two decades of decline, and although numbers have continued to rise, there has been increasing concern about the commitment to the quality of those apprenticeships and about whether they will continue to be fit for purpose or offer a real badge of quality that employers can be committed to and excited by.

Our first amendment calls on the Secretary of State to report annually on the implementation of the changes made by this clause and by clause 4, and to report annually on the effect of the changes on the number of apprenticeships and on the scope for further proposals to increase the number of apprenticeships created by public procurement contracts. As the debate goes on, I suspect that Members from across the Committee will be anxious to place on record their support for apprenticeships. We will hear about best practice from Members who have apprentices in their offices. We will hear about commitments that Members have made to supporting employers in their constituencies who have prominent apprenticeship programmes. We will hear Members talking about the importance of apprenticeships, and about how they have spoken at schools about their value, how they have worked with employers that have found it difficult to get apprenticeships and what they think about the importance of quality of apprenticeships. We will hear Members saying how important it is that we all support apprenticeships.

However, the amendment would ensure that that commitment to apprenticeships was for life and not just for national apprenticeship week. That is the key message of our fairly modest amendment. This is an opportunity for all Members to say, “We are not just going to talk about this today or this week; we are going to make sure that we come back on an annual basis and look at the quality, the numbers and the extent to which public procurement is delivering what we all want to see, which is a high-skilled work force”.

Proposed subsection (5)(a), which refers to

“the implementation and impact of the changes made in this section and section 4”,

is about monitoring to ensure that the changes do not end up sacrificing further the quality of apprenticeships in some sort of arms race to achieve the numbers. We are all very conscious of the importance of numbers, but as has been strongly stipulated by Members of the Bill Committee and by Mr Hamer from BAE, who spoke gave evidence to the Committee, that commitment to quality is crucial. We should remember what Mr Hamer said:

“The foundation part of the apprenticeship—the first year—needs to have common elements for the engineering sector.”

He continued:

“We have been ensuring that the same principles underpin that work across a number of different areas in the vast manufacturing sector. It is collectively in our interests as big employers and in the interests of the supply chain, but we also know that it is in the interests of young people and individuals in a more fluid world where you cannot guarantee employment from one company for a lifetime.”—[*Official Report, Deregulation Public Bill Committee*, 25 February 2014; c. 30, Q69.]

That commitment to quality is about ensuring that employers know that, whoever their apprentice has done their apprenticeship with, fundamental aspects of quality and commitment will be in place.

**Thomas Docherty** (Dunfermline and West Fife) (Lab): My hon. friend will be aware that there have been a number of scandals in recent years about bogus further education colleges offering trumped-up courses. Does he share my concern that if there is a lowering of standards, there is a danger that a similar scandal will break out among bogus firms offering so-called apprenticeships?

**Toby Perkins:** I certainly share that concern. The next amendment, to which I will be speaking shortly, focuses much more on some of the steps that the Labour party is proposing to hard-wire those standards.

However, the central point is a very good one. All of us in this place are conscious that the vast majority of firms and FE providers offering apprenticeships are of a high standard and are in it for the right reasons. They have that commitment to quality and to the next generation. However, as my hon. Friend says, there is a worry that a small number of bogus providers will undermine confidence in apprenticeships for everybody else, so that people end up asking, “Is it worth sending my child on an apprenticeship? Is it worth encouraging the children in my school to take an apprenticeship? Is it a second-class option?” We all know that it should not be seen as a second-class option, but we can guarantee that for our constituents only if we have that focus on quality. That is why the amendment would ensure an annual ministerial statement or report from the Secretary of State, so that Members do not forget about this issue and we remain conscious of the need to drive up quality.

At the same time as taking steps to drive up the quality—I will speak about that more in a moment—we need to ensure that the numbers remain resilient. The Government have presided over a youth unemployment crisis of unimaginable magnitude—or rather, it was unimaginable just a few years ago. It is a serious problem, and apprenticeships are a part of the immediate solution to it—they are by no means the only solution, but they are a part of it. High-quality apprenticeships are a part of Labour’s drive towards a proper strategy of industrial activism. They are about ensuring that young people’s first experience of reaching the age of 18 or 16—the age at which people expect them to get a job—is not just about learning how to sign on and getting into a negative pattern, but is about learning about the work ethic, developing their skills and getting into the workplace. I left school at the age of 17 and went into the youth training scheme, which had its critics back in the day. None the less, from my perspective, it offered an incredibly important opportunity to get into the workplace, where I thrived in a way that I never did at school.

We know that the trajectories for our young people are different. Some will go away to university, some will go down the apprenticeship route and some will go straight into the world of work. There have to be options available for people at all levels of society. However, it is important to ensure quality, not just because we want to give those young people the work ethic or to teach them that when they go into the world of work, they get a financial reward and start to pay their way in the world, but because it is part of a broader investment in the skills of this country, which we hope will stand us in good stead for many years to come.

Proposed new subsection (5)(c), which deals with the number of apprenticeships, will ensure that the numbers are monitored. It will also ensure that the Government and Parliament can take a view on the balance in our economy—between the numbers of people going into university, apprenticeships or straight into other forms of work, including perhaps what we consider unskilled work—and be aware of what is happening. We think that is valuable. We need to continue to ensure that we

do not just look at the number doing apprenticeships or the number of youth unemployed, but that we identify the number of people doing apprenticeships.

Proposed new subsection (5)(c) is about the scope for further proposals to increase the number of apprenticeships created by public procurement contracts. Paragraph (c) would not only reinforce Labour’s commitment to ensuring that public procurement delivers for public services and, of course, the taxpayer, so that we get good value for the money spent in public procurement—almost £1 in every £6 is spent by the Government, which makes it an incredibly important tool for the Government to take a view on how we reshape the economy—but contributes towards the broader objectives of economic growth and a highly skilled work force.

When Government, local government, hospitals and all arms of government were procuring goods and services on behalf of their organisations, we would know that there was real focus on the organisation they were buying from and its contribution to skilling up and training the next generation. Can we ensure that the money being spent by public bodies on those goods and services delivers for British businesses, the skills agenda and employees? That is what our amendment is about.

We will take further steps to ensure that apprenticeships are hard-wired into employer behaviour. That is why we have called on the Government to require suppliers to offer apprenticeship opportunities on all public contracts worth more than £1 million. We think everyone should support that. Everyone I have heard in this House thinks that apprenticeships are a positive step and should be supported. Why not ensure that the huge power of Government spending—even under this Government—delivers in the real economy?

Our amendment would offer the certainty of quality that employers ask for. It would send a powerful message to potential overseas investors about Britain’s commitment to a highly skilled work force. This Committee’s commitment in national apprenticeship week should be for Parliament to keep an eye on apprenticeship arrangements and ensure that we are the guardians of quality and the numbers going through, and that when the Government spend taxpayers’ hard-earned money, it will deliver in the real economy. That is an incredibly important commitment that we could make this week.

Annual review and renewal of apprenticeship opportunities will help to deliver a Britain that is the best place for our young people to build the skills demanded by a rapidly changing world. I hope all members of the Committee will support our proposal, because although it is a small step in terms of the workload, it would make a significant commitment to the next generation and that is something we should all get behind.

**The Parliamentary Secretary, Office of the Leader of the House of Commons (Tom Brake):** May I start by saying what a pleasure it is to serve under your chairmanship this morning, Mr Hood? I hope you will give me a little latitude to respond briefly to some of the more general points that the hon. Member for Chesterfield made, before coming to the meat of his amendment. He rightly pointed out that it is appropriate to debate this proposal in national apprenticeship week. He also pointed out that Members might want to take this opportunity

[Tom Brake]

to refer to some of the more successful apprenticeship schemes in their constituencies, and I hope they will do so. Let me say in passing that I am pleased that my apprentice Callum Morton is to meet the Prime Minister on Wednesday—there is apparently no space for me, which is fine, because the focus is on the apprentices, as it should be.

The hon. Member for Dunfermline and West Fife raised the issue of quality. We are clearly aware of that. We want to ensure that the quality of apprenticeships increases. I am sure he is aware that Ofsted conducts inspections and carefully monitors performance data, and payment by results is used. Those methods can also help to identify fraud, which is something that concerned the hon. Gentleman.

The hon. Member for Chesterfield, in a very fair contribution, raised the issue of what will happen about the numbers. By involving employers to a much greater extent, the Government seek to make them feel that apprenticeships are there for them. Over the short to medium term, that must surely grow the number of apprenticeships. We would certainly welcome that. Contrary to what I think he was indicating, we do not think that apprenticeships are just for Christmas. Apprenticeships are a lifelong commitment and a sound base that enables young people to go on and succeed in their careers.

9.15 am

**Toby Perkins:** Just to clarify, I was not suggesting that the Government's commitment to apprenticeships was paper thin; I was simply saying that this is an opportunity for us all to demonstrate that it is not paper thin.

**Tom Brake:** I agree, and I hope we will do that this morning. Certainly the purpose of clauses 3 and 4 is to strengthen the role of apprenticeships, which can play a significant role in tackling the long-standing youth unemployment problem. I am sure the hon. Gentleman knows that youth unemployment started increasing in 2004, during the economy's halcyon days—when the previous Government had got rid of boom and bust, for instance. However, I am pleased to say that in recent months it has started to decrease—not in the dramatic way that we would like, but the trend is in the right direction. We—and, I think, the hon. Gentleman—believe that apprenticeships can play a key role in ensuring that youth unemployment continues to decrease.

You have given me some leeway, Mr Hood, but I will now return to the focus of the amendment. It seeks to impose a number of requirements to report annually in connection with approved English apprenticeships, but it is unnecessary, as the Government already report annually on apprenticeship performance and will continue to do so. Indeed, we also report quarterly. The hon. Gentleman may not be aware of the research conducted by the Department for Business, Innovation and Skills—which I have with me—that looked at apprenticeships that finished between August 2011 and March 2012. There are many comments from employers about that. We intend to continue to do such research. Indeed, the quarterly statistics report measures apprenticeships against a range of different metrics, so monitoring of the success of apprenticeships is already happening.

**Thomas Docherty:** I do not have a copy of that document to hand, but does it deal with the point in proposed new subsection (5)(c) about reporting on the scope for further proposals to increase the number of apprenticeships created by public procurement contracts?

**Tom Brake:** I will come to that and hopefully address the hon. Gentleman's question in a couple of minutes.

**Toby Perkins:** I accept that the Minister will come to that part of our amendment shortly. However, is he saying that what is suggested in proposed new paragraphs (a) and (b) is already happening—in which case it would be churlish of the Government to vote against the amendment—or does he acknowledge that there is nothing like the clarity that we are calling for, and that Members across the Committee would welcome, in apprenticeship numbers and quality?

**Tom Brake:** What I am saying is that that is activity already undertaken by the Government. If the hon. Gentleman would like to look at the gov.uk site, he will see many tables that break down apprenticeships in a range of different ways. There is no purpose in the Government supporting an amendment that calls on us to do what we are already doing. This is a deregulation Bill, not a Bill for adding regulation or requirements that are already covered by the Government.

**Toby Perkins:** My impression was that the Bill was originally about deregulating for businesses, and our amendment would allow everyone a clear view of the Government's performance. For the Minister to say, "We have stuck it on a website, so if you want to go and research it, you can," is not the same as a written ministerial statement, given once a year, providing Members with an accurate appraisal of the Government's performance in this regard. He must be able to see that such a process would shine a light on performance and provide clarity. It would be a helpful tool for scrutiny; sticking the information on a website is nothing like the same.

**Tom Brake:** I am sure that the hon. Gentleman has a perfectly competent researcher who can access that website and obtain the information for him. The fact is that that information is available and is just one example of the many breakdowns available if Members want to look at the success or otherwise of apprenticeships. His amendment seems to be asking for another layer of activity that simply duplicates the information that already exists.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): I, too, have an excellent researcher. Many small businesses do not have the time to search. I am familiar with the gov.uk website, which is excellent in many ways, but it contains data, not a report and assessment, which is what the amendment of my hon. Friend the Member for Chesterfield proposes. Does the Minister not agree that this is about deregulating for businesses, not limiting the burden on Ministers to report on the success of their proposals?

**Tom Brake:** What businesses, including small businesses, will be able to see is the increase in the number of apprenticeships, for instance. That information will be easily available, and I am sure it will be widely publicised. I—and, I suspect, all Members—received a pro forma press release from an organisation that listed the number of apprenticeships that had been created in my constituency and the value to the economy. Clearly that information is there and is easily available, because that organisation has circulated it.

**David Rutley** (Macclesfield) (Con): I, too, have an excellent researcher who has sent over some statistics. In fact, there is a plethora of statistics on this issue, which show that in Macclesfield the number of apprenticeship starts has gone up from 420 to 740 over the last three years. Nationally, they have gone from 279,000 to over 510,000. There is plenty of information available that can be easily interpreted, even by those who are less statistically advantaged than the hon. Member for Newcastle upon Tyne Central—as I found out on “Newsnight”—and it is available to all of us, not just researchers, to find out how well the Government are doing.

**Tom Brake:** *rose*—

**The Chair:** Order. I remind the Committee that for the rest of the proceedings interventions should be a little shorter than that.

**Tom Brake:** I thank my hon. Friend for that intervention. I could not agree with him more. The only thing that was missing from his intervention was the name of his researcher, who I am sure would have appreciated the plug in *Hansard*. The quarterly statistical first release—the official public record produced by the data service—provides numbers of apprentices broken down in a number of ways. Annual employer and learner surveys provide a wealth of quantitative and qualitative information. These publications will clearly demonstrate the impact of changes brought about by clauses 3 and 4 in a comprehensive and timely manner.

**John Cryer** (Leyton and Wanstead) (Lab): When my hon. Friend the Member for Luton North and I used to sit on the Front Bench below the Gangway—which is now known as the Skinner Bench, for obvious reasons—we had to listen to both parties then in opposition saying again and again how important it was that Ministers report backed to Parliament. Has that changed?

**Tom Brake:** Of course it is important that Ministers report back to Government—

**Thomas Docherty:** To Parliament.

**Tom Brake:** Indeed, and I would argue that this is perhaps part of that process. Ministers report back on the subject of apprentices through other means—through parliamentary questions, Adjournment debates and Backbench business debates on the subject. Ministers exercise many opportunities to report back on the subject of apprenticeships, and there is sufficient information available to Members already if they are interested in this subject.

**Toby Perkins:** Will the Minister give way?

**Tom Brake:** I will give way once more.

**Toby Perkins:** I am somewhat baffled. The Minister seemed to say that this was a great additional burden, but all these figures are available. If all these figures are already available, all the work has been done. All we are asking is for the Secretary of State to make those figures available and report them back to Parliament, so that they can be seen by Members and the broader business community. If all that work has already been done, I cannot see what the problem is.

**Tom Brake:** The problem is that the information is already available, and I do not see the need to place in a Bill a requirement for the Government to do something that they are already doing.

**John Hemming** (Birmingham, Yardley) (LD): Does the Minister agree that there is a danger in the Opposition's amendment? It implies that Ministers should report only when there is a statutory duty.

**Tom Brake:** Absolutely. I thank my hon. Friend for that pointed intervention. I agree with him. We would not want Ministers feeling that if this were to appear in the Bill it was the only requirement that we had and we were no longer duty bound to report on useful research such as that particular report or the quarterly statistical first release. The information is there and readily available. Organisations that have circulated us with figures for our individual constituencies are already making use of it.

A number of trailblazer employers will pilot apprenticeship reforms. Trailblazer apprenticeships will be evaluated to ensure that the system is as good as possible when it is rolled out. The Government will continue to work with employers to ensure that the reforms are working. While we encourage the creation of apprenticeship jobs, it is not a requirement for public procurement contracts. It is for employers to decide whether a vacancy is suitable for an apprenticeship.

I thought we had agreement on both sides that employers should be involved to a greater extent and that it should be up to them to decide whether a particular role required an apprenticeship. I should also underline that the emphasis that this Government—and the previous one—have placed on apprenticeships will automatically ensure that in the longer term more apprentices are employed on public procurement contracts, because the number of apprentices overall will grow, and therefore they will be better represented in public procurement contracts. I am sure that both sides would welcome that.

This information is already available and there is no requirement in public procurement contracts for apprentices to be embedded, although one would expect more apprentices to be included because the number is growing.

**Toby Perkins:** I am grateful to the right hon. Gentleman for giving way. We are clear that the Government should look to increase the number of apprenticeships. It is not about saying that a particular job has to be filled by an apprentice, but, when there is a contract worth £1 million, it is not excessive to ask for some commitment to the next generation. The amendment is simply about seeing whether a resulting increase in apprenticeships from public procurement has been reported; it is not actually committing people to do that.

**Tom Brake:** The amendment refers to “the scope for further proposals to increase the number of apprenticeships”.

My assumption was that that meant more apprentices on public procurement contracts. I believe that I have addressed that point, and I urge the hon. Gentleman to withdraw the amendment.

**Toby Perkins:** I am grateful, Mr Hood—[*Interruption.*]

**The Chair:** Order. Before the hon. Gentleman proceeds, can I just call on hon. Members to resist the temptation to conduct conversations with colleagues while other colleagues are on their feet?

**Toby Perkins:** Thank you, Mr Hood. I am disappointed by what the Minister has said. The information is available; we were not asking for huge regulation. The amendment would simply have ensured real awareness and clarity. We all know that in this place and out in the business world people are focusing on a variety of things. The fact that something gets reported is an opportunity for people to assess performance.

Is the Minister saying that the only kind of scrutiny we want is a press release that comes out in national apprenticeship week and that there is a report on the website if anyone wants to look at it? That is his look-out. If finds himself back in Opposition he might take a different approach about the level of scrutiny required. Time will tell on that.

We feel that the amendment has potential on public procurement contracts. We saw the fiasco with the Siemens, Bombardier train contract, where a huge amount of Government spending delivered little value for the UK economy and the taxpayer.

**Andrew Bridgen** (North West Leicestershire) (Con): The hon. Gentleman talks about the Bombardier fiasco. Derby is fairly near to my constituency and the matter affected a number of my constituents. Will he remind the Committee which Government set out the tendering process for the Bombardier fiasco?

**Toby Perkins:** I very much remember which Government were responsible for taking the decisions. The original tender document made it clear that the Government had at their disposal the option to make one decision or another. One reason why the Labour party is surging ahead in recent polls is that the party has changed. We do not say that every single thing that the Labour party did in 13 generally happy years was beyond reproach. This issue is part of the changed, one-nation Labour party.

9.30 am

**Andrew Bridgen:** Will the hon. Gentleman give way?

**Toby Perkins:** In a moment—the hon. Gentleman will not want to miss this. Part of that change is that we want to make sure that money that a future Labour Government spend is not only entirely compliant with the shadow Chancellor’s commitment to fiscal prudence but delivers for taxpayers and the real economy.

**Andrew Bridgen:** The hon. Gentleman talks about the 13 mainly happy years of the last Labour Government. That is rather like the analogy of the man who threw himself off the 25-storey building and was heard to say all the way down past every floor, “So far, so good”, but it ended up rather stickily at the end.

**Toby Perkins:** I congratulate the hon. Gentleman on that moment. All I ask hon. Members opposite to reflect on is that over the course of 13 years the Labour party had to win quite a few elections, so maybe people were pretty happy.

**Chi Onwurah:** With regard to the metaphor used by the hon. Member for North West Leicestershire, is it more accurate to say that it was the financial crisis caused by roulette banking which threw the economy over the balcony, rather than the previous Government?

**Toby Perkins:** Indeed, my hon. Friend makes an excellent point. We could indulge ourselves by going further on that point, but I am sure we are all keen to get back to apprenticeships. Asking the Secretary of State to report annually on the scope for further proposals that will increase the number of apprenticeships created by public procurement contracts would not necessarily mean that every single public procurement contract had to include an apprenticeship. It certainly would not mean the Government saying that a specific job must have an apprenticeship. It would not mean the Government being overly-prescriptive about which positions were filled by apprenticeships. It would be saying that, if companies were benefiting from £1 million contracts, they would be investing in the next generation at the same time.

**David Rutley:** The Bill is about encouraging growth. Putting too many requirements on businesses will hold back that growth. Some of the experiences that hon. Members talked about show that if they were required to do this in their own businesses, they would have been denied important work, as would your business and many others across the country. The requirements that the hon. Member for Chesterfield seems to be suggesting go too far, whereas other considerations might be more important.

**Toby Perkins:** Over the next 14 months we will be debating Labour’s alternative strategy for the economy more broadly—how we reinvest in skills, avoid a race to the bottom and try to ensure that we have an economy in which there is investment in skills. The amendment that we are discussing today, and I know that Mr Hood will be anxious that we stick to it, is simply about analysing the scope for further proposals, rather than at this stage imposing any additional requirements. There is nothing in our amendment that will place any additional requirement on any business.

**Thomas Docherty:** As somebody who is proud to represent one of our shipyard communities, I must point out that under the last Labour Government, through all our Ministry of Defence contracts, as part of our growth strategy we required Babcock and BAE to have a certain number of apprenticeships on the

carrier, on the Type 45s, and on the submarine programme. That is a good example of where you can create growth by making companies play their part.

**Toby Perkins:** I fully agree with my hon. Friend. One issue that I want to stress powerfully is that, anyone who heard the evidence from Richard Hamer of BAE Systems last week, would know that far from being made to do anything, BAE are entirely enthusiastic and keen to do this. Most good employers, and particularly major employers, recognise that a commitment to the next generation is not just something to do as a good employer; it makes perfect economic sense. In Mr Hamer's evidence to the Committee, we heard that BAE accepts that sometimes it will take on an apprentice who will become a member of staff for life, but often it will take on apprentices that end up with other engineering companies and other apprentices will start with other engineering companies and end up at BAE. To boost the overall skill level in British manufacturing and industry is important for all such companies and that drives a lot of what BAE is doing.

**Chris Williamson** (Derby North) (Lab): The Minister said that the Bill is about growth and I agree that getting growth into our economy is important. Is it not vital, though, that the growth we secure benefits the British people? We do not want the kind of growth that was heralded by the financial markets deregulation by Margaret Thatcher's Government back in the 1980s, which benefited only the top 1% of the population.

**Toby Perkins:** My hon. Friend makes a typically powerful point. The other thing to ask alongside who benefits from growth is: what is the mentality in thinking that asking Parliament to keep an eye on the outcome of an investment in skill policies is anti-growth? How can anyone arrive at a point where they say, "To know what is happening, or to ask the Government to take the information that they already hold and place that before Parliament, is anti-growth"?

**Andrew Bridgen** *rose*—

**Toby Perkins:** I think we are about to hear.

**Andrew Bridgen:** In North West Leicestershire, apprenticeships starts were 420 in 2009-10 and 1,040 last year. That is a huge increase, which is quite pleasing. On who benefits from growth, unemployment reduced last year in my constituency by 30% and, very pleasingly, youth unemployment reduced by 40%.

**Toby Perkins:** I am grateful to the hon. Gentleman for those statistics. In my opening speech I anticipated that we would hear from numerous hon. Members about what was happening in their constituencies. I was slightly disappointed that that did not happen earlier, but we are now getting such opportunities.

In a moment we will talk about what we do to ensure quality, but one of the criticisms of the apprenticeships regime is that we have had a huge re-branding of schemes such as train to gain that are now being spoken about as though they are all-new apprenticeships, with the result being that we now have twice as many

apprenticeships. The hon. Gentleman may have twice as many things called apprenticeships in his constituency, but do we have much more activity? If there had not been so much re-branding, the answer to that would be clearer.

**Chi Onwurah:** My hon. Friend is making excellent points. I wanted to emphasise that OECD research on regional growth, which is important in my area of Newcastle and the north-east, showed that the single factor that most contributed to economic growth was investment in skills.

**Toby Perkins:** I could not agree more. When we analyse our performance alongside our European competitors, we see—with a degree of envy—the real commitment and longevity in investment in skills that some have made over many years. Britain's history shows that we have the capacity for that. The children who come out of our schools have a real ambition and thirst for knowledge, to quote the words of a famous song, and they want to compete on the global stage.

Perhaps we are going beyond the scope of our rather modest amendment. All that it seeks to do is to ensure that, among the myriad responsibilities that we have in Parliament, we have a focus now on the performance, number and quality of apprenticeships and the contribution of public procurement to that investment in the next generation.

**David Rutley:** Will the hon. Gentleman give way?

**Toby Perkins:** I was building to a crescendo, but I will.

**David Rutley:** It did not seem to point to a crescendo, but I look forward to it. It is important to look at the statistics and the numbers that have been reported to help us to understand what is going on. In his constituency since 2009-10, the number starting apprenticeships has gone up from 600 to 1,200, which is a phenomenal achievement from this Government and, no doubt, for his deliverers locally. The numbers speak for themselves—let us not put too many key performance indicators in place, which was clearly a problem under the previous Government.

**Toby Perkins:** No one needs to give me an opportunity to wax lyrical about the commitment of Chesterfield employers to the next generation.

**Thomas Docherty:** Will my hon. Friend give way?

**Toby Perkins:** Give me a moment.

**David Rutley:** He is building to a crescendo.

**Toby Perkins:** It is setting a new standard when you start to get bored in the middle of your own speech—[*Laughter*]*—*but I would like to respond to this. The hon. Member for Macclesfield said that the numbers speak for themselves. It is incredibly important that the numbers speak for themselves, as there is concern about quality. Statistics show us that 59% of the growth of

[Toby Perkins]

apprenticeships is in people going into NVQ level 2 apprenticeships. It is also claimed that much of what we previously would have thought of as train to gain—including older people developing additional skills, as important as that is—is now being seen as apprenticeships. These areas are where it really is important that we make sure that the statistics are not too good to be true and are based on the reality in our constituencies and our communities.

**Thomas Docherty:** I am sure that we all welcome the plethora of statistics being thrown around but does my hon. Friend agree that it would be interesting if those statistics—

**David Rutley:** Official statistics.

**Thomas Docherty:** Does my hon. Friend agree that it would be interesting if the official statistics that have been supplied to some Members here—I cannot think why—also showed the period five or six years earlier, pre-financial crash? The figures might show even more apprenticeships than we see today.

**Toby Perkins:** That is a very important point—  
[*Interruption*]

**The Chair:** Order. I know that the hon. Member for Rochford and Southend East has been promoted to Government Whip, but he may have heard at the beginning of our proceedings that I will not allow chatting across the Front Benches. I hope that Members will desist from it on both sides.

**Toby Perkins:** The point that my hon. Friend the Member for Dunfermline and West Fife was making was an important one, and it also leads us to consider the steps that happened prior to the—[*Interruption.*]

**The Chair:** Order. Members should not leave the Committee to go to the Public Gallery and start their conversations there.

**Toby Perkins:** If my hon. Friend the Member for Dunfermline and West Fife and the hon. Member for Rochford and Southend East do not mind my interrupting their conversation, I am in fact still responding to my hon. Friend's point—I suspect that I am not the only one who has forgotten what it was. The point he made was about the impact of the global banking crisis on apprenticeships and how to simply take a point in the sand, such as 2010 or 2013, might be misleading.

**The Solicitor-General (Oliver Heald):** Will the hon. Gentleman give way?

**Toby Perkins:** Let me just respond to this. It is important to say that one of the many lessons learned from the global banking crisis was about an overdependence on the financial sector.

We saw, over the last three years of the previous Labour Government, a real increased commitment to industrial strategy and to supporting British business to be the very best in the world. The huge increase in apprenticeships was a big part of that, but it was part of a broader industrial strategy that many people in industry still look back on with tremendous fondness. They regret the fact that the commitment to industrial strategy, the financial crisis and personal indebtedness have lessons that we are failing to heed and are actually continuing. Under this Government, we see a London and south east property-based boom and not the commitment to investment in skill in the broader sense and investing in British industry to make it the very best in comparison with our European and global competitors that my hon. Friend the Member for Streatham (Mr Umunna) will be—

9.45 am

**The Chair:** Order. Has the hon. Gentleman entered a stand part debate or is he speaking to his amendment?

**Toby Perkins:** I am very much speaking to my amendment.

**The Solicitor-General:** In looking at monitoring apprenticeships, would the hon. Gentleman agree that the figures show the opposite of what he has just been saying? Namely, in 2005-06, there were 410 apprenticeships in his constituency, by 2009-10 it had gone up to 600 and now it is more than 1,200. This shows that this Government are putting the money and effort into skills that he said we were not.

**Toby Perkins:** The point that I was making, which the Minister may well have followed, was that we saw a big increase in apprenticeships under the previous Government, which was welcome. Under this Government we have seen a tremendous re-branding, with many things that would not previously have been considered to be apprenticeships by most people being classed as apprenticeships. Yes, we welcome the increase, but we also say we should make sure that we keep that real commitment to quality.

To return to this amendment with enthusiasm, Mr Hood, these are modest but important changes that will ensure that figures for apprenticeships are not something that Members of Parliament or the business community have to root out and look for, but are placed in front of Parliament. I am going to finish, because public demand for this debate may be nearing its end. The amendment would make sure this information is placed in front of Parliament and that the full value of public procurements in terms of the number of apprenticeships created is seen.

*Question put, That the amendment be made:—*

*The Committee divided: Ayes 7, Noes 10.*

**Division No. 4]**

**AYES**

Cryer, John	Perkins, Toby
Docherty, Thomas	Turner, Karl
Hopkins, Kelvin	Williamson, Chris
Onwurah, Chi	

## NOES

Bingham, Andrew	Hemming, John
Brake, rh Tom	Johnson, Gareth
Bridgen, Andrew	Maynard, Paul
Duddridge, James	Nokes, Caroline
Heald, Oliver	Rutley, David

*Question accordingly negated.*

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

**Toby Perkins** *rose*—

**The Chair:** Order. Before the hon. Gentleman begins, I should point out that when I originally tried to put the Question, there was no sound to the contrary. If he had wanted a clause stand part debate, he should have drawn my attention to that earlier. I will now call him, but if that happens in future, it is up to the Member to catch the eye of the Chair, not for the Chair to assume that the Member is going to speak.

**Toby Perkins:** We will not oppose clause 3—

**Tom Brake:** On a point of order, Mr Hood. Will you clarify that we will also have a separate debate on schedule 1?

**The Chair:** Yes, there will be a stand part debate on schedule 1. Does the hon. Member for Chesterfield want to speak to clause 3 stand part?

**Toby Perkins:** Yes. I am glad that we all know where we are—I hope that people in the Public Gallery understand it, even if I do not.

We will not oppose the clause, but seek clarification from the Minister about the Government's commitment to preserving and enhancing quality in our apprenticeship system. We will debate that matter specifically under our next amendment. The Government's decision to vote against scrutiny and clarity in that regard—steps that would have assured quality and that hon. Members were conscious of it—is not an entirely good omen.

The Richard review was a positive contribution to the apprenticeship debate, as was Labour's own review of apprenticeships and skills, headed by Professor Chris Husbands. The huge growth in apprenticeships under the previous Labour Government, alongside the broader direction of policy outlined by my right hon. Friends the Members for Doncaster North (Edward Miliband) and for Birmingham, Hodge Hill (Mr Byrne) and my hon. Friend the Member for Streatham, leave no one in any doubt about the Labour party's commitment, either to the quality or number of apprenticeships in our economy. That also leaves no doubt about the role of apprenticeships in a broader approach that places a premium on high-quality, well-paid jobs.

**Andrew Bridgen:** The hon. Gentleman talks about measuring the quality of apprenticeships. I put it to him that companies' requirements are hugely different now and that the variety of apprenticeships available will be, too. The real measurement of the quality of an apprenticeship is the impact that that young person

with new skills makes on the business. That is difficult to measure in broad-brush terms.

**Toby Perkins:** I agree, as far as it goes. Yes, it is right to say that young people getting into a business, playing a role in it and learning about the world of work, developing a work ethic and tying that up and associating it in their minds with a hard day's work for a fair day's pay, are important aspects. A young person can have an impact on a business, particularly on small businesses, which do not have a huge work force. It is valuable to have that one extra young person coming in; everyone in the business wants to get behind them and see them do well. However, just because a job has those features, it does not make it an apprenticeship. Apprenticeships are not the only route into work for young people, but employers and foreign investors need to know that if someone has done an apprenticeship, they can be assured of the quality of their knowledge. That is precisely what I should like the Minister to clarify and offer a commitment on.

The hon. Member for North West Leicestershire was right to say that things have changed dramatically since he and I were of apprenticeship age. The average time that a young person will be at an employer is 18 months, so it is important that that apprentice delivers for the business now. However, employees are moving around more and more; this Government have done more and more to reduce security at work and to increase the flexibility, if one is being generous, of our labour market. We are in a situation where young people, and indeed all of us in the economy, have been moving around from job to job. I am 43—goodness, it goes quickly. If I were to serve for five years as an MP—for the avoidance of doubt, let me say that I intend to do so—that would be the longest time that I have ever been in a job. That reflects what is happening in the workplace now: people move from job to job to job a tremendous amount.

What is important with an apprenticeship is, yes, that the apprentice delivers for their employer, but also that any other employer who seeks to take that apprentice on knows that, if that person has had an apprenticeship, they can be assured of the quality of their training and knowledge.

**Chi Onwurah:** My hon. Friend makes some excellent points about the quality of apprenticeships. Does he recognise that many owners of small businesses say that they are concerned about investing in an apprenticeship because they recognise that that young person might move on and take the skills they have gained with them? However, if we have greater confidence in the quality of apprenticeships generally, small businesses will be encouraged to invest in them, knowing that the apprentice pool in general will be of a higher quality.

**Toby Perkins:** My hon. Friend makes a couple of important points. Our commitment to the quality of apprenticeships is writ large in the second amendment, which we will discuss shortly, and it is incredibly important that there is a commitment to quality.

Every time that I am out doing business consultations, I hear owners of small businesses saying that they would like to become more involved in apprenticeships but, for a variety of reasons, they are not doing so. My

[Toby Perkins]

hon. Friend's point about small businesses is incredibly important, and there are dangers in some of the clauses that we will be debating; if they are not carefully handled, they could either end up excluding small businesses even more or, at the very least, not taking steps to improve small businesses' access to apprenticeships. That is extremely important.

I was struck by the evidence of Mike Spicer from the British Chambers of Commerce during our evidence session last week. He talked about the views of his membership, which is very broad but often rooted in small and medium-sized businesses. Many of those businesses would be suitable for an apprenticeship but might also find it difficult to offer one. He said of his members:

"I think they support in principle the idea of apprenticeships being about meeting a particular standard."

He recognises that apprenticeships are not only about apprentices coming into a business to develop skills and a work ethic, and to deliver for the business, but about a "particular standard" that they achieve. He also said:

"The sort of feedback we have had is that businesses would prefer a system more tailored to the needs of those individual industries but that, nevertheless, gives them confidence that the apprenticeship meets a certain standard."

That is precisely the point. He added:

"industry working together can promote a particular standard in mechanics, let us say, but, at the same time, their experience is more tailored to the work done within that particular business."

—[*Official Report, Deregulation Public Bill Committee*, 25 February 2014; c. 25, Q57.]

Mr Spicer's contribution fits in entirely not only with our amendments, but with what we want to see as the clarification in this area. It brings together the point made by the hon. Member for North West Leicestershire about delivering value for businesses and the point made by my hon. Friend the Member for Newcastle upon Tyne Central about ensuring quality and a situation where people trust the apprenticeship.

10 am

We agree with Mike Spicer and the opinion of the British Chambers of Commerce as a result of the many business consultations that we have carried out. At times, there has been a sense under this Government that any job, any apprenticeship will do. After three years of flatlining growth that is understandable to an extent. However, the Labour party has much more ambitious plans for Britain's economy and our commitment is to Britain embarking on a race to the top, not to the bottom.

We are not going to vote against the Government on this, but we would like to hear how they will ensure that the quality of apprenticeships will be enhanced and that the voice of all those business organisations expressing their concern about quality, consistency and uniformity will not go unheeded in a drive for numbers and simplicity.

**Kelvin Hopkins** (Luton North) (Lab): I want to speak briefly on this because, as I mentioned previously, I think I am longer in tooth than most Members here—in fact every Member here. I remember the days of full employment when literally hundreds if not thousands of people from Luton used to go into apprenticeships in

manufacturing industry. I am suspicious of the word "simplification". We want to guarantee, as my hon. Friend the Member for Chesterfield said, the quality and numbers of apprenticeships. We also want to guarantee the security of apprentices in employment. During recent fluctuations in the economy, I have come across former apprentices driving cabs because their apprenticeship collapsed because the small company collapsed. We want to make sure that security of employment is there for them as well.

The two great sources of apprenticeships in the past were the big manufacturing companies, of which there are several in Luton. Vauxhall Motors and General Motors in Luton and Dunstable together employed 38,000 workers 40 years ago. Now there are fewer than 2,000 in that sector. The majority of young men—and some young women too—left school a bit rough and ready with not much in the way of skills or even GCSEs, but after five years of rigorous training and education in manufacturing they developed not just skills such as mathematics and being able to read and write better English, but life skills. They became more mature human beings. They had role models in older men and learned about politics and trade unionism, which was very important to adult life. All that has been denied to two or three generations of younger people. I am glad that we are now re-creating apprenticeships.

The public sector was the other great provider of apprenticeships: nationalised industries and local authorities, most of which have been privatised or outsourced. They no longer provide the basis for apprenticeships that they did in the past.

**John Hemming:** Does the hon. Gentleman agree that the amendment implies that somebody who is not capable of getting to an A-level standard—

**The Chair:** Order. The amendment has passed. We are not talking about the amendment, we are talking about stand part. Will the hon. Gentleman address his remarks to clause stand part?

**Kelvin Hopkins:** I was talking about the great sources of apprenticeships in the past and the kind of life that young apprentices had. They would spend five years as apprentices and older workers—friends from my own political party—would tell me, "We took these young lads from school. They did not know much when they came, but by the time they left, they were skilled. They had life skills and basic literacy and numeracy skills, and they could have a secure life after that."

The deindustrialisation of Britain has had a terrible effect on apprenticeships. The fact that our manufacturing sector is now half the size of Germany's as a proportion of GDP is very significant. The crass privatisation of the mass of the public sector, which I totally opposed, has caused damage as well. The construction sector is notorious for its fluctuations in security. The direct labour organisations of local authorities and parts of the nationalised industries provided secure apprenticeships for construction skills and those skills then fed into the private sector after employees had done their apprenticeships. There was a kind of public subsidy to training, which I thought was absolutely right.

**David Rutley:** The hon. Gentleman is making a characteristically passionate speech about manufacturing. I am sure he will be pleased to note that the latest statistics show that the number of apprenticeships in his constituency has risen from 290 to 740. That was described in the Chamber the other day as a “stonking” increase. Does he regard that as an important move in his constituency?

**Kelvin Hopkins:** I am glad that the hon. Gentleman’s researcher has done so much research about my constituency. I suspect that that might have had something to do with Conservative special advisers. As I have said, I am pleased that we are now reviving the idea of apprenticeships, but I have some examples to show how bad the situation is. We still import some 15,000 trained engineers every year, because we cannot produce enough engineers to supply even our reduced manufacturing sector. Rather than looking at the increase in numbers, let us look at the absolute numbers and compare them with a more successful manufacturing country such as Germany. Let us also look at the extent to which the state involves itself in such matters.

**Toby Perkins:** Does my hon. Friend agree that we all have a real job to do to encourage more young people to pursue a career in engineering? The only time we see engineering on the television is when an announcement is made that a factory is closing. At the same time, we see people in IT doing really well. The news that we see about engineering tends to be bad news, on the whole. Deindustrialisation was a big cause of the problem, and we all have the job of promoting engineering as an important career.

**Kelvin Hopkins:** I thank my hon. Friend for that appropriate intervention. The hon. Member for Birmingham, Yardley mentioned A-levels. Many young people are having second thoughts about going to university and instead doing post A-level apprenticeships in higher level skills. That should be encouraged, but I wonder whether the legislation will encourage it.

**Andrew Bridgen:** One of the reasons why people do not want to become engineers is because of the misconception that engineering is a dirty trade. In my constituency, there is a company called Matsuura, which makes parts for Formula 1 cars, that is always inviting school parties to visit its factory. Everything is very clean because the work is done by computer manufacturing. That is not the environment that children think of when they consider engineering, but it is what modern engineering is like. We need to change perceptions of the industry.

**Kelvin Hopkins:** The hon. Gentleman is right. I have mentioned Vauxhall, and I fairly regularly visit the track and the company. Vauxhall regularly invites groups of youngsters to show them what industry is like these days, the opportunities in IT and what one might term “clean skills”. These days, however, even the track is clean, not oily and dirty like it used to be. People are still assembling cars, but manufacturing production lines are very different from how they were 40 years ago.

I think I mentioned in an earlier sitting that I recently visited a company in my constituency that makes parts for Jaguar and some of the Formula 1 car companies,

and which employs some 300 people. The chief executive tried to find a tool maker from Luton, where there used to be hundreds if not thousands of tool makers, but he could not find even one.

**Chi Onwurah:** My hon. Friend is making a passionate speech about the importance of engineering and engineering skills. As an engineer myself, I support that wholeheartedly. The Perkins report on engineering skills described the current lack of skills and predicted that demand for such skills will increase and make that gap even greater. Does he agree that it is disappointing that the Government have not responded proactively to the report’s recommendations when it comes to securing our engineering skills for the future?

**Kelvin Hopkins:** My hon. Friend is right. My final point is that “simplification” is an appealing word, but we must look in detail at the granularity of the need in industry. Recently, I visited an electronics company, and the chief graduate skilled engineer in electronics was a young woman from Greek Cyprus—a wonderful person, but we had to import her to do that job. We cannot train enough people from our own communities to do such jobs, and we have to work harder at that. I understand that we will not vote against the clause, but we want to ensure that “simplification” addresses the serious problem that Britain faces.

**John Cryer:** I speak to support my hon. Friend the Member for Luton North, because my concern is that putting “simplification” into any clause of any Bill might have all sorts of unintended consequences. Like his, my concern is that apprenticeships should be quality apprenticeships, properly based in the world of work and education. I was pleased that the Labour Government revived apprenticeships, which had been in decline for a long time. To be fair, the number of apprenticeships is still rising under this Government, and I have no problem with recognising that.

I remember that when we were in government, despite the fact that we revived apprenticeships, we still introduced the target of 50% of people doing degrees. I never understood where that came from. It seemed to be magicked out of thin air. When we were in government, I can remember asking on a number of occasions where that 50% target came from, and I never received a convincing answer. At the same time, I was pleased that we were reviving apprenticeships.

We still have a long way to go before we get back to the stage that I remember. I was 16 in 1980, and I could have left school—I did not; I stayed on—and within about half an hour I could have got an apprenticeship, and probably a series of apprenticeships. A very high proportion of the people I knew at school went on to apprenticeships. Because of that early 1980s recession, which hit the north and the west midlands, Wales and Scotland in a way that did not really touch London and the south-east, a high proportion of my contemporaries found themselves out of work with their apprenticeships finished, and that was not necessarily because the companies were closed. The first people to go were those whose apprenticeships were finished. In some cases, they were thrown on the scrap heap. That was a terrible shame.

Like my hon. Friend’s constituency, my constituency—and east London generally—has a rich manufacturing tradition. It is still there to some extent; we still have the

[John Cryer]

Ford Dagenham plant, which now employs 4,000 people. On the other hand, if we go back 40 or 50 years, 40,000 to 50,000 people worked at Ford Dagenham. It is, for example, where Ron Todd started his working life. For those who do not remember him, he was the general secretary of the Transport and General Workers Union.

**Kelvin Hopkins:** A great man.

**John Cryer:** Indeed. I will leave those on the Government Benches to digest that.

**Andrew Bridgen:** I was also 16 in the 1980s. It was even tougher on the Labour Back Benchers than it is on the Conservative Back Benchers. Does he agree that the world has moved on since then? With globalisation, companies have to respond much quicker than they did in 1980 to trends and the demands of customers and the market place. Apprenticeships and the skills that they deliver will have to evolve and change faster as well, and the Bill allows that. It is a natural response to the changes in the market place since 1980.

**John Cryer:** I would agree to an extent, but companies have long had to respond to changing market conditions. Apprenticeships were never set in stone. They have always moved to a certain extent. I still have one or two constituents who work at Ford Dagenham, but I was the MP for Hornchurch before I was kicked out by an ungrateful electorate—[*Laughter.*] I do not mean that. If anyone is planning on going canvassing in Hornchurch, that was a joke. It was a great constituency and I enjoyed being the MP. In those days, I had something like 600 constituents working at Ford Dagenham and the vast majority had probably been apprentices. Many others had moved on to other occupations but had been apprentices at Ford Dagenham when they were 16 or 17. Those apprenticeships were never set in stone. The hon. Gentleman is right that the world moves more quickly now, because of globalisation and the other changes in how international trade works. I worry that we might possibly be moving away from guarantees of quality slightly through adding the word “simplification”.

10.15 am

**Toby Perkins:** My hon. Friend makes the point about the world moving on and people doing different jobs, with jobs now that did not even exist at the time he considered an apprenticeship. That is all the more reason why the apprenticeship should not just be about the job that someone is in, but about having a basis and skill that can be taken to whatever job someone goes to in future.

**John Cryer:** I agree with my hon. Friend. The great watchword these days is “flexibility”, but it is often abused and used in all sorts of mistaken contexts. However, in the context that he is talking about, flexibility is crucial. I have more limited dealings with big manufacturing centres such as Dagenham, but I understand that apprenticeships are flexible. I was watching a documentary the other day introduced by Idris Elba. I think we are all familiar with him. I never realised that

his dad was a shop steward at Ford Dagenham—an obscure fact with which we are now all familiar. I thought he was American, but then I heard a broad east end accent, because he comes from Hackney, and discovered that his dad was a shop steward. I might even have met his dad during one of my visits to Ford Dagenham.

If we go back 40 or 50 years, there were two big sources of apprenticeships within striking distance of my constituency: Ford Dagenham and the docks. When one looks, for instance, at the decline in coal mining, steel and other heavy industries, the decline of the London docks was incredibly rapid. Going back to 1960, there were 50,000 to 60,000 people working on the docks. There are now none. That is an extraordinary change.

Not much attention is paid to the decline of the London docks. For possibly 200 years, they played a central role in the British economy, but that rapid decline is rarely talked or written about or recognised. The only place now with a large concentration of dockers near London is Tilbury, where there are possibly 500. There are a large number of apprentices still at Tilbury, but west of Tilbury there is absolutely nothing. Increasingly the Thames is not dominated by commercial but by residential premises, which is a big loss and perhaps something that we will regret.

I conclude by sounding the same warning as my hon. Friend the Member for Luton North. The increase in apprenticeships over the last 12 to 14 years is to be welcomed, but we want to see a guarantee of quality, and not undermine that kind of rootedness and quality that we have seen and which we see in many apprenticeships now.

**Tom Brake:** I want to start by picking up on a couple of points that hon. Members have made. The focus, quite rightly, was on quality. This is particularly important at a time when we see growth in the number of apprentices, because in a growing environment, particular focus has to be placed on quality. The hon. Member for Chesterfield could not quite bring himself to say that the number of apprenticeships in his constituency has doubled, but we had all noted that this was the case and he would want to ensure that they were quality apprenticeships. It would be strange if employers, whom we are trying to place at the centre of apprenticeships, did not want to ensure that they were of a sufficient quality. They will perhaps want to take on apprentices whom they have not trained themselves. If they see from their CVs that they carried out an apprenticeship somewhere else, I am sure that they will therefore want to ensure that the quality is consistent.

**Toby Perkins:** For the avoidance of doubt, I am very pleased that the number of apprenticeships has doubled in Chesterfield. I would not want the Minister to have an alternative impression. I am simply trying to ensure that what we have are good quality apprenticeships, rather than just numbers at any cost.

**Tom Brake:** I am glad that the hon. Gentleman has put the doubling on the record. On quality, we believe that employers have the greater stake in the quality of apprenticeships and the standards that employers design will raise quality. The quality of apprenticeships is a

critical aim of the reform programme. We want to ensure that all apprenticeships rise to the standard of the very best. Rigorous standards and assessments will drive the quality of apprenticeships in future, and if poor-quality provision is identified, it will be investigated and action will be taken. It is our view that current provision is overwhelmingly of good quality, but the Government will ensure that quality remains the focus.

The hon. Member for Luton North was worried about the security aspect of apprenticeship. Research shows that although the majority of apprentices remain with their employer once they complete their apprenticeship, those who do not remain have excellent prospects of finding another quality position.

The hon. Member for Newcastle upon Tyne Central, who has a background in engineering, expressed concerns about the engineering skills gap, which we all acknowledge; I think we have all talked to employers who have bemoaned the lack of home-grown talent in that respect. Some of the employers whom I have seen have had to go to Poland or India to bring in the skills required. I am sure that she will be pleased to know that the trailblazers—the groups of employers starting the process for us of developing the proposed reforms—include many top engineering firms and professional bodies, such as Airbus, BAE Systems, BMW, the Institution of Mechanical Engineers, the Institution of Engineering and Technology and Toyota. Those are exactly the sort of companies and organisations we want at the forefront of measures to strengthen apprenticeships, particularly in the field of engineering, and we welcome their involvement.

The hon. Member for Leyton and Wanstead referred to the arbitrary target of 50% for people going into higher education. I agree with him that it was an arbitrary target. None the less, I welcome the fact that the number of people going into higher education is on the increase, particularly the number of young people from disadvantaged backgrounds. At the same time, like all Members who have spoken in this debate, I welcome the fact that more young people are going into apprenticeships, which we need to project as a perfectly valid and viable alternative if a young person does not want to go down the university route.

I will keep my remarks on clause 3 short, because the bulk of what it is about is contained in schedule 1. Members will know that in 2012, Doug Richard undertook an independent review of apprenticeships in England and concluded that the current system does not always produce sufficiently good outcomes for employers or apprentices. The public consultation attracted more than 300 responses and supported the main Richard recommendations on improving quality, value and employer engagement. The proposed changes to the Apprenticeships, Skills, Children and Learning Act 2009 removed much of the bureaucracy around English apprenticeships. It is the Government's view that the reform of apprenticeships in England is essential to help address national skills gaps, support business growth and provide a credible alternative to university for young people. The purpose of clause 3 is to introduce schedule 1 and allow the Government to deliver that reform.

*Question put and agreed to.*

*Clause 3 accordingly ordered to stand part of the Bill.*

## Schedule 1

### APPROVED ENGLISH APPRENTICESHIPS

**Toby Perkins:** I beg to move amendment 7, in schedule 1, page 46, line 15, at end insert—

'(c) be no lower than National Vocational Qualification Level 3 by 2020.'

Having discussed quality, we now have an opportunity to give the word some meaning. Our amendment would insert a requirement that standards must be no lower than NVQ level 3—not immediately, but by 2020—into schedule 1. It is a relatively modest expectation, but a significant one. It is an opportunity for all of us on this Committee to ensure that the commitment to quality that the Minister just spoke about—he is right that this debate has focused, sensibly, on that commitment to quality—actually has some meaning.

In the Minister's most recent contribution, he said that there was a recognition of the importance of growth in the number of apprenticeships. That has been reflected by both sides of the Committee, but simply having a chart that shows the numbers, which Members could find if they so desired, is not in any way proof of a commitment to quality or a real investment in the next generation. To assure us about the quality, I think he said that employers have a stake in their members of staff, so they will want their staff to have decent skills and, by definition, it is not in their interests to provide poor-quality training.

**Tom Brake** *indicated assent.*

**Toby Perkins:** The Minister confirms that I am quoting him relatively accurately. My concern is—

**David Rutley:** Will the hon. Gentleman give way?

**Toby Perkins:** Would the hon. Gentleman not like to hear my concern first?

**David Rutley:** Go on then.

**Toby Perkins:** That is very wise—then we will have an opportunity to debate that concern. My concern is that a huge variety of people are doing apprenticeships on a huge variety of tasks. Some of those require substantial training, while others require very much less. There is a worry about us leaving it up to employers to invest.

The two previous Governments had the Investors in People programme, which said to employers, "Yes, we know that it is good practice to invest in your staff, but which of you can certify that employees who join your business will be invested in?" Simply to say that businesses are likely to want to train those staff they have taken on well does not do anything to ensure the quality of that apprenticeship. We recognise that that employer—  
[*Interruption.*]

**The Chair:** Order. I draw attention to the Public Gallery. If the hon. Gentleman cannot sit down and listen to the proceedings, he can leave the Committee. He is not to go over to the Public Gallery to have conversations.

**Toby Perkins:** It seems remarkable that someone might not want to know what I am saying, Mr Hood. That is a commitment that employers, who have a stake in an employee, not only want to provide adequate training for that job, but recognise that, at a time when the majority of young people stay in a job for only 18 months, that young person can take that training to whatever future employer, which would know that that apprenticeship was of a standard in which it could have confidence.

**David Rutley:** I thought that that might have been the hon. Gentleman's concern, as that comes back to quality. Is he concerned that quality has dropped across the 1,200 apprenticeships that have been created in his constituency, which is a 100% increase?

**Toby Perkins:** I am saying that we have seen, from the previous two Governments, a real commitment to the numbers of apprenticeships. The important next stage is to ensure that every single one of the people coming off those apprenticeships has the skills and qualifications that we can all buy into. That is not just my concern. I will now reflect on the words of Richard Hamer from BAE Systems. The hon. Gentleman will want to hear this, because it amplifies my point. Last Tuesday, Mr Hamer told us:

“My only concern, as I said in a note, was that when you do deregulate and take responsibility away from the sector skills councils that control or manage the apprenticeships, they could proliferate and individual employers or associations could create apprenticeship programmes that are not necessarily the best for their industry. There need to be caretaker arrangements for employers to put things in place to ensure that the quality of apprenticeship design is appropriate. At the moment, as I understand it, Ministers are in charge of any such changes. I cannot see the Department for Business, Innovation and Skills being in control of all apprenticeships—there are hundreds of them—and having the time to manage that.”—[*Official Report, Deregulation Public Bill Committee*, Tuesday 25 February 2014; c. 28, Q67.]

It is not just me raising this issue. Industry is coming to our Committee and saying, “Be careful here. We like the fact that you are talking about simplification, but we are anxious about the quality. What can you do to reassure us?” The Minister is saying, “Don't worry, employers wouldn't do it badly.”

10.30 am

**John Hemming:** Obviously, there are proposals to have standards. The hon. Gentleman is proposing a requirement that all apprenticeships satisfy NVQ level 3 by 2020. Does the hon. Gentleman have any idea what proportion of apprenticeships currently do not satisfy that standard?

**Toby Perkins:** I do. I thank the hon. Gentleman for leading me neatly on to the next section of my speech. Some 57% of the increase in apprenticeships between 2009-10 and 2011-12 in England was in level 2 apprenticeships. In total, nearly two thirds of all apprenticeships were at level 2. That is a substantial amount.

**John Hemming:** Does the hon. Gentleman accept that, if there were an increase in the standard, some apprenticeships might be lost? Is that a price worth paying?

**Toby Perkins:** It is important that we say that apprenticeships are a gold standard and that employers anywhere understand what they are taking on when someone has come out of an apprenticeship. That is not to say that there is no role in the economy for jobs that only require NVQ level 2 skills. But should those be called apprenticeships? Should the quality be preserved and increased, as would be the case under our amendment? There are traineeships and other training schemes. Under this Government—the exchange that we have just had amplifies it—we have seen various things being brought together and called apprenticeships.

The employers are saying to us, “We want to know, if someone's come to us, having done an apprenticeship somewhere else, about the quality of their training.”

**John Hemming:** Effectively, the hon. Gentleman is suggesting that the 59% increase between 2010 and now would be called traineeships rather than apprenticeships—yes?

**Toby Perkins:** Perhaps it would be appropriate for some of them to be called traineeships, but the important thing is that the apprenticeship would be the gold standard, NVQ level 3 qualification. To reiterate, that is not to say that there is not value in lower qualifications, but let us not pretend that they are apprenticeships if they do not have a commitment to investment in people.

We support apprenticeships not only being for young people. The biggest increase in apprenticeships under this Government has not been, as people would immediately think, those at the start of a young person's career; the big increase has been in the number of people returning to work, reskilling and upskilling on apprenticeships. We are all conscious that there is a commitment to a national minimum wage, introduced by the previous Government in the face of considerable opposition, and that because of the dual work-training element apprenticeships are paid at a lower rate than the national minimum wage. With awareness of a broad commitment to a national minimum wage and awareness that apprenticeships are paid below that wage, there is a duty on all of us to ensure that employees are not getting ripped off and are not only being taken on below the national minimum wage, but not getting that investment in them. That is why quality is important.

There can be real value for older workers who retrain and develop new skills. A future Labour Government will fit in with the ethos laid out by Richard Hamer of BAE Systems when he gave evidence to the Committee. We share his commitment to training and protecting the apprenticeship brand as the gold standard.

The Minister spoke about the trailblazer initiative, the value of which Richard Hamer recognised. However, we are all conscious of the impact on small businesses. My right hon. Friend the Member for Doncaster North (Edward Miliband) raised eyebrows in 2010 with his first speech to the Labour party conference, only a couple of days after becoming leader of the Labour party, when he said that Labour would become the party of small business. Since then, the impact on small businesses has been thought about at every level of Labour party policy. That is important in the context of apprenticeships. Many small businesses want to invest in the next generation, take on more apprentices and have young people come through their systems. However, for a variety of reasons, many find that they cannot.

BAE Systems is a major provider and has been successful in supporting the small firms in its supply chain to get involved in apprenticeships. Richard Hamer said that the foundation part of the apprenticeship, which has common elements with the engineering sector, is incredibly important. BAE Systems has ensured that those principles underpin its work across the engineering and manufacturing sectors. However, it is important that the small businesses that are not part of a major supply chain are also able to access apprenticeships and take them forward.

**Chi Onwurah:** I thank my hon. Friend for giving way on the important point of how large companies can support the small businesses in their supply chains to take on apprentices. He mentioned BAE Systems, and I know that Fujitsu and Accenture also work with their supply chains to support apprenticeships. Does he agree that that shows that companies are looking to their wider responsibilities, improving skills and supporting high-quality gold standard apprentices?

**Toby Perkins:** I absolutely agree. It is incredibly important that we recognise that the reason why businesses invest in apprenticeships is not only that they are good employers with an eye on the next generation, which they see to be part of their commitment, but because they recognise that if all British employers work together to strengthen the level of skill in our economy, it is good for us all and benefits the broader UK economy.

**Chi Onwurah:** My hon. Friend is being generous in giving way. He is making a critical point. It is a race to the top, not a race to the bottom; large and small companies should be supporting quality apprenticeships.

**Toby Perkins:** It absolutely is, and that fits in with the themes on which the Labour party will fight the 2015 election. The commitment to having an economy that can compete with the best in the world, rather than trying to be the cheapest and undercut other countries, fits in not only with the Labour party's values, but its specific policy proposals.

We are talking about quality. My hon. Friend is right to say that many employers are investing in skills and the next generation. Many employers are committed to ensuring that the apprenticeships they offer deliver not only value for the business right now, but investment in that young person, whoever they might work for in future. However, the fact that many employers, such as BAE, Accenture and the smaller businesses in their supply chains, are committed to and can deliver such quality does not mean that we should work on the basis that every employer will always be committed to the same sort of investment in young people.

We do not oppose the proposal, but we think it can be strengthened by our amendment, which would achieve the Government's aim of simplifying the language while guarding the vital component of assuring quality.

The central theme of our debates on the Bill so far has been how it is perceived. We all recognise that this Government's sense of dual purpose has ebbed away over the past months. As we look towards the general election, any collective idea of a coalition policy coming forward is disappearing into the mist. The two parties

are pulling away from each other, with each saying that all the good things in the Government are down to them and all the bad things are down to the other party, and that they are sorry but they could not stop them. As both parties go through that process, they have run out of substantial, important things that they want to do.

We are therefore seeing things such as this Bill, which is a hotch-potch of minor measures entirely concerned with how the Government are perceived. That is what the Bill is about. We do not know what the response of the two governing parties will be. In the context of the schedule, they talk the language of quality, but my suspicion is that anything that will reduce the numbers—and, therefore, the perception of the success of this Government, even if it makes things better—will be declined because they are worried about the perception.

When we debate a Bill that is all about how things are perceived rather than solving real problems, we should not be surprised that an amendment that would guarantee and ensure quality but could lead to fewer roles being called apprenticeships is voted down by the Government parties. The Labour party will fight for real apprenticeships that are valued by employers such as BAE Systems and employees alike, and are recognised across the whole of industry as a guarantee of quality.

I have already referred to the fact that the majority of the increase in apprenticeships was at level 2. The National Audit Office found that the returns to level 2 apprenticeships have declined over time. Indeed, in most of our northern European competitors, apprenticeships are level 3 qualifications that predominantly last between two and five years and always include one day a week of off-the-job learning, as well as significant on-the-job training. Much of the growth of apprenticeships in England is at a level that would not be recognised among our competitor countries across northern Europe.

10.45 am

When the Labour party says it wants a race to the top, with a skilled work force ready to compete with the very best, the amendment shows a commitment to that. It will be revealing to discover the Government's response to the amendment. We know that in the era of globalisation we cannot compete with countries around the world by being the cheapest. We can compete by being the best, and that is what we should all be attempting to do. That is why Labour's skills taskforce recommended establishing apprenticeships as gold-standard qualifications. The low-quality provision that is of less value to employers or learners is still sometimes entirely legitimate, but let us not pretend that something is an apprenticeship if it is not. We will therefore ensure that apprenticeships are at level 3 or above.

Setting the timetable at 2020 gives plenty of time for employers to identify changes that they might have to make and to consider whether what they have is an apprenticeship or a traineeship, or whether it should carry an alternative title. Is it simply training? Obviously a huge amount of training goes on in businesses and public sector organisations up and down the country that is not part of an apprenticeship, and we should not say that if training is not an apprenticeship, it has no value. There is value in that training, but let us not call it an apprenticeship. Our proposed apprenticeships would

include at least one day a week of off-the-job training and focus on new job entrants, rather than existing employees.

It is impossible to see why anyone who shared our commitment to the quality of apprenticeships would want to vote against our amendment, which would ensure that all apprenticeships achieved level 3 NVQ or equivalent. We heard from industry that it is calling out to Government to provide some certainty about quality. When we asked BAE Systems how important it was for employers to know that whoever was taken on at apprenticeship level would have a real base from which to start their career, Mr Hamer said:

“I think it is vital. That is why we are working through the trailblazer with a range of employers. They are the usual suspects and include the engineering sector and, in particular, aerospace. We are also working with smaller companies, most directly in our supply chain”.—[*Official Report, Deregulation Public Bill Committee*, 23 February 2014; c. 30, Q69.]

If someone, whoever they are, comes to a company having done an apprenticeship, that commitment is vital. [*Interruption.*]

**The Chair:** Order. The hon. Member for North West Leicestershire cannot walk across the Chair.

**Toby Perkins:** Thank you very much indeed, Mr Hood. We are talking about standards today, and you have been absolutely diligent. If people investigated apprenticeships with the level of assiduousness that you maintain standards in the Committee, we would all sleep a lot easier in our beds.

The Chancellor is fond of saying that we are in a global race. My right hon. Friend the Member for Doncaster North has ruled out a Labour Government joining a race to the bottom. He has said that we want Britain to compete with the leading economies in the world, aiming for that highly-skilled, well-paid work force that can match the quality of work on offer anywhere in the world. That is what Britain’s proud heritage shows we are capable of and where the next Labour Government will take the British economy back to. For those reasons, quality is important. We heard the words of the people who spoke to the Committee and we had a promise from the Minister, but we have not yet seen whether the Government are willing to make that promise real in the apprenticeships undertaken by young people. I look forward to hearing what the Government have to say about ensuring that the commitment to quality is backed up.

**John Hemming:** I apologise, Mr Hood, for thinking that the clause 3 stand part debate earlier was the debate on amendment 6. References to standards and quality were made in the clause stand part debate, and I thought it was therefore in order to talk about those issues.

We have before us an amendment that proposes that of the three levels of apprenticeship—intermediate, advanced and higher—we should not be allowed to call intermediate-level apprenticeships “apprenticeships”. That would be the effect of the amendment. Whereas we now have three levels of apprenticeships and 59% of the increase has been in the lower level, we would not be allowed to call something an apprenticeship if it was an intermediate-level apprenticeship.

We have to ask what the effect of such a change would be. Would it have the effect of driving up the number of NVQ level 3 apprenticeships, which might happen to some extent, or would it simply mean that people were called trainees rather than apprentices? I have some difficulty with the approach of the amendment. It is a simplistic amendment, saying, “If we push this up and push this up at a national level, we improve the quality overall.” The difficulty is that what actually happens is that people are squeezed out—perhaps those who, when they apply to be apprentices, are deemed not to be capable of the advanced or higher apprenticeship. That would be sad.

As things stand, an employer knows what sort of apprenticeship someone has done. The fact that it is called an apprenticeship is not the whole story; there is also whether it was at NVQ level 2, 3 or 4. All that the amendment would do is undermine those who were perhaps not considered capable of doing NVQ level 3 when they first applied for an apprenticeship, thereby excluding a large number of people from the process.

Let us look at the numbers in practice. I am pleased that the number of apprenticeships rose in my constituency from 340 in 2005-06 to 1,310 in 2012-13. I would be sad if the Opposition got their way and created an environment in which a lot of those people—59% of the increase—were not allowed to call themselves apprentices merely because they did not tick a box.

**Toby Perkins:** I am anxious to ensure that the hon. Gentleman, in making his case, avoids saying something that comes out in a way that he does not intend. Is he really saying that the only difference between NVQ level 2 and level 3 is “ticking a box”?

**John Hemming:** No. I am saying that the Opposition amendment is such that people may describe themselves as apprentices only if their apprenticeship is an NVQ level 3 or 4—from 2010, admittedly. Intermediate-level apprenticeships are level 2 at the moment, advanced-level apprenticeships are level 3 and higher apprenticeships are level 4. I cannot see the advantage to anyone of chopping out that intermediate level. Obviously someone may progress from an intermediate to an advanced or higher level, but it is rather a sad thing to shut the door on people right at the start. I do not know what the Government position is until we have heard the Minister speak, but I am therefore inclined to vote against the Opposition amendment.

**Chris Williamson:** May I congratulate my hon. Friend the Member for Chesterfield, the shadow Minister, on a powerful speech? He set out the case for the amendment well.

Listening to the interventions and speeches of Government Members, however, we seem to have the triumph of spin over substance. It is important to have quality apprenticeships, which are vital to the future health and well-being of our economy. However, if I were an alien from outer space who had just landed outside the House of Commons and sat in the Public Gallery to listen to our debate, I might be forgiven for thinking that since the Government Members’ parties came to power, they had cured youth unemployment. They were leaping up left, right and centre to say, “The

number of apprenticeships in your constituency”—or my constituency, or this or that constituency—“is going through the roof;” but how many young people are still unemployed in this country today?

**Andrew Bridgen:** The hon. Gentleman represents Derby North, a constituency not far from mine, where we may not have cured youth unemployment, but where we brought it down by 40% last year. Does he agree that that is a good start?

**Chris Williamson:** There is a long way to go and it is a national stain, it seems to me, on the character of this country that there are so many young people languishing on the dole. We can trace back much of this problem to the point that my hon. Friend the Member for Luton North was talking about: the de-industrialisation policy that Margaret Thatcher’s Government pursued all those years ago. It led to hundreds of thousands of people losing their jobs in high-skilled manufacturing industries such as the car industry. It is a crying shame and a sad irony that just after the second world war the Japanese were building British cars under licence in Japan. Although it is not quite the same, I am delighted to say that just down the road from my constituency, thankfully, the Japanese car giant Toyota is now investing in Derbyshire and the people working in the car industry there, with many apprentices being employed as well.

There is a sad irony there, and it is an interesting tale about how the failure of British capitalism to invest in the future has led to the demise and the decline not just of the car industry, but of the shipbuilding industry, as there was a complete failure to invest in the future of that industry. Order books were bulging in the 1950s, but people did not bother to invest—they did not feel they needed to; they were complacent. The same is true when it comes to apprenticeships. We only have to look to the history books to see that unless employers are required to invest in apprenticeships, they will simply rely on importing the skilled labour they need from abroad or poaching it from other, good quality employers that do invest in training. I am not branding all employers in that way—far from it—but it seems to me that too many do not invest in that way.

**Andrew Bridgen:** The hon. Gentleman talks about the sad and much-lamented decline in manufacturing in the UK over many years. To put the record straight, is he aware that manufacturing as a percentage of the UK’s total GDP fell by 50% during the 13 years of the previous Labour Government? Does he agree with my hon. Friend the Member for Birmingham, Yardley that this amendment, by taking the title of apprentice away from them, would run down young people trying to build their confidence and get into the job market, and not build them up?

**Chris Williamson:** The hon. Gentleman is being somewhat disingenuous—if that is not a disorderly thing to accuse him of—because the accusation that we are somehow trying to do down young people could not be further from the truth. What we are talking about was made abundantly clear by my hon. Friend the Member for Newcastle upon Tyne Central. This is about a race to the top, not a race to the bottom. We know just from looking at the history books that the

present Government—or rather, the Conservatives—always indulge in a race to the bottom. It is their *raison d’être*; we see it time and time again.

**John Hemming:** I managed to find the figures for the financial year 2011-12, which show that 506,200 funded apprenticeships were intermediate level and 317,000 were advanced level, while 5,700 were higher apprenticeships. Does the hon. Gentleman believe there is any advantage in preventing those half a million people from calling themselves apprentices?

**Chris Williamson:** The important thing is that the apprenticeship brand is not devalued in any way, shape or form. I come back to the point that this is about a race to the top. We want to ensure that all young people have opportunities to get into the labour market and that all young people have—indeed, that everybody has—a decent quality job and can enjoy a decent standard of living. I come back to the point that this is a race to the bottom. That is why we now have a standard of living crisis.

**Chi Onwurah:** I thank my hon. Friend for giving way and for his passionate and well-informed speech on the importance of engineering and manufacturing. I could not let the accusation by the hon. Member for North West Leicestershire that manufacturing was undermined by the previous Labour Government stand. Whereas the reduction in manufacturing as a proportion of GDP under the Conservative Government was a result of decimating our industrial heartland, such as Newcastle and the north-east, the reduction of manufacturing as a proportion of GDP under this Government—

**The Chair:** Order. The hon. Lady’s intervention is stepping away from the amendment.

11 am

**Chris Williamson:** Thank you, Mr Hood, although I have to say that my hon. Friend the Member for Newcastle upon Tyne Central made an extremely pertinent—it seemed to me, anyway—intervention on the background to the debate and the historical consequence of flawed decisions by previous Conservative Governments.

My hon. Friend the Member for Chesterfield made the point about our European competitors and colleagues, and the fact that they invest considerably more in apprenticeships. They certainly ensure that apprentices on the continent of Europe are trained to a higher level—to be precise, the vast majority of apprenticeships are level 3, as I understand it, with an apprenticeship period lasting two to five years.

I remember when I was a young man, I left school at 15 with no qualifications at all. Other hon. Friends have made the point that at that time—I left school in the early 1970s—it was so much easier to find employment, and it was very easy to find apprenticeship employment. I went through quite a number of apprenticeships. I trained for a period of time as a mechanical engineer. I did not like that, so I went into the construction industry as a bricklayer. I did not like that as an apprentice, so I thought, “I’ll try my hand again in a factory at training as a mechanical engineer.” That confirmed that I did not like that, and I thought I would prefer to be outside.

[Chris Williamson]

It probably turned out that I did not like hard work, but in the end I managed to secure an advanced City and Guilds qualification as a bricklayer. That took four years.

Apprenticeships in my day, when I were a lad, lasted that kind of time. Now we are getting jobs defined as apprenticeships that last for a few weeks. I am not trying to denigrate young people—this is not necessarily just about young people, because older people go into apprenticeships—but training in a job for six or seven weeks, or even a few months, ain't an apprenticeship, not in my book anyway. It is damaging to devalue the apprenticeship brand in that way by saying, "Well, we are creating all these apprenticeships." If I was an alien from outer space, I would be thinking, from listening to Government Members, that this Government were doing a far better job than they are in actuality.

**Toby Perkins:** I am really enjoying my hon. Friend's contribution and I encourage him to expand on it. It is not only about devaluing apprenticeships, but about where we are at this stage. We have seen the big increase in apprenticeships under the previous Government carried forward by this one, and it is about lifting the game now and saying "All right, we have started. Let's go to the next stage", and the next stage is to say, "Yes, there is a value for on-the-job training, but let's not call it an apprenticeship if it is not."

**Chris Williamson:** My hon. Friend is absolutely right. I remember when the Prime Minister brought the Cabinet to Derby in, I think, 2011. That was to use Derby as the backdrop for this damascene conversion to the value of a manufacturing-based industry. The Government talked about how they wanted to reshape the economy in the image of Derby, essentially, which was great, although a few months later they gave the Thameslink contract to Siemens in Germany rather to Bombardier, which is based in Derby—perhaps they are keen to build the apprenticeship scheme in Germany rather than here in this country.

My hon. Friend is right that it is about raising the level, and there now seems to be cross-party consensus, to some extent at least, on the value of investing in manufacturing and growing the manufacturing sector, which as we know, was decimated by the Tory Government in the early 1980s, when nearly all our eggs were placed in the financial services basket as the engine for economic growth. We know where that ended up. Now there is consensus in the rhetoric that we hear from the Government, who agree with us on the importance of manufacturing. I hope they will see the error of their ways and accept that what we are saying about the importance of quality apprenticeships, which are absolutely vital. If we are going to deliver on rebalancing the economy in favour of manufacturing we have to have quality apprenticeships. We cannot have one without the other.

**Andrew Bridgen:** Both the hon. Gentleman and the shadow Minister have claimed that the manufacturing base of this country was decimated by the last Conservative Government. Decimation means reduction by 10%. What would he call the 50% reduction in manufacturing under the last Labour Government—annihilation?

**Chris Williamson:** I do not want to indulge too much in the history of manufacturing, but what happened to the car industry, the coal industry and shipbuilding? What happened to those areas of really important, high-value manufacturing such as steel? It is very difficult to look at any area of manufacturing or heavy industry in the 1980s that was not absolutely decimated by the policies pursued by the Margaret Thatcher Government.

**The Chair:** Order. I think we are slipping away from the amendment.

**John Cryer:** Well, I will see what I can get away with. I was going to point out briefly that in the early 1980s, a third of manufacturing capacity was lost in about four years.

**The Chair:** Order. I do not think that that intervention kept to the spirit of what I was trying to advise. I am sure that other members of the Committee who want to make a contribution or an intervention will be mindful of the Chairman's comments.

**Chris Williamson:** Thank you, Mr Hood. I thought that was a very pertinent intervention which brought into sharp relief the real impact of that tragic period of our history.

**John Hemming:** I have with me a document on the City & Guilds website about a course in bricklaying which covers the following skills: interpreting working drawings to set out masonry structures; producing thin joint masonry and masonry cladding; building solid wall in isolated and attached piers; constructing cavity wall in forming masonry structures. What is wrong with somebody who is studying that calling themselves an apprentice?

**Chris Williamson:** I am not saying anything is necessarily wrong with that. I was an apprentice bricklayer for four years. All I am saying is that we want quality.

**John Hemming:** That is the level 2 bricklaying course at City & Guilds. If there is nothing wrong with that, why do we need an amendment to statute that would prevent somebody studying those things calling themselves an apprentice?

**Chris Williamson:** I went on and secured an advanced City & Guilds apprenticeship qualification. As I have said, it took me four years to reach that level. If we are going to drive up the quality of traineeships, apprenticeships and skills of our work force, and if we are serious about competing with our colleagues in Europe and with competitors in the far east and across the Atlantic in north America, we need a highly skilled work force. We are not going to get that unless we ensure investment, predominantly but not exclusively, in our young people. We have to specify the level that apprentices need to reach to satisfy the required skillset so that they have the skills that will be desperately needed as we move further into the 21st century. We have to make sure that employers invest properly in the apprenticeship scheme to get the required skills and that they do not simply rely on importing those skills from abroad. If we can do that,

we have a fighting chance of seeing a renaissance in manufacturing, for which there seems to be cross-party support.

**David Rutley:** How would the hon. Gentleman's redefinition help young people's career development and tackle the challenge of youth unemployment, which we are taking significant strides to address?

**Chris Williamson:** It is a part of the jigsaw. It is not a one-size-fits-all policy.

**David Rutley:** A very small step.

**Chris Williamson:** No, it is not a small step. It is a significant step, but it is a part of the jigsaw.

We need huge investment in our economy. We need to move away from the policies that are being pursued by the present Administration. The austerity project has been a disaster for public services. My hon. Friend the Member for Luton North made the point that in the past the public sector provided high-quality apprenticeships and traineeships, but now it is difficult to see the public sector making that level of investment in the future. Public services define a decent society, and it is important that we have highly skilled and qualified people in the public sector delivering those services.

There is a symbiotic relationship between the public and private sectors, although Government Members do not recognise it. A strong public sector sustains and grows the private sector because the money in public servants' pockets is spent on goods and services that are provided by the private sector, and procurement, for which the public sector is exclusively responsible, goes to the private sector. We must ensure that quality employment practices are in place when we deploy public money, and part of that is to ensure that apprenticeships are involved when a contract is awarded. Our amendment seeks to ensure that there is an adequate and appropriate level of apprenticeships.

**Andrew Bridgen:** The hon. Gentleman rightly talks about the symbiotic relationship between the public and private sectors. Will he share his thoughts about what is a sustainable proportion of the public sector in the economy, given that the private sector must earn enough money to support itself and the public sector?

**Chris Williamson:** As I say, there is a symbiotic relationship. I will not give a specific figure, but it could certainly be higher than it is today. We need only look at the level of public sector involvement in the economies of our Scandinavian colleagues, which are doing a damn sight better than ours and provide a higher standard of living. The Prime Minister keeps going on about happiness, but people tend to be happier there because there is not the disparity of wealth that we have in this country.

Apprenticeships are a part of the jigsaw. We need to look at the distribution of wealth in our country, the role of the public sector and a host of other things. The Government are getting it wrong on many important areas that are essential to the well-being of our nation. They are getting it wrong on apprenticeships, to the

extent that they are trying to overstate the growth in apprenticeships, which only devalues the brand. That is unfortunate.

With the amendment, we want to secure a race to the top, create good-quality apprenticeships and ensure that young people have a decent chance in life. It is not a one-size-fits-all policy or a magic bullet. It will not solve all the problems, but it will go a long way towards tackling the issues that my hon. Friends and I have outlined as the rationale behind the amendment.

**Andrew Bridgen** *rose*—

**Chris Williamson:** I will give way for the last time.

**Andrew Bridgen:** The hon. Gentleman has been generous in giving way. He said that he thinks that the Government's policies devalue the brand of apprenticeships. With all due respect, it does not matter what he or I think. It is about what young people and employers think, and they are voting with their feet; they like apprenticeships.

**Chris Williamson:** Of course they like apprenticeships, but we have got to ensure that they are proper apprenticeships. Let us call a spade a spade. As I said in my opening remarks, how can the hon. Gentleman in all conscience justify branding a training course that lasts a few months as an apprenticeships? That is not right or fair.

**Tom Brake:** Will the hon. Gentleman give way?

**Chris Williamson:** No, I am going to conclude. There have been lots of interventions. It would not be fair if I continued to contribute because other people want to speak in the debate. I will close by saying that my hon. Friend the Member for Chesterfield was absolutely right in the case that he made to justify the amendment. Quality is important for the young people, the employers and the strength of our economy.

11.15 am

**Kelvin Hopkins:** I strongly support the amendment. Going beyond the amendment, the measure is more about regulation. For that reason, I am even more enthusiastic because I would prefer a Bill about re-regulation than about deregulation. Being a traditional socialist of the left, I think that is a splendid idea.

I want to talk in particular about numeracy, because that is where we have a serious problem. That was identified some time ago by Lord Moser—Claus Moser—who studied numeracy and literacy. He is now in his nineties and is in the other place and, even now, he still despairs of the problems with numeracy in Britain. We have recently slipped further down the numeracy tables. A report by Professor Wolf suggests that maths education should continue throughout someone's education to try to bring up standards.

The amendment is about raising standards, particularly in numeracy, because numeracy and maths form a high proportion of the content of an apprenticeship. I am one of those perverse people who love playing with numbers. I sometimes feel like an alien because I meet so many people who are almost proud of the fact that

[Kelvin Hopkins]

they cannot do maths. They would not say that they were illiterate but they easily say they cannot do maths. There are fewer who do so now but, to paraphrase, even some of my best friends say that they cannot do maths. I tell them they should not say that; they should be aware that it is a problem.

I am such an alien that I did two A-levels in maths and used to teach statistics. My favourite bedtime reading is *Economic Trends*—the Library note that I take to bed with me every night to read. Show me a table, a graph, a pie chart and I am in heaven, Mr Hood. I realise that I am very perverse.

**Andrew Bridgen:** The hon. Gentleman makes a good point about the impact of negativity; that when people say they cannot do maths that is defeatism. How can he support an amendment that says someone cannot be called an apprentice?

**Kelvin Hopkins:** The amendment is about raising standards. I am concerned specifically about maths.

**Chi Onwurah:** While I thought the previous intervention was perverse, my hon. Friend is not perverse in liking maths and statistics. I did two A-levels in maths and enjoyed immensely the statistics parts of my various studies.

**Kelvin Hopkins:** I thank my hon. Friend, and I am glad we have at least one other enthusiast for maths. The point has been recognised by Lord Moser and more recently by Government in general. I give some credit to the Government because they are going to find out what other countries do about maths teaching to try to improve it. I know that includes visits to Shanghai because the Chinese are clearly doing something well that we are not.

I have always supported the view that rigour is important in maths teaching. That was certainly the case in old apprenticeships. Rigour was the rule of the day. Every student had to do things over and over until they got it right, whether in engineering or bricklaying.

I congratulate my hon. Friend the Member for Derby North on his excellent and fascinating speech. I remember the comparisons between Germany and Britain undertaken by the National Institute of Economic and Social Research in the 1980s led by Professor Sig Prais when he looked at bricklaying in Germany. People had to do a 30-hour practical bricklaying test without one mistake in order to get through their apprenticeship. They believed in rigour: we should introduce rigour, and that is what the amendment is about.

**Toby Perkins:** I am grateful to my hon. Friend. I would like to make a point before he moves on from the subject of numeracy and its importance in apprenticeships. He and my hon. Friend the Member for Newcastle upon Tyne Central spoke with passion about their excitement about figures. It is a tremendous shame that we did not have them with us, able to work out what 5% was in Wythenshawe. They could have got me to bed an hour earlier.

**Kelvin Hopkins:** There is a lack of understanding about numeracy. Lord Moser illustrated that by saying that 50% of the population do not understand what 50% means. I regularly write articles for newspapers, and I used to put in percentages. Now, if it is 10%, I tend to say “one in 10”, or both together, so that people understand that 10% means one in 10, because not everybody understands what 10% means. We have a problem in Britain with mathematics, which have begun to recognise and address.

We were talking about introducing rigour. I heard yesterday from hon. Members on who went on a visit to New Zealand with the Education Committee. They found that New Zealand has rather better standards than we do. They went to a school where they had particularly good standards and the head teacher was a former All Black rugby player, who was about 7 feet tall and 5 feet wide. He had no problems with enforcing rigour in his school, I understand.

**John Hemming:** Looking at the figures for 2011-12, does the hon. Gentleman understand what it would mean to apprentices if 62.765% of them were no longer allowed to call themselves apprentices?

**Kelvin Hopkins:** The point has been made more than once: we are talking about raising standards, not about cutting a lot of people out of what we call apprenticeships, and giving time to do this—2020 is another six years on. Six years is a reasonable time scale in which to achieve that. We have to address mathematics teaching in schools. To contrast British industry with German industry, we started to go wrong in the 1980s. Again, these comparisons were done by the National Institute of Economic and Social Research. There was a programme on television that showed British and German manufacturers of bespoke kitchens.

In the British factory, the shop floor would cut standard doors and other people would have to do the assembling and calculations. All the calculations were done by more qualified people upstairs. In the German factory, German workers on the shop floor took the plans, which were written in English, from Britain. They did all the calculations for the bespoke kitchen, cut all the pieces and packed them themselves. They could do the whole skilled job from one end to the other because their language and numeracy skills were so much greater than those in Britain.

When this contrast was drawn to the attention of our national head of training and apprenticeships—I forget what his title was—he was interviewed on television and asked why we did not do what the Germans did. He said: “It would be inappropriate in the British context”. What a lot of nonsense. He was just saying: “We are not going to do what is sensible”. If we want to compete with the Germans, we have to become skilled, which means rigorous apprenticeships and, as my hon. Friend the Member for Derby North said, raising the standards so that all apprentices have those necessary skills and our industry can once again be the best in the world.

**John Cryer:** There has been a lot of talk about bricklaying. It is worth remembering that Winston Churchill, in effect, did a bricklaying apprenticeship. Apparently, he joined what is now the Union of

Construction, Allied Trades and Technicians. That might cause a bit of worry for Government Members when they discover that Churchill was actually a wild-eyed threat from the far left. Having said that, I will do my best to follow your earlier instructions, Mr Hood, because my previous intervention was perhaps a little wide of the mark.

We are talking about a universal argument—at least a universal argument in the British context—which is the tension between interventionism and the belief that free market forces should be allowed to function completely free of any kind of constraint and intervention. Certainly, Labour Members—and perhaps some Government Members as well—tend to believe that intervention is

important and that some kind of regulation and control on free market forces is important. I remember when the National Minimum Wage Act 1998 was passed. We were told that 1 million jobs would disappear overnight. Actually, unemployment plummeted by something like 1 million—exactly the opposite took place compared with what we were told. I can remember the then Opposition—

11.25 am

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

*Adjourned till this day at Two o'clock.*

