

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

DEREGULATION BILL

Eleventh Sitting

Thursday 13 March 2014

(Morning)

CONTENTS

CLAUSES 31 to 35 agreed to.
SCHEDULE 12 agreed to with an amendment.
CLAUSE 36 agreed to.
SCHEDULE 13 agreed to.
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 (<i>Croydon Central</i>) (Con) | † Maynard, Paul (<i>Blackpool North and Cleveleys</i>) (Con) |
| † Bingham, Andrew (<i>High Peak</i>) (Con) | Nokes, Caroline (<i>Romsey and Southampton North</i>) (Con) |
| † Brake, Tom (<i>Parliamentary Secretary, Office of the Leader of the House of Commons</i>) | † Onwurah, Chi (<i>Newcastle upon Tyne Central</i>) (Lab) |
| † Bridgen, Andrew (<i>North West Leicestershire</i>) (Con) | † Perkins, Toby (<i>Chesterfield</i>) (Lab) |
| † Cryer, John (<i>Leyton and Wanstead</i>) (Lab) | † Rutley, David (<i>Macclesfield</i>) (Con) |
| Docherty, Thomas (<i>Dunfermline and West Fife</i>) (Lab) | Shannon, Jim (<i>Strangford</i>) (DUP) |
| † Duddridge, James (<i>Rochford and Southend East</i>) (Con) | † Turner, Karl (<i>Kingston upon Hull East</i>) (Lab) |
| † Heald, Oliver (<i>Solicitor-General</i>) | Williamson, Chris (<i>Derby North</i>) (Lab) |
| † Hemming, John (<i>Birmingham, Yardley</i>) (LD) | Fergus Reid, David Slater, <i>Committee Clerks</i> |
| Hopkins, Kelvin (<i>Luton North</i>) (Lab) | |
| † Johnson, Gareth (<i>Dartford</i>) (Con) | † attended the Committee |

Public Bill Committee

Thursday 13 March 2014

(Morning)

[MR JIM HOOD *in the Chair*]

Deregulation Bill

Clause 31

MANAGEMENT OF CHILD TRUST FUNDS: LOOKED
AFTER CHILDREN

11.30 am

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

The Parliamentary Secretary, Office of the Leader of the House of Commons (Tom Brake): The child trust fund is a tax-advantaged cash or stocks and shares account created by the previous Government to provide eligible children with an asset when they reach adulthood. There are some 6 million CTFs in existence, and most accounts are managed by parents of the account holder. Currently, only the Official Solicitor and similar Government bodies can manage the CTFs of those looked-after children for whom there is no suitable person with parental responsibility to do so. Those bodies manage some 9,000 accounts, and their management responsibility includes instructing providers on the investments to be held in the account and on account transfers, as well as periodically reviewing whether each child has the most suitable account.

The clause amends the Child Trust Funds Act 2004 to permit a wider range of organisations, including third sector bodies, to be authorised by regulation to manage CTFs for looked-after children. It also provides for the payment of such organisations and for the transfer of relevant information relating to the accounts. The clause reflects the fact that a number of organisations in addition to the Official Solicitor have proven expertise in the field, including third sector organisations committed to the welfare of vulnerable children or to developing financial awareness.

One such body, the Share Foundation, already manages junior individual savings accounts for eligible looked-after children under a scheme created by the Government. As well as managing the accounts, the foundation also solicits additional charitable donations for them and provides for the financial education of account holders, many of whom could face significant challenges when they leave care.

Toby Perkins (Chesterfield) (Lab): On the point of financial education, does the Minister agree that child trust funds are particularly important to looked-after children? They do not have many of the support mechanisms in place that many other children can rely on. What specific assessment has been made of the challenges that face looked-after children with child trust funds and financial education in general?

Tom Brake: I thank the hon. Gentleman for that intervention. I will hopefully cover those points shortly, and if not, I will write to him to clarify the range of things that the Government are doing.

The Government wish to explore whether opening up the CTF management role held only by the Official Solicitor to a broader range of organisations might benefit looked-after children holding CTFs, in the same way that the Share Foundation is already doing for thousands of looked-after children with junior ISAs. The clause therefore provides the basis for the Government to open discussions with a range of bodies to see whether changes to the current arrangements would benefit looked-after children holding CTFs. Any such changes will be subject to appropriate safeguards and appointment processes, and will be driven by what is best for the children who hold the accounts. They are some of the most vulnerable children in the country.

At this point I mention that Paul Goggins campaigned on these issues, and it might be appropriate to recognise the role he played in promoting this important agenda. I commend the clause to the Committee.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a pleasure to serve under your chairmanship, Mr Hood. It is something of an unexpected surprise that I am speaking this morning. The Committee will be sorry to hear that my hon. Friend the Member for Dunfermline and West Fife is unwell today. He was going to speak on these important clauses. It is clearly beyond my capability to replace him in any way, but I hope to offer the same level of scrutiny, which the clauses deserve and I am sure the Minister seeks.

As the Minister said, child trust funds were a campaigning issue for our right hon. Friend Paul Goggins, who unexpectedly died over Christmas. I echo the tribute paid by the Minister to Paul Goggins and to the importance of child trust funds in many young people's lives.

Child trust funds are savings and investment accounts for children born on or after 1 September 2002. They were instituted by the previous Government to try to address the unfortunately continued presence of inequality in our society that starts at or indeed before birth; research shows that parental income is one of the key factors in determining the life chances of children. I am sure that all hon. Members would support the principle that every child should be equipped to reach their full potential and that that should, as far as possible, depend on their own talents, not the income and financial circumstances of their parents.

The Solicitor-General (Oliver Heald): Would the hon. Lady recognise that capital has a part to play, and that part of the thinking behind child trust funds was to have some money behind the children, to start the savings habit and to encourage the idea of being a property owner?

Chi Onwurah: I thank the Solicitor-General for that supportive, if slightly disingenuous, intervention. I certainly agree that starting a savings habit was part of the thinking behind child trust funds. Saving for and investing in the future were clear principles for Labour Governments, as we have seen.

Child trust funds aim to give children of all backgrounds, particularly vulnerable and looked-after children, the potential for some of the advantages and financial backing that others in more fortunate circumstances might have.

We find the clauses to be generally reasonable. Given that one of the first actions of this Government was to abolish child trust funds, in concert with measures that cut child benefit by £129 a year for more than 7 million families and scrapped support for families with young children, costing families more than £1,000 at a time when costs are rising in the ongoing cost-of-living crisis, we feel that the measures are reasonable to support the continued effectiveness of the funds. We will therefore not oppose the clause.

However, I would like to hear from the Minister, as my hon. Friend the Member for Chesterfield suggested, more details on what the substitute will be for the beneficial impact of trust funds on looked-after children. I would also like to know more about the support for such children, which is not required to extend beyond the age of 18. There have been campaigns to change that so that looked-after children can have more support and advantages to overcome the specific inequalities affecting their life chances.

Tom Brake: I think the hon. Lady is far too modest in saying that she will be unable to replicate the competence shown by the hon. Member for Dunfermline and West Fife. Indeed, she has done just that in her contribution this morning. She commented on the fact that one of the first measures the Government took was to abolish the CTF. She will be aware that when the Government came to power we had certain issues to address, notably the fact that for every £4 the Government were spending, £1 was borrowed. More than 7% of the value of our economy had been wiped out and so we had to introduce measures which she does not support.

Chi Onwurah: I am sure, Mr Hood, that you do not want us to replay the debate over the financial crisis, which had such an impact on our economy. I am sure the Minister will agree that it was not child trust funds that caused the financial crisis.

Tom Brake: I thank the hon. Lady for that intervention. The problem with what she has just said is that if she makes a series of similar remarks about a number of other measures, then the total bill associated with all the measures that she thinks are too small for the Government to have needed to take action on, amounts to a very large bill that the Government would have to continue paying. That is not the purpose of the debate this morning. I am sure, Mr Hood, that you will want me to constrain my remarks to the clause before us. The hon. Lady made one point about looked-after children. My understanding is that the rules have changed in terms of local authorities being able to give more support to children post 18.

Chi Onwurah: Being able to, but not being required to, is my understanding of how the situation stands.

Tom Brake: If the hon. Lady's understanding is correct then both she and I would want local authorities to provide that support beyond 18. On almost all the criteria that one uses to assess looked-after children, they are under a great deal more pressure than children who are not looked after. We need to do everything we can to support them. My local authority—I am sure

hers does too—puts great emphasis on supporting looked-after children. There are regular events which I attend where they praise the achievements of looked-after children to ensure that they get support from the wider community for their education, sporting achievements and other things they are achieving in their lives.

Toby Perkins: The right hon. Gentleman is entirely right about the additional pressures that are often on looked-after children. For precisely that reason, many looked-after children will not have a child trust fund because no one will have set one up for them in the first place. For those who have one, it is really important that that support is in place. For someone coming out of the care environment, perhaps going into circumstances that are uncertain and chaotic, being given a big bunch of money could be far from helpful. It is really important that the support is there to ensure that those child trust funds are looked after and end up being the nest egg that we intended them to be and are not something that is problematic for that young person in the future.

The Chair: Order. That was more a speech than an intervention.

Toby Perkins: It was a good one.

The Chair: It was a good speech, but not an appropriate intervention.

Tom Brake: I will seek to deal with it briefly, Mr Hood. I agree with the hon. Gentleman. This was one of the issues that I had with child trust funds when they were set up. We would all want 18-year-olds, once they have access to those funds, to make the best possible use of them, whether that is to put down a deposit or buy a car for work purposes. But there was always going to be the risk that they would use that money in the way that the hon. Gentleman suggested, perhaps with a big party on their 18th birthday. They may feel that was a good use of the money, but perhaps it was not the intention when the fund was set up.

The Government's purpose here is to ensure that organisations such as the Share Foundation, which already plays an effective role in managing junior ISAs for instance, could play an important role in getting even better use out of these funds for looked-after children.

11.45 am

On a more general point about what the Government are doing to increase financial capacity among children—not specifically looked-after children—the Government take this seriously. That is why, from later this year, financial education will form part of the compulsory national curriculum in England. It will be taught within citizenship classes for 11 to 16-year-olds, with links to financial education in maths learning. The Government's tax-advantaged savings accounts, the CTF and the junior ISA, provide an excellent way of increasing a child's financial capacity, enabling them to learn about saving and managing money in a safe environment.

To reassure the hon. Gentleman, all eligible children will have had a CTF set up for them. One of the Government's big challenges is ensuring that all those

young people who have had these accounts set up for them actually know about it. As I understand it, quite a significant number are not aware that one was set up for them. There are measures to ensure that, through annual statements for instance, people are aware of it, but obviously difficulties arise when people move and may lose track of the fact that a fund was set up for them in the first place.

Toby Perkins: Will the Minister clarify his last point? At the time when we discussed the abolition of the child trust fund, I seem to remember hearing that about 80% of children who were eligible actually had one. Is he saying that every child who was entitled to one had one, or was it the responsibility of the parents or the organisation looking after them?

Tom Brake: What I am saying is that all eligible children will have had a CTF set up for them. If not their parents, then HMRC will have set it up for them. In terms of eligibility, they were all set up. We have had a fairly extensive and, hopefully, positive exchange on clause 31 and I commend it to the Committee.

Question put and agreed to.

Clause 31 accordingly ordered to stand part of the Bill.

Clause 32

MANAGEMENT OF CHILD TRUST FUNDS: CHILDREN 16 OR OVER

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

Tom Brake: This clause amends the Child Trust Fund Act 2004 to extend the choice available to CTF holders about how their accounts are managed. Current legislation requires a young adult to assume responsibility for the management of their CTF when they reach 16. This is two years prior to the date on which their account matures and they can access their funds. This management responsibility involves providing instructions to an account provider on the investments held in the account, which includes stocks and shares in many cases, and where appropriate, instructing on the transfer of the account.

The purpose of this change is to increase choice and flexibility so that account holders aged between 16 and 18, and their parents, can decide on the management arrangements that best serve the interests of the account holder. For some, this will mean a young adult assuming management of their account when they reach 16 or after. However, for others, this will mean allowing existing management arrangements to continue after the account holder turns 16, for example where the account is managed by a parent. This arrangement can continue until the CTF matures, when the account holder reaches 18. The Government do not want to be too prescriptive in this area.

As well as furthering choice, the change could also reduce costs and burdens for the financial organisations that provide CTFs, in that it will reduce the risk of a break in account management when the account holder turns 16, or the risk that a CTF may become inactively managed after the account holder turns 16. I commend the clause to the Committee.

Chi Onwurah: I thank the Minister for that explanation. While we have some concerns about the management and transferability of child trust funds, we will consider those as part of the next clause. Therefore we will not oppose this clause.

Question put and agreed to.

Clause 32 accordingly ordered to stand part of the Bill.

Clause 33

CHILD TRUST FUNDS: TRANSFERS

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

Tom Brake: This clause contains two separate provisions to increase choice and flexibility for child trust fund holders and their parents. It will allow investments to be transferred from a child trust fund to a junior ISA, which is referred to in the clause as a “protected child account”. Junior ISAs are the tax-advantaged accounts that the Government created when they ended new eligibility for child trust funds in 2011. Currently, only children who do not have a child trust fund are eligible for them. They have established themselves as a popular choice for many children and parents, and about 300,000 accounts have been opened so far.

The change will make available the benefits of junior ISAs to a wider range of children, and will increase choice and flexibility for the 6 million children who currently hold a child trust fund and their parents. The change was universally supported by hundreds of parents who, in response to the Government’s recent consultation, said that they believe a junior ISA would better serve their children’s interests than a child trust fund.

It is right that we remove the restrictions and increase choice by enabling parents to transfer CTF funds to junior ISAs if they believe it would better serve their child’s interests. The clause will allow regulations to be made to do just that. Associated changes will be made to the junior ISA rules to allow the transfer of CTF funds to a junior ISA, and the Government aim to make transfers available for those who want them in spring 2015.

Many parents and children may wish to retain their savings in a CTF. For those children, the clause will allow regulations to be made so that CTF savings can remain in a tax-advantaged protected account after the CTF matures when the account holder reaches 18. Changes to the ISA rules will also be made to enable savings to roll into an ISA without counting against the ISA subscription limit for the relevant year. The change will promote long-term saving after a CTF has matured, increase choice and flexibility for savers, and ensure that CTF holders can make full use of their ISA allowance for new savings in the year that their CTF matures. I commend the clause to the Committee.

Chi Onwurah: The clause will increase the options available to the parents and guardians of child trust fund holders, and it is to be welcomed. Both sides of the House support choice, particularly in financial investment, and we welcome measures that will increase competition in the financial services. We wish only that those measures are more effectively pursued.

The Opposition support the measures that will allow child trust funds to be transferred to junior ISAs, but I have some questions and concerns that I hope the Minister will address. The Minister acknowledged that we need powers to safeguard the transfer of investments from a child trust fund to a junior ISA, but does that mean the Government are concerned about the transparency and the level of competition in the ISA system?

The responses to the Government's consultation show that the motivation behind many parents' desire to transfer savings from a child trust fund into a junior ISA is that the interest rate of child trust funds is lower. In many areas of the financial services the benefits or interest rates offered to captive customers are lower than those offered to new customers. That concern has been expressed about building society accounts and many other areas of financial services, as I am sure the Minister will acknowledge.

How does the Minister propose to encourage competition in the child trust fund—and, now, the junior ISA—system? Is he confident that the measures will give sufficient incentives, and the right incentives, to support transfer, so that there is the right level of or increasing competition? What representations have been made with companies offering junior ISAs as well as child trust funds, to increase competition and ensure that the measures have the desired outcome?

James Duddridge (Rochford and Southend East) (Con): I rise briefly to support the clause. I have been interested in this matter for a number of years, having worked in the industry, and have corresponded with the Treasury and various Treasury Ministers. I thank the Financial Secretary to the Treasury, my hon. Friend the Member for Bromsgrove (Sajid Javid), who took up the issue in the Treasury and fought the conventional wisdom that the ISA system should not be changed and was already complex enough. He effectively drove through the change, which will not only facilitate transfers, but deal with the bizarre situation, which I and other families face, where a number of children that have started off with child trust funds cannot open a junior ISA. I support the work he has done. It is also right to highlight the work of the *Telegraph*, which campaigned over a number of years on the issue and has shown that the Government do listen and that effective Ministers can pick up such issues and drive forward change.

Tom Brake: I welcome the support for the clause expressed by the hon. Member for Newcastle upon Tyne Central and the hon. Member for Rochford and Southend East, and the support of the *Telegraph* campaign—I wish they would support the Liberal Democrats more frequently, but that is not a matter for today's debate.

The starting point of the hon. Lady's questions is that because there will be more options for parents and children about who manages their accounts, we expect the providers of junior ISAs, for example, to want to attract CTF holders and make the offer more advantageous for them. Equally, we assume that CTFs will want to do the same, to retain those who have CTFs. More specifically, although the fees associated with the accounts are a matter for the terms and conditions of the account, if a parent is unhappy with them, we should recommend that they consider transferring the account to another provider, but the issue remains a concern. More generally, the Government are convening a forum of providers,

consumer representatives and other expert bodies to monitor the market for CTF and junior ISAs and to discuss how it can best be improved for account holders. I hope that is a detailed response to the question the Opposition spokesperson asked in our earlier exchange.

Question put and agreed to.

Clause 33 accordingly ordered to stand part of the Bill.

Clause 34

CHILD TRUST FUNDS: SAFEGUARDS FOR CHILDREN'S INTERESTS

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

Tom Brake: Clause 34 is consequential on the previous clause, which provides for funds held in child trust funds to be transferred to a junior ISA. One theme that emerged during consultation on transferring CTF funds to junior ISAs was the difficulty in predicting the effect of this widely supported change on the broader CTF market, including the availability of attractive CTF products. Although there are around 6 million CTFs, the first accounts are not due to mature until 2020, with the final accounts not maturing until 2029.

The Government believe that it is for CTF providers and the CTF market to compete to retain CTF funds by offering attractive products and higher levels of customer service, which I mentioned in the debate on the previous clause. However, in view of some of the uncertainty about the effect on the CTF market of transferability and account maturity from 2020, it is prudent to seek powers that will enable Her Majesty's Treasury to safeguard the interests of CTF account holders, should this prove necessary. This approach won widespread support during the Government's recent consultation, including from a number of CTF providers.

12 noon

Clause 34 amends the Child Trust Funds Act 2004 to permit HM Treasury to make a range of specified interventions in the CTF market if the circumstances become such that it is necessary to protect the interests of account holders. These include powers to permit withdrawals from CTF accounts; powers to require one or more CTF providers to transfer CTF investments to another CTF provider; powers to require one or more CTF providers to transfer CTF investments to a cash or stocks and shares junior ISA, which is referred to as a protected child account, chosen by that provider; powers to require one or more CTF providers to transfer CTF investments to a cash junior ISA, which is referred to as a protected child account, specified by HM Treasury; and powers to provide that CTF accounts should be treated as junior ISAs.

If the use of those powers becomes necessary, the clause provides the Government with the flexibility for the most appropriate intervention to be determined by the specific circumstances in each case, and how the interests of account holders might best be safeguarded. Of course, the Government will look to discuss any proposed interventions with a wide range of stakeholders, including account providers and children's representatives. These powers will not, however, affect any entitlement of the account holder or their parents to be kept informed and to make alternative arrangements for their CTF funds, if they choose. I commend the clause to the Committee.

Chi Onwurah: This clause is a consequential provision. The Labour party has already expressed its support for the changes to child trust funds. However, I would like to press the Minister in two areas. First, a little more detail on what kind of circumstances would trigger the use of the powers would be helpful—one hopes there has been an assessment of the need for the powers. As I said earlier, there are some concerns about how the market will operate in the future. Clearly, both sides of the Committee must support monitoring the financial services industry to prevent financial scandals, of which we have seen far too many in recent years, including the financial crash, which caused our economy such harm.

Toby Perkins: My hon. Friend will be aware as I am that where such changes have been made and funds become available, there is sometimes a tendency for bad behaviour when businesses get into the market and do not do behave in the right way. We have seen it historically with the freedom of the pensions market in the mid-'80s, when huge numbers of people transferred out of pensions. Will my hon. Friend join me in urging the Government to ensure that the FCA keeps a close eye on this market? We are talking about, potentially, a group of not particularly sophisticated investors, and we need to ensure that all the necessary provisions are there for them.

The Chair: Order. I am not going to allow that again; that is the last time. An intervention must be an intervention.

Chi Onwurah: I thank my hon. Friend for his excellent intervention, which could have been two or three interventions, because it addressed a number of very important points—as you were good enough to point out, Mr Hood. The key point, which my hon. Friend made so eloquently, is that this is a new market and when it comes to maturation it will attract a number of new entrants. I will not beg the Chair's indulgence to go through the basics of free market competition, but that is how markets work. We expect a large number of new entrants who will be creative and innovative, and they might—indeed, they almost certainly will—include those whose innovation and creativity take them to the limits of consumer and customer benefit.

I detect in the Minister's remarks about this clause a desire to be able to deal with those situations. Can he give us more details about what circumstances of which bad practices or behaviours he has considered and anticipates? That would also reassure parents and families that when their children are able to access these funds, the right kinds of safeguards, as the Minister mentioned, are in place.

My other question to the Minister is this. Will he set out how this measure is deregulatory? It seems to me that, for very good reasons, it increases the potential for regulation. I recall that over many years under the last Labour Government, Conservative leaders were against increasing regulation on the financial sector. I do not know where the right hon. Member for Carshalton and Wallington stood on that question, but I am interested to hear whether he feels that this is indeed a deregulatory measure. If it is a regulatory measure—as it seems to me it is—does that reflect his and the Government's support for increasing regulation in the financial services sector?

Tom Brake: Let me respond to those comments. First, it is entirely appropriate to ask why the Government are setting in motion a number of measures that might be required. I will go into some detail, hopefully to satisfy the hon. Lady's questions on that front.

We are taking these powers because a key theme that emerged in the consultation on transferability from CTFs to junior ISAs was the difficulty of estimating the effect that voluntary transfers will have on the future of the CTF market. These measures are therefore more about the impact on the market, as opposed to what the hon. Lady referred to as “bad practices”. That is clearly something that other regulators have a responsibility for; this is about the impact on the CTF market. The Government believe it is prudent to take powers to allow further intervention, should the impact be significant and affect the availability of suitable CTF accounts. Many consultation respondents agreed with that approach.

Which of the powers we might need to be invoked would depend on the circumstances. The power to intervene in the market will be used only when the Government believe it is necessary to safeguard the interests of CTF account holders. If it is necessary for the Government to intervene, they should be able to choose from a number of options in order to take the most appropriate and proportionate action to safeguard account holders. The Government will look to discuss any proposed interventions with a wide range of stakeholders, including account providers and children's representatives. It is worth underlining the point that although the Government do not anticipate any failure in the market, in our view it is better to put things in statute now than to try to address an urgent situation by introducing legislation at short notice.

Toby Perkins: I agree with what the right hon. Gentleman says, but it flies in the face of a couple of things in the Bill that we have discussed previously, where the Government sought to get rid of things not because they were causing a problem, but because they were not being used all that much. Does the Minister anticipate that if these powers are not used much, they might be the subject of a future deregulation Bill to get rid of them?

Tom Brake: I do not want to give the hon. Gentleman the opportunity to issue a press release, but I suppose that it is possible that some years down the line, if there has been no impact on the CTF market and the CTF market is alive and well, perhaps these powers will not be deemed to be particularly useful. But we cannot anticipate that, which is why we are putting them in place to address the eventuality of an issue within the market.

James Duddridge: The right hon. Gentleman is making a very sensible point. I think the powers will be exercised at some point and all CTFs will be transferred to junior ISAs. I think that is right for a number of reasons. Can the clause be amended in another place, so that when that change—which I think is inevitable—happens, this clause will deregulate and automatically eliminate itself.

Tom Brake: I am not sure whether the House of Lords will want to introduce a self-destruct measure in the way the hon. Gentleman describes. I will leave that to the peers, but it is not something that the Government

have provided for in this House. However, I am sure that peers will pick up his comments and may well want to consider them and possibly act on them.

Chi Onwurah: Before the Minister brings his remarks to a close, can he say why these measures are being taken into HM Treasury, as I understand it, rather than given to an appropriate regulator, such as the Financial Conduct Authority or the Financial Services Authority? Is there an appropriate regulator already in place to regulate the market as it emerges?

Tom Brake: I think I took the hon. Lady's earlier remark about bad practices as being related to, for instance, the way in which those providing junior ISAs were managing the accounts of the people who took them up. That was the point I was referring to, rather than the measures in this clause.

The Government have regular discussions with the FCA, providers and a wide range of stakeholders. That is why we established the forum of providers, consumer bodies and other experts to monitor the market and consider the case for further intervention, only if it is necessary to safeguard children's interests. The provisions in this clause are precautionary and give us the ability to respond in a variety of ways, should that appear to be in the best interests of CTF holders.

Question put and agreed to.

Clause 34 accordingly ordered to stand part of the Bill.

Clause 35

ABOLITION OF OFFICE OF CHIEF EXECUTIVE OF SKILLS FUNDING

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

Tom Brake: Moving on to a different subject, as is inevitable with this deregulatory Bill—which is not a hotch-potch, but a perfectly formed Bill, containing important proposals from a wide range of Government Departments—[*Interruption.*]

The Chair: Order. I am sure I heard a conversation from the Government Back Benches. I should not be hearing such conversations.

Tom Brake: Thank you for calling the Committee to order, Mr Hood. I think those interventions and comments were simply additional adjectives that I could have used to reinforce the purposefulness of this Bill, but I will bring my remarks back to the subject of clause 35.

The clause removes the statutory post of chief executive of Skills Funding and transfers the relevant statutory powers and duties to the Secretary of State, with suitable modification. This includes the transfer of the chief executive's obligation to secure education and training for people aged 19 or over and apprenticeship training for people aged 16 and over. This follows a review of the status of the chief executive and the Skills Funding Agency, which concluded that the Skills Funding Agency should move to a conventional Executive agency. This change is consistent with our commitment to improve the transparency and accountability of all public services.

12.15 pm

The reform will clarify the legal framework by moving from the current position of two separate legal entities, each with their own powers and duties relating to the provision of vocational education and skills. Having all the powers and duties under a single legal entity in the Secretary of State will overcome the existing ambiguity about respective roles, making it clear where legal responsibility sits and strengthening the associated accountability arrangements.

Toby Perkins: I shall luxuriate in the slightly more liberal opportunity to articulate my views.

Tom Brake: I like the "liberal" part, but not the length.

Toby Perkins: There appears to be quite a bit of enthusiasm for that, which I appreciate. This clause is not something that we oppose. I know it seems—

Tom Brake: Will the hon. Gentleman give way?

Toby Perkins: Already?

Tom Brake: If the clause is not something the hon. Gentleman opposes, is it in fact something he supports?

Toby Perkins: The right hon. Gentleman should allow me to develop my argument a little and then he can be the judge of that himself.

This is by no means the first time that members of the Committee have had the opportunity to consider the rapacious appetite of the Secretary of State for Education to take further powers to himself. Members might reasonably think that that would send a chill down many a spine, but I take the view that the more opportunity the Secretary of State for Education has to take over the powers in this clause, at least he has a little less time to demoralise the teaching profession. In that regard at least, it might be useful if the Secretary of State spent his time on this issue.

The Association of Colleges voiced support for this measure, calling it

"a useful simplification of the current system".

We agree with that. The promotion of adult skills is vital to Labour's vision of a one nation economy, which we have spoken about already in our debates on the Deregulation Bill. With his agenda 2030 programme, my hon. Friend the Member for Streatham (Mr Umunna) has laid out a raft of measures that will give Labour an opportunity to set out a broader skills programme to ensure a skills base that provides the country with a significant foundation to be competitive in the race to the top in future.

The Skills Funding Agency funds adult further education and skills training in England and forms part of a network of organisations in England that commission, manage and promote training for adults. It is obviously important that this body maintains its independence and flexibility to deliver.

Tom Brake: The hon. Gentleman said earlier that he hoped the clause would ensure that the Secretary of State for Education spent less time attacking the teaching profession. First, I do not agree that that is what he does, but I also need to point out to the hon. Gentleman that this area is a responsibility of the Secretary of State at the Department for Business, Innovation and Skills, not the Department for Education.

Toby Perkins: I thank the right hon. Gentleman for making that important clarification. The clause gives the Secretary of State for Business, Innovation and Skills less time to demoralise business, but let us leave that on one side. It is vital that the body maintains its independence and flexibility to deliver. It is also important to understand exactly how that would happen, and that its independence will continue to exist. As it always has done, Labour favours lean and efficient government, so removing an unnecessary quango cost is certainly something that we would welcome. We are also encouraged that the AOC was so supportive of it.

I would be keen for the Minister to clarify that the operational independence of the agency would continue, and to hear what role he will play in leading the agency on a day-to-day basis. I wish to clarify the democratic oversight of the structure. Will the Secretary of State be accountable to the House for the agency's actions, and will he ensure clarity? If the Minister can provide satisfactory answers to those questions, I will happily support the measure.

Tom Brake: Let me start by saying that I have nothing but praise for the overwhelming majority of teachers, who are very professional. Clearly, the hon. Gentleman and I have differing views about the teachers' unions, but that is another matter. I should declare an interest, because both my parents were teachers.

I was interested to hear the hon. Gentleman say that he is interested in lean and efficient government. That is news to me. I am pleased that three and a half years after leaving government, he and his party have discovered the advantages of lean and efficient government, which the Government has been delivering for the past three and a half years, and will continue to deliver.

The hon. Gentleman raised several concerns about the clause, in particular about the Secretary of State's responsibilities and whether the agency will be independent. The measure is not about increasing Government control over the agency, but about simplifying the legal framework so that the Department and the agency operate through the same set of powers. It will clarify the responsibility and the line of accountability. Ministers will continue to set the strategic direction and the agency will continue to be responsible for individual funding decisions. It will operate impartially and objectively.

The measure will simply alter the legal status of the chief executive. The post holder will continue to perform many of the same functions as now, except that they will operate through the powers of the Secretary of State rather than their own powers. The Skills Funding Agency will remain an executive agency, which means that it will operate like the conventional models. I hope that I have reassured the hon. Gentleman. I commend the clause to the Committee.

Question put and agreed to.

Clause 35 accordingly ordered to stand part of the Bill.

Schedule 12

ABOLITION OF OFFICE OF THE CHIEF EXECUTIVE OF SKILLS FUNDING

Tom Brake *rose*—

Toby Perkins: Will the Minister give way?

The Chair: Order. The Minister cannot give way; he must move the amendment first.

Tom Brake: I beg to move amendment 9, in schedule 12, page 131, line 4, at end insert—

'() In the Notes to Group 6, in Note (5A), for "and 5B" substitute "to 5C".'

I thank the hon. Member for Chesterfield for providing a little gap for me to find the appropriate page in my notes. This purely technical amendment will ensure that proposed new paragraph 5C, which schedule 12 will insert into group 6 of schedule 9 to the Value Added Tax Act 1994—the exemptions—is referred to in an associated note to group 6, which defines a term used in the new paragraph that is being inserted.

Proposed new paragraph 5C will provide an exemption from VAT in specified circumstances for certain supplies of education and vocational training when the cost is ultimately a charge to funds provided by the Secretary of State in exercise of functions under part 4 of the Apprenticeships, Skills, Children and Learning Act 2009. It is a consequential amendment arising from the proposal in clause 35 to remove the statutory post of the chief executive of skills funding.

Amendment 9 agreed to.

Question proposed, That the schedule, as amended, be the Twelfth schedule to the Bill.

Tom Brake: Schedule 12 makes the necessary amendments to part 4 of the Apprenticeships, Skills, Children and Learning Act 2009, to give effect to the abolition of the statutory post of chief executive of skills funding proposed by clause 35. This reform will clarify the legal framework by moving from the current position of two separate legal entities each with their own powers and duties relating to the provision of vocational education and skills. Accordingly, the schedule removes the provisions creating the post of chief executive and replaces references to the chief executive with the Secretary of State as appropriate.

The effect of these provisions is to ensure that the current functions carried out through the statutory office of chief executive of skills funding will be continued seamlessly through the powers of the Secretary of State. Where the Secretary of State already has the necessary powers to undertake specific functions, the schedule generally repeals the provisions relating to the office of chief executive. The Committee should note that the Government are considering bringing forward technical amendments to schedule 12 on Report, in order to transfer the chief executive's funding powers under part 4 of the 2009 Act to the Secretary of State. The purpose of this amendment would be to place the Secretary of State's funding powers in relation to his education and training functions clearly on the face of

the 2009 Act, rather than relying on his existing statutory powers contained elsewhere. I commend this schedule to the Committee.

Question put and agreed to.

Schedule 12, as amended, agreed to.

Clause 36

FURTHER AND HIGHER EDUCATION SECTORS:
REDUCTION OF BURDENS

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

Tom Brake: Clause 36 introduces Schedule 13, which is a package of measures that repeal or amend various legislative provisions that are either obsolete or an unnecessary burden on the further education sector. The Government's aim is to free further education colleges and providers from unnecessary regulation so that they are able to respond to the needs of their local employers and communities. The Education Act 2011 has already removed or transferred various powers held by the Secretary of State in respect of further education corporations and sixth-form college corporations. I commend the clause to the Committee.

Toby Perkins: Schedule 13 removes a number of powers from the Secretary of State and Welsh Ministers with regard to transferring property. This is a provision that has never been used, and of course it makes good sense to deregulate and remove it from the statute book. It relates to the governance of local authority institutions and designated institutions conducted by companies. Many of the burdens removed through the clause are obsolete or have never been used, so it is a sensible use of the Deregulation Bill. For example, it is appropriate that the powers of the Secretary of State to transfer property between FE colleges be removed.

There have been differing views in the evidence given to the Joint Committee on the Deregulation Bill. The Association of Colleges, in its evidence, said that,

"colleges can be trusted to appoint the right staff and support their professional development without the need for statutory regulation".

However, City and Guilds said:

"The majority of teaching staff in FE colleges are either qualified or on the way to becoming qualified according to the most recent data...The Deregulation Bill now puts responsibility on the FE sector to consolidate and improve this momentum, so the sector will need to define and establish clear direction on how it will sustain and enhance its professionalism".

I would be interested if the Minister would respond to those comments from City and Guilds. Does he feel it correctly understood the impact of these changes on the further education sector? What discussions has he had with the sector about the way in which it would make those changes that City and Guilds imagines?

As many of the subjects taught at FE level are vocational, occupational or in niche specialist areas, Labour understands that a variety of teachers is required to make this a rich educational environment. We therefore agree that the Secretary of State should not issue diktats to every individual college about the exact make-up of their specific qualification requirements. However, we believe that everyone teaching in further education should

hold some kind of teaching expertise. Obviously, we have stricter rules and expectations for schools, in which everybody should work towards qualified teacher status, but within the further education sector, we recognise that a bit more flexibility is often necessary.

12.30 pm

Chi Onwurah: The Minister earlier talked about the limits to the Secretary of State for Education's ability to demoralise beyond the education sector into the further education sector. Does my hon. Friend agree that the fact that the Secretary of State for Education seems to place so little emphasis on qualifications for teachers in schools can have a demoralising impact on those in further education who wish to seek further qualifications to help them in their profession?

Toby Perkins: If we were to hold a debate on the ways in which the Secretary of State for Education demoralises the teaching profession, we would need a good deal longer than the half hour we have left. My hon. Friend makes an important point. A key goal of teaching qualifications should be to develop expertise in curricular design and pedagogy among further education lecturers in colleges. We have called for employer-led sector bodies to have greater control over the content of vocational qualifications underpinning apprenticeships, with the freedom to choose, adapt and update them as necessary.

We clearly do not want a situation where the Secretary of State sits in Whitehall. In fact, we do not want the situation where this Secretary of State sits in Whitehall at all; we want him out of the picture. Leaving that to one side, we do not want him to dictate to every college the basis on which they must employ their staff. We will not oppose the clause. However, the Government should give a clearer lead on the importance of teaching qualifications, particularly in schools, and not allow a free-for-all to develop on the back of this change.

It will be interesting for all of us to hear a Liberal Democrat Minister respond on this point. Many people suspect that the ideological approach of the Conservatives in the area of teaching, if no other, will be cast off like old clothes as we approach May 2015, and we suddenly discover that Liberal Democrats never believed in all this stuff in the first place, and that it was only those dreadful Tories who made them do it. It will be interesting to hear the Minister's response on what the Liberal Democrats think—if they have an independent thought—about teaching qualifications.

Labour is also pledged to give employers more say over the qualifications that will count towards a technical baccalaureate by accrediting those who are included. In that context, further education lecturers in colleges will need to build the expertise required to work with employers to tailor courses according to the needs of the local economy, rather than simply deliver off-the-shelf qualification frameworks. I am interested to hear the Minister's response to those points and the view of the Liberal Democrats on the broader policy area. Notwithstanding that, we support the measure.

Tom Brake: I suspect some of the points that the hon. Gentleman raised might be answered when we reach the debate about the schedule. I will respond to some of the specific points that he raised about the clause.

[Tom Brake]

We are trying to achieve a degree of flexibility. I think the hon. Gentleman would probably agree that if there are apprenticeship courses in a further education setting it would be appropriate for an experienced business person to come in to talk and teach. The difficulty is that if there is a strict requirement regarding teaching qualifications, that would be precluded. I hope he would agree that we want to encourage business people to go in and talk about their expertise and help young people move on. If the requirement to have a teaching qualification prevented them from doing that, it would be regrettable.

Toby Perkins: I agree with the Minister; I would point out that being good at doing something is not the same as being good at teaching it. That is why we see this role for people to come in—we recognise that flexibility—but they should also be developing their professional skills so that they can get what is in their head into the heads of their students.

Tom Brake: I agree with the hon. Gentleman that the expectation is, of course, that teachers would be appropriately qualified. The deregulatory measures before us are not about de-professionalising the teaching profession—far from it. He also talked about the importance of tailored courses. Last week we had an in-depth discussion about apprenticeships and the Government's desire to see employers take a much greater lead on this issue. I think that will ensure that the courses are tailored appropriately, because of the input from employers.

I think the debate on clause 36 will be short because we will have the debate about schedule 13. I will leave my remarks at that and commend clause 36 to the Committee.

Question put and agreed to.

Clause 36 accordingly ordered to stand part of the Bill.

Schedule 13

FURTHER AND HIGHER EDUCATION: REDUCTION OF BURDENS

Question proposed, That the schedule be the Thirteenth schedule to the Bill.

Tom Brake: Following a comprehensive review of all remaining legislation, we have identified provisions that either are obsolete or create an unnecessary burden on the sector.

Schedule 13 will repeal the Secretary of State's powers, under sections 136(a) and 136(b), and sections 137 and 138 of the Education Act 2002, to regulate qualification requirements for FE teaching staff and principals. The schedule also will repeal the Secretary of State's powers, under section 31 of the Further and Higher Education Act 1992, in relation to the governance of designated institutions conducted by companies. The will repeal the Secretary of State's power, under section 3 of the Further Education Act 1985, to set the minimum interest rate on loans made by local authorities to certain types of educational institutions.

The schedule will repeal the Secretary of State's power, under sections 33D(2)(b) and 33D(4) of the Further and Higher Education Act 1992, to unilaterally convert a sixth-form college corporation into an FE corporation

where the Secretary of State is no longer satisfied that it is appropriate for the body to be a sixth-form corporation. The schedule will repeal redundant provisions—in sections 23 to 26, 32, 33, 34 to 36, 38 and 58 and schedule 5 of the Further and Higher Education Act 1992—concerning the transfer of property, and so on, to FE corporations, designated institutions and sixth-form colleges. Finally, the schedule will repeal or amend the Secretary of State's powers in relation to local authority-maintained institutions, in sections 61 and 62 of the Education (No.2) Act 1986, sections 158, 159 and 219 of the Education Reform Act 1988, and section 56A of the Further and Higher Education Act 1992.

I am sure that every member of the Committee followed that list carefully. The changes in the schedule mean that we have a consistent approach for all types of institution in the FE sector while ensuring the safeguards we need to ensure standards and quality.

Let me turn to the detail. The measure to repeal the powers to regulate qualification requirements for FE teaching staff and principals sends a clear signal that the Government are serious about removing regulation on the sector. The 2007 regulations made under these powers have already been revoked. Several provisions bring all FE institutions into line with the changes we have already made for FE corporations through the Education Act 2011. These changes are about creating consistency and a level playing field among all categories of institution within the FE sector.

For example, paragraphs 2 and 3 of schedule 13 repeal powers in relation to local authority-maintained institutions, while paragraph 5 repeals powers in respect of the governance of designated institutions conducted by companies. Some of the measures remove provisions that have never been used and are unnecessary—for example, the power to unilaterally convert a sixth-form college corporation into an FE corporation or to set the minimum interest rate on loans made by local authorities to certain types of educational institutions. The further education sector will benefit from this consistency and the removal of unnecessary controls.

Toby Perkins: A moment ago we heard the Minister say that he would return to some of the questions I raised in the debate about clause 36 when he moved schedule 13, but I do not think he took the opportunity to do that. I am sure he will respond in his summing up.

Specifically, I am keen to hear the Minister's response to the comments from City and Guilds and what it sees as a requirement on the sector to consolidate and improve the momentum towards more FE teachers working towards qualified status. I hope he will not miss the opportunity to respond to that point next time or the broader points I made about the key goals of teaching qualifications and the impact they would have in the sector. As was said in the debate on clause 36, we support deregulation for many of the powers that have become obsolete. We look forward to hearing the Minister's response to the comments made to the Joint Committee on the Bill by the Association of Colleges and City and Guilds.

Andrew Bridgen (North West Leicestershire) (Con): Will the hon. Gentleman give way?

Toby Perkins: But before we do, we will hear from the hon. Gentleman.

Andrew Bridgen: Although qualifications for teachers may be desirable, they are not always essential. The gifted headmaster of my comprehensive school—the Pingle school at Swadlincote—Mr Joseph Bradley, started his teaching career teaching mathematics as an unqualified teacher, after an illustrious career in the RAF. He went on to be a very gifted headmaster indeed.

Toby Perkins: I understand entirely. It is good that the hon. Gentleman is able to place on the record his gratitude for the contribution that that head teacher made to his life. We all know inspirational characters in our schools. Many of us look back on individual teachers as people who made a big difference in our lives. I entirely recognise that.

Chi Onwurah: Will my hon. Friend give way?

Toby Perkins: Let me deal with this point first. The Labour party thinks that although there are inspirational people to whom many respond, people have a right to expect that those who come into the classroom with knowledge develop the technical knowledge of their profession. That is part of what makes teaching a profession and why we are resilient and robust about teaching qualifications in the school sector.

As I reflected on in my comments on clause 36, we recognise that more flexibility is needed in the further education sector. The Minister raised the issue of people from business coming to teach business studies. Similarly, if someone is doing a sports science degree and a professional footballer from the local football club comes along to talk about their training, of course that would be beneficial. We recognise that more flexibility will be required, which is why we supported clause 36. At the same time, there are skills learnt in a teaching qualification that often make for better teachers.

I will now give way to my hon. Friend, if she still has the enthusiasm and thirst for the intervention.

Chi Onwurah: My enthusiasm for the intervention matches my enthusiasm for the many inspirational teachers under which I had the good fortune to learn. Does my hon. Friend agree that the thought process—if we could call it that—of those on the Government Benches seems to suggest that they see a contradiction between inspiration and excellent real-life experience and a desire for the continuing development and lifelong learning that gives people the technical qualifications of teachers? Is there such a contradiction?

Toby Perkins: I certainly do not think there is a contradiction, but I suspect that my hon. Friend is right about the views of some of those on the Government Benches. The Minister has so far rejected the opportunity to let us know what the Liberal Democrats think separately of the Government, but perhaps he will shortly take up the challenge.

The contradiction my hon. Friend mentions can sometimes be detected in the comments we hear—certainly from the Conservative Benches—that betray a little about their view towards the teaching profession and the extent to which it is a profession. We would never think of putting our lives or our freedoms in the hands of a lawyer or a solicitor who had never been to law school. We would not say, “Well, he’s a persuasive guy—doesn’t know a lot about law, but I think he might inspire the jury to give me a decent break.”

12.45 pm

Karl Turner (Kingston upon Hull East) (Lab): Hear, hear.

Toby Perkins: I am getting a strong “Hear, hear” from my hon. Friend, a learned colleague whom I respect tremendously in this field. If someone was up on a murder charge, they would want to know that the guy in their corner representing them had the technical knowledge as well as the gift of the gab. We should view teachers in a similar light. They are professionals; they are people in whose hands we place the futures of our children, with confidence and all due respect and trepidation. It is not unreasonable to expect us to do that on the basis that they are people with that professional qualification.

James Duddridge: Will the hon. Gentleman give way?

Toby Perkins: I was about to bring myself to a conclusion—I was almost whipping up into a climax—but I will give way briefly to the hon. Gentleman and then I will climax.

James Duddridge: Having appeared in “Black Dog”, which picked up certain phrases last week, I will not be tempted.

The hon. Gentleman is taking an extreme position of annoyance, but would he consider something more nuanced? For example, magistrates do not have that formal qualification, yet we ask them to do what they do. It is not quite as extreme as having to have someone fully qualified or not qualified.

Toby Perkins: It is an interesting position: following the hon. Gentleman’s ludicrous example to its natural conclusion would mean people having to be qualified to become jury members. This comes back to how people view the teaching profession and whether they think of it as a profession or as something less than that. Indeed, the example of a magistrate is not a good comparison with a school teacher. I had the pleasurable opportunity to meet a delegation from the National Union of Teachers on Friday in my constituency. I wish I had had the opportunity to put the hon. Gentleman’s comparison to them, because it would have been interesting and revealing to hear what they thought about it.

Our position is that everyone teaching in a school should either be qualified or working towards a qualification. That is not an extreme position; it is about standards. A Labour Government oversaw the biggest advance in educational standards of any Government. I am proud of that record and we will be resolute in future on standards, just as we were resolute in our 13 years in government on that investment in our children’s education. However, we are straying somewhat off the topic, interesting as this subject undoubtedly is.

I look forward to the Minister finally taking the opportunity to respond to the issues I raised and, perhaps, to give us a view on what the Liberal Democrats think about this matter. On that basis, I offer him our support for the schedule.

Tom Brake: I am going to start by disappointing the hon. Gentleman. I am afraid that in coalition we speak with one voice, and I think that the whole Committee is speaking with one voice on the schedule. Indeed, there is the challenge for him: he agrees with Government members of the Committee today.

I do not agree with the hon. Member for Newcastle upon Tyne Central, who intervened to say that there was a conflict between inspiration and a desire for continuing development. In the case of the head teacher who started out in the RAF before going on to become a maths teacher, whom the hon. Member for North West Leicestershire mentioned, I am sure that there was continuing development on show in his progress from the RAF to being a maths teacher and then a head teacher. There is no conflict between the two things.

Of course, continuous personal development is important for all staff in colleges. The Government support that in priority areas of English and maths. The Committee will be interested to know that maths CPD courses for further education teachers are available and currently running, and English courses will be introduced in autumn 2014 to support continuous personal development.

Chi Onwurah: I thank the Minister for his eloquence in support of continuous personal development. The point I was making—as a great supporter of lifelong learning and continuous personal development and the great work of institutions such as the Workers Educational Association—was that often when the Government put up an inspirational teacher as an argument against a continuing requirement to achieve professional qualifications, they seem to see a contradiction between the two.

Tom Brake: I will allow individual Members to express their views; in relation to the schedule we are debating, there is a clear and stated position.

The hon. Member for Chesterfield asked a number of questions about the standards of teaching. He will be aware that the Education and Training Foundation has responsibility for ensuring the development of a well-qualified, effective and up-to-date professional work force, and it is responsible for the standards for FE leaders and teachers. It is also implementing the recommendations of the report of the commission on adult vocational training and learning on closer links and a clearer line of sight with employers. It is paramount that the FE colleges take account of up-to-date technical expertise.

Roughly 80% of teachers in FE are qualified now, which is obviously a very good thing. Teachers should be qualified in teaching, where appropriate, as well as having expertise in subject areas. In the Government's view, it is not necessary for the Government to regulate this; it is very much for colleges to decide what is

appropriate under the circumstances and what is effective for delivering the quality of education that their students request.

Toby Perkins: City and Guilds was clear that it thinks the Bill puts an additional responsibility on the FE sector to consolidate and improve the momentum to see more teachers fully qualified. Is that the intention of the Bill?

Tom Brake: I do not know whether that will be the outcome, but I am sure that if it were, it would be viewed in a positive way.

Karl Turner: Will the Minister be clear: is that the intention or not?

Tom Brake: The purpose of what we are doing is about deregulation. It is about allowing the FE sector to take greater responsibility for its own future and thereby to improve the quality of teaching in its institutions —[*Interruption*]—and it is about—

Karl Turner: Yes?

Toby Perkins: No?

Tom Brake: No, it is—

The Chair: Order. I have explained this, and I expect the Whips to understand it better than others. We will not have conversations across the Committee. If an hon. Member asks the Minister a question, the Minister will be given the opportunity to answer and will not be heckled during his answer.

Karl Turner: I apologise, Mr Hood.

Tom Brake: Thank you, Mr Hood: the notes that were provided during the course of that exchange have enabled me to clarify that the Government's focus is very much on flexibility, but it is not about imposing a burden on the sector.

Question put and agreed to.

Schedule 13 agreed to.

Ordered, That further consideration be now adjourned. —(*Gavin Barwell.*)

12.54 pm

Adjourned till this day at Two o'clock.