

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### WELFARE REFORM AND WORK BILL

*Fourth Sitting*

*Tuesday 15 September 2015*

*(Afternoon)*

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CLAUSES 1 to 3 agreed to.

Adjourned till Thursday 17 September at half-past Eleven o'clock.

Written evidence reported to the House.

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**Saturday 19 September 2015**

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

*Chairs:* ALBERT OWEN, †MR GARY STREETER

- |   |   |
|---|---|
| † Atkins, Victoria ( <i>Louth and Horncastle</i> ) (Con)                  | † Scully, Paul ( <i>Sutton and Cheam</i> ) (Con)  |
| † Bardell, Hannah ( <i>Livingston</i> ) (SNP)                             | † Shelbrooke, Alec ( <i>Elmet and Rothwell</i> ) (Con)                                      |
| † Blenkinsop, Tom ( <i>Middlesbrough South and East Cleveland</i> ) (Lab) | † Thornberry, Emily ( <i>Islington South and Finsbury</i> ) (Lab)                           |
| † Churchill, Jo ( <i>Bury St Edmunds</i> ) (Con)                          | † Timms, Stephen ( <i>East Ham</i> ) (Lab)  |
| † Coyle, Neil ( <i>Bermondsey and Old Southwark</i> ) (Lab)               | † Turley, Anna ( <i>Redcar</i> ) (Lab/Co-op)  |
| † Green, Kate ( <i>Stretford and Urmston</i> ) (Lab)                      | † Vara, Mr Shailesh ( <i>Parliamentary Under-Secretary of State for Work and Pensions</i> ) |
| † Heaton-Jones, Peter ( <i>North Devon</i> ) (Con)                        | † Whately, Helen ( <i>Faversham and Mid Kent</i> ) (Con)                                    |
| Hinds, Damian ( <i>Exchequer Secretary to the Treasury</i> )              | † Wilson, Corri ( <i>Ayr, Carrick and Cumnock</i> ) (SNP)                                   |
| † Milling, Amanda ( <i>Cannock Chase</i> ) (Con)                          |   |
| † Opperman, Guy ( <i>Hexham</i> ) (Con)                                   | Marek Kubala, Ben Williams, <i>Committee Clerks</i>   |
| † Patel, Priti ( <i>Minister for Employment</i> )                         |   |
| † Phillips, Jess ( <i>Birmingham, Yardley</i> ) (Lab)                     | † <b>attended the Committee</b>   |

## Public Bill Committee

Tuesday 15 September 2015

(Afternoon)

[MR GARY STREETER *in the Chair*]

### Welfare Reform and Work Bill

4.30 pm

**The Chair:** Before we begin our line-by-line consideration of the Bill, there are a number of things I would like to say, particularly to a younger, newer Members. I can remember from 20-odd years ago that it is quite daunting.

I have a little bit of housekeeping. Feel free to remove jackets but please ensure that all electronic devices are turned off or switched to silent mode, especially you, Mr Timms. The selection list for today's sitting is available and shows how the selected amendments have been grouped together for debate. Amendments grouped together are generally on the same or similar issue. The Member who has put his or her name to the lead amendment in the group is called first. Other Members are then free to catch my eye to speak on any or all of the amendments within that group. A Member may speak more than once in a single debate, although that is relatively unusual.

Please note that decisions on amendments do not take place in the order that they are debated, but in the order that they appear on the amendment paper. In other words, the debate occurs according to the selection and grouping list, and decisions are taken when we come to the clause affected by the amendments. It is important that speeches relate to the amendment or new clause we are discussing. We do not want Second Reading speeches on every amendment. I will be watching out for that quite carefully.

Sedentary interventions are never helpful and responding to them is even less so. If you have an intervention to make, the usual thing is to ask the person speaking to give way. Let us not call that out to each other from the Floor, thank you. I hope all that is helpful. It is my discretion whether to allow a separate stand part debate on individual clauses and schedules following debates on the relevant amendments. Let us see how we go on clause by clause.

#### Clause 1

##### FULL EMPLOYMENT: REPORTING OBLIGATION

**Hannah Bardell** (Livingston) (SNP): I beg to move amendment 22, in clause 1, page 1, line 3, leave out "Parliament" and insert

"the House of Commons, the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales".

*This would require the Secretary of State to report to the elected chambers across the UK with a responsibility for policies that can contribute to full employment.*

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

Amendment 23, in clause 1, page 1, line 6, at end insert—

"(1A) The Secretary of State will appear before a Committee in each of the Scottish Parliament, Northern Ireland Assembly and the National Assembly for Wales to answer questions about the report."

*This would require the Secretary of State to appear before a committee in Scotland, Wales and Northern Ireland to answer questions about the full employment report.*

Amendment 24, in clause 1, page 1, line 7, leave out subsection (2).

*This would remove the provision that repeals the full employment reporting obligation at the end of the current Parliament.*

**Hannah Bardell:** We seek support on the amendments because they are intended to increase the powers of the devolved institutions to ensure that the people whom we represent in Scotland, Wales and Northern Ireland in this Parliament are not overlooked by the UK Government. The amendments would increase the scrutiny functions of the devolved institutions on the reporting of the Secretary of State in relation to full employment and its definition. We in Scotland know the implications Government reports can have for policy decisions, and often the impact on devolved areas can be overlooked. May I speak on amendment 23 as well at this point?

**The Chair:** Yes, amendments 23 and 24.

**Hannah Bardell:** Amendment 23 is about the Secretary of State appearing before a Committee in the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales to answer questions about the report. The amendments in this group would ensure that Scotland, as well as Northern Ireland and Wales, was fully briefed on the full employment report, as they have a responsibility for policies that can contribute to full employment.

Finally, amendment 24 would leave out subsection (2) because we want to remove the provision that repeals the full employment reporting obligation at the end of the current Parliament. We feel strongly that clause 1 places a new duty on the Secretary of State to produce an annual report on progress towards full employment during the Parliament.

Amendment 22 is simply to ensure that the Secretary of State lays the report before the House of Commons, the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. We welcome the reporting obligations in clause 1, as they ensure that the Government are progressing full employment and that the definition made by the Department is brought before all the devolved Administrations.

As we well know, unemployment is a UK-wide problem and employment challenges facing different parts of the UK can be different. It is vital that the Secretary of State represents the devolved institutions and recognises the challenges that the Bill will have for devolved areas dealing with unemployment.

Amendment 23 adds extra scrutiny function to the Bill to ensure that the Secretary of State will appear before a Committee to answer questions on the report within each devolved institution. As the definition of full employment is not clear, the amendment would ensure that, whatever definition is decided on, the devolved institutions will be able to hold the Secretary of State to account. We are concerned that the Secretary of State could use the term to mask under-employment by defining full employment in narrow terms. Office for National

Statistics figures for 2014 put the number of zero-hours contracts at approximately 700,000. People in those positions worked an average of 25 hours a week, and one third of them would prefer more hours. It is vital that the devolved institutions can scrutinise the Secretary of State's report in order to deal with unemployment effectively.

Amendment 24 would remove the provision that repeals the full employment reporting obligation at the end of the current Parliament. If the Government are serious about reporting unemployment in order to address it, they would not dissolve the reporting duty after one Parliament. We really cannot understand that. In the current uncertain economic times, the Government cannot predict what employment opportunities lie ahead for people across the UK. It is imperative that full employment reporting continues, as it will be a useful indicator for the Government and the devolved institutions to formulate policies that respond to the demands of unemployment. Finally, the continuation of a reporting duty means that the definition will be tested and refined. Oxfam has supported the retention of the obligation to report.

**Kate Green** (Stretford and Urmston) (Lab): I listened with considerable interest to the hon. Lady propose amendments 22 to 24, which are interesting. Although she did not talk about this, I read the amendments in the context of the wider constitutional debate being played out in the passage of the Scotland Bill, which is also before the House and covers a number of matters relating to welfare reform. While I fully understand why she wants to promote the amendments—to expose more clearly the effectiveness of the Government's strategies and to increase scrutiny of them—I think we are stepping into quite new territory in terms of some of the reporting arrangements and the obligation of Westminster Ministers to report to the devolved Parliaments and Assemblies, and to appear before their Committees.

We know that devolved matters are wholly the responsibility of devolved Parliaments. I expect them to be scrutinised there and for Ministers in those Parliaments to be held to account for them. However, reserved matters are rightly scrutinised in this Parliament by Members of Parliament from all parties. Indeed, I venture to suggest that if we pursue this argument too far, we may start to give succour to the English votes for English laws argument, which some of us are very unenthusiastic about.

While I understand the hon. Lady's wish to shed more light on the Government's policies, I question some of the implications of her amendments. That is not to say that I do not understand what she seeks to achieve, but I am keen to understand the constitutional consequences of proceeding with amendment 22.

Amendment 23 is also very interesting. I read it with real interest when the hon. Lady and her colleagues tabled it, and I went off to dig a little bit into the history of what it might be about. I am sure she knows this, but other Committee members may not: the Government have some form in relation to appearing before Committees in the Scottish Parliament. Attempts were made by the Scottish Parliament's Welfare Reform Committee—perhaps the hon. Lady can confirm this—to bring Ministers from the Department for Work and Pensions before it between 2012 and 2014, in order for Members of the Scottish Parliament to quiz them about some of the provisions of what became the Welfare Reform Act 2012.

When the Convenor of the Scottish Welfare Reform Committee sought to invite the Secretary of State to the Committee, I am afraid to say that he received a rather dusty reply. On 12 December 2012, in a letter to the Convenor of that Committee, the Secretary of State said that he would not be coming, that as a Westminster Minister he was accountable first and foremost to the UK Parliament and, slightly tongue in cheek, he strongly encouraged the Scottish Committee to scrutinise the Scottish Government's implementation of the UK legislation. I will not get into the private grief between the Department for Work and Pensions and the Scottish National party on that, but it was clear that the Secretary of State was alert to some of the constitutional questions I alluded to a few moments ago.

In defence of the Scottish Committee, I have to say that it did not take that lying down—indeed, I would not have expected it to. The saga ran and ran—there was a series of letters, which are fun to read if anyone has a few spare minutes. In 2012, 2013 and 2014, the Committee noted that UK Ministers from other Departments had been prepared to appear before Scottish parliamentary committees, so the matter rumbled on.

In the event, no willingness was shown on the part of Ministers from the immediate past Government to appear before the Scottish Welfare Reform Committee. Since then, we have moved into another set of changes to the constitutional arrangements on reserved matters with the ongoing proceedings of the Scotland Bill.

In this Bill, we have a complex patchwork of devolved and non-devolved matters. Indeed, this is probably the Bill to exemplify the difficulties that Mr Speaker will face in certifying whether a Bill or parts of a Bill will be subject to the provisions of English votes for English laws—we might use it as a case study as we proceed through each clause, Mr Streeter, if you will indulge us.

The Scotland Bill will create further complexity. We are in a period of some uncertainty about which welfare reform provisions will be devolved and which will obviously depend on Parliament's will, and that legislation is far from completing its parliamentary passage. Labour has tabled several amendments to the Scotland Bill that I confidently expect us to consider on Report that propose further devolution of several welfare and employment matters to the Scottish Parliament. For example, it has long been our intention—my right hon. Friend the Member for East Ham talked a great deal about this in the previous Parliament—to devolve employment programmes such as the Work programme to the Scottish Parliament. We have developed our thinking in that field so that we now have amendments to the Scotland Bill that would also devolve the Access to Work programme, jobs guarantees programmes and employment programmes of less than one year's duration.

There are question marks around amendments 22 and 23. They are interesting and I am delighted that the hon. Member for Livingston moved them for debate, but I would prefer to await developments on the Scotland Bill before arriving at a firm conclusion about what my party's position might be on them. However, the hon. Lady is really on to something with amendment 24, which deals with what is effectively a sunset clause on the Secretary of State's obligation to report on the full employment targets. Since I saw the SNP amendment and my mind became focused on that provision, I wondered why the Government drafted it. Will the

[Kate Green]

Minister tell us in a few minutes that the Government are confident that, on full employment, by the end of this Parliament, “Job will be done”? As the hon. Lady said, we are keen to understand what the Minister means by full employment. That debate will be developed by my right hon. Friend the Member for East Ham and I know we are all very much looking forward to his erudite speech.

**The Chair:** Very much.

4.45 pm

**Kate Green:** It is good to have your endorsement, Mr Streeter.

We also know that progress on tackling unemployment is not necessarily linear. Even if the Government’s programmes are entirely commendable, effective and produce very positive results—hon. Members will not be surprised to learn that we may have some questions about the efficacy of some of them—as we famously heard from our political forebears, events happen that can blow the finest ministerial plans off course. Looking at the recent history of employment figures, if we are prepared to accept that the definition of full unemployment is, let us say, an employment rate of 80%, we were nearly at full employment in 2008. Then, of course, there was a significant rise in unemployment as a result of the world financial crash.

Although we have begun to see the very preliminary shoots of recovery—it is notable that people tended to stay in work after the 2008 recession, compared with previous recessions—the progress has not been constant since the economy began to recover after the recession. The last two sets of unemployment figures we have seen—we expect some more tomorrow—show unemployment rising again, and there are particularly worrying trends in relation to youth unemployment, which has proven to be a particularly stubborn nut for the Government to crack.

Amendment 24, tabled by the hon. Member for Livingston, is really interesting. I hope the Minister will tell us why she thinks it is right to have a sunset clause. Is she trying to protect future Governments? It is very kind of her to think about protecting future Labour Governments, but we are ambitious about full employment. We were the first to speak about it 10 years ago.

**Stephen Timms (East Ham) (Lab):** Twenty.

**Kate Green:** Twenty, my right hon. Friend says; I am too young to remember.

We would be happy for an incoming Labour Government to be held to account for full employment. It is an ambition that goes to the heart of my party; indeed, it is embedded in our name. This is an interesting amendment. I want the Minister to explain to the Committee why the Government want to put a sunset clause in the Bill. I very much look forward to the debate we are going to have.

**The Minister for Employment (Priti Patel):** It is a pleasure to serve under your chairmanship, Mr Streeter, as we begin line-by-line scrutiny.

The Bill introduces a statutory duty to report on the progress towards full employment. It is the right moment, as we start our scrutiny, to debate full employment. I am pleased that the statutory duty to report on progress has been welcomed by both Opposition parties in the Committee. The clause extends to England, Wales, Scotland and Northern Ireland. All right hon. and hon. Members in the Committee will have heard in the run-up to the general election and in subsequent debates that the Government want everyone, regardless of where they live, to fulfil their ambitions relating to work if they can do so.

As the Government set out in our manifesto, we aspire for the country to be the best place in the world to start a business and we want to achieve the highest level of employment. Therefore, producing an annual report illustrating progress towards full employment across the UK demonstrates the Government’s clear and transparent intention to continue to commit to those aspirations. We want the UK to be the best place in the world to create a job, get a job, keep a job, have long-term, sustained employment and be helped to look for another job if one’s circumstances change. Over the next five years, we want to move from a low-wage, high-tax, high-welfare economy to a higher-wage, lower-tax, lower-welfare economy.

It is worth pausing to put this in context. The hon. Member for Stretford and Urmston mentioned a raft of measures, including employment programmes, that have enabled more people to be in work than previously. The labour market has improved since 2010. Employment is up at 31 million, and there have been steady increases. The employment rate is now 73.4%. We recognise that there is more to do; hence the commitment to full employment.

To give an interesting anecdote, recently at the meeting of the G20 Labour and Employment Ministers, the UK’s ambition and success in the arena of employment was debated at some length by the other G20 countries. They are looking to some of the UK’s employment programmes and some of the work that we have undertaken on full employment.

We recognise that the devolved Administrations have an important role to play in achieving full employment, including through the provision of employment schemes, training and childcare. We will continue to work with them to ensure that the elements of employment support that are reserved are closely aligned with those that are being devolved.

The hon. Member for Stretford and Urmston mentioned at some length the Scotland Bill and the extensive debates that we had during its Committee stage. That Bill is still progressing. For the record, on the hon. Lady’s illustrative point about DWP Ministers not attending the Select Committee in Scotland, I will be going in the next two to three weeks. I look at that as very much a part of the ongoing dialogue that we should have with the devolved Administrations in this important space.

**Kate Green:** That is interesting information. I know that informal meetings have taken place and have been referred to in some of the correspondence that I mentioned between DWP Ministers and the Scottish Parliament. Would the Minister welcome a legislative requirement upon her to attend?

**Priti Patel:** We are in constant discussions, quite rightly, on how we approach the implementation of the Smith commission recommendations through the Bill and so on. That dialogue is important, as is establishing good and sustained ways of working. The statutory duty to report on progress towards full employment extends across the whole United Kingdom, so it is right that the responsibility to report sits with the UK Parliament. It would therefore be inappropriate to lay reports in each of the other Parliaments and for the Secretary of State to attend various Committees in each of the devolved Administrations.

The clause is not about requiring the devolved Administrations to create new policies or take actions. Previous Governments have talked of achieving full employment, but this Government are the first to set out in legislation a clear commitment to report on progress made to achieving that aim. As it is a commitment made by this Government, it is right that we hesitate before binding the hands of future Governments to report on progress made towards that goal.

**Hannah Bardell:** I welcome the fact that the Minister is coming to Scotland. That is good news, but does she not recognise that, as the hon. Member for Stretford and Urmston illustrated, it is very much down to individual Ministers whether they attend or not? A statutory obligation is extremely important, so that we can ensure consistency. I am glad that the Minister is attending but, unfortunately, we have a history of Ministers not willing to attend or co-operate. We talk about a respect agenda, and we feel that it is important to have a statutory obligation in legislation. The decisions made in Westminster on issues such as this affect people in the devolved Administrations, so it is only right and proper that the Government of the day report to the devolved Administrations on those issues.

**Priti Patel:** I thank the hon. Lady for her remarks. There is a clear commitment from this Government to work with the devolved Administrations, particularly with regard to the implementation of the Smith commission. Therefore it is not appropriate to put into legislation the statutory need for a Minister to respond and to come to meetings.

It is fair to say—certainly in my role, and regarding the Scotland Bill and the devolution of welfare—that there has been a clear and transparent way of working between the Department and the Scottish Administration. In particular, there has been support where support has been required and requested. That is a clear illustration of the mutual respect agenda and of how we are working together and supporting each other on the delivery of the Smith commission.

Full employment cannot be created by an Act of Parliament or by the Government alone. Achieving that objective depends on a range of factors, predominantly a strong economy and a strong partnership and working relationship with business, employers, communities and those that invest in skills, people and innovation. On that point, it is worth my reiterating that there was a clear manifesto commitment to achieve the aspiration of full employment and, particularly, to report on that over the lifetime of this Parliament. The Government are committed to doing that, so I urge the hon. Member for Livingston to withdraw the amendment.

**Neil Coyle (Bermondsey and Old Southwark) (Lab):** Governments bind their successors in a lot of different ways. For example, when the Work programme is renewed, in whatever form it takes, it is assumed that the programmes will run over into the next Parliament. Why, if the Government are burdening a future Government with the programmes that they have put in place, do they not consider the reporting that we are discussing to be less onerous on a future Government? It would also be quite useful in indicating where the next Government were on securing full employment.

**Priti Patel:** I thank the hon. Gentleman for his intervention. This is a clear manifesto commitment that the Government outlined at the time of the general election, and we feel that we can work hard in this Parliament to achieve it. Of course, future Governments will address it and make their own commitments.

**Neil Coyle:** This is a bit of a cheeky intervention, but is the Minister saying either that she does not expect to be in the next Government or that the next Conservative manifesto will not include a commitment to full employment?

**Priti Patel:** I think the hon. Gentleman has missed the point of my remarks. This is about producing an annual report that outlines the progress made towards full employment, which we feel is appropriate in this Parliament. It is for future Governments to choose their approach to reporting. Our first annual report will set out how we will interpret full employment, which will be based on existing data sources for the UK and could include a variety of measures. We are looking to outline that.

**The Chair:** It now falls to the mover of the amendment to say a few words, if she wishes, in response to what the Minister has said, and then to inform the Committee whether she wishes to withdraw the amendment or put it to a Division.

**Hannah Bardell:** Thank you, Mr Streeter. This has been an interesting debate. I heard some encouraging remarks from Labour Members, and I hear what the hon. Member for Stretford and Urmston says about waiting for the Scotland Bill. However, I would say that, disappointingly, we have not seen any movement or support from the Government on the Scotland Bill. It is important that we have reporting mechanisms and commitments put down in legislation.

**Kate Green:** The hon. Lady is right that we have not yet seen a great deal of progress on the Scotland Bill, and it is difficult to predict whether that Bill will be overtaken by this one. It seems to have become stuck somewhere in the long grass. Does the hon. Lady agree, having rightly exposed this question this afternoon, that we might hope that Ministers will take note and accelerate the progress of the Scotland Bill? Does she also agree that if they fail to address the points that she has raised today, it would be a good idea to bring the issue back when we discuss this Bill on Report?

**Hannah Bardell:** I hear what the hon. Lady says, but I feel strongly that the two are not necessarily mutually exclusive. I do not see any reason why we cannot have these reporting mechanisms in this Bill and still make progress on the Scotland Bill—I feel strongly about that.

I hear what the Minister says about mutual working, but I do not necessarily agree with everything that she says. Although the discussions between the devolved Administration in Scotland and the UK Government have been helpful, they have not been as productive as we would have liked.

It would be fair to say that the Smith commission fell short of the vow that was made just after the referendum, which was a cross-party effort under the banner of the Better Together campaign. We feel strongly that the Scotland Bill falls short of Smith. We did our best to bring the Scotland Bill up to the level of Smith with our amendments, but sadly we did not get the support that we sought from both sides of the House, although to be fair Labour did support us on some amendments.

For us, the amendments cover matters that are important to include in the Bill, and we will press them to Divisions.

5 pm

*Question put, That the amendment be made.*

*The Committee divided: Ayes 2, Noes 10.*

#### Division No. 1]

#### AYES

Bardell, Hannah                      Wilson, Corri

#### NOES

Atkins, Victoria	Patel, rh Priti
Churchill, Jo	Scully, Paul
Heaton-Jones, Peter	Shelbrooke, Alec
Milling, Amanda	Vara, Mr Shailesh
Opperman, Guy	Whately, Helen

*Question accordingly negatived.*

**Stephen Timms:** I beg to move amendment 1, in clause 1, page 1, line 4, leave out from ‘and’ to end of subsection and insert

‘for the purposes of this report “full employment” is defined as 80% of the working age population.’

*To specify that the purpose of reporting on progress toward full employment, full employment is defined as 80% of the working population.*

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

Amendment 106, in clause 1, page 1, line 6, at end insert—

“(1A) The report in subsection (1) must include information about:

- the job quality of new jobs created, as set out in section [Definition of job quality] of this Act;
- the distribution of the quality of jobs by occupation, industry, sector and region; and
- the distribution of the quality of jobs by sex, race, disability and age.’

*To require the report on progress towards full employment to also report on progress on quality of jobs, the distribution of those jobs and a breakdown of the employees in those jobs.*

New clause 11—*Definition of job quality*—

‘(1) Within six months of section 1 of this Act coming into force, the Secretary of State must, by regulation, provide a definition of job quality.

(2) Before issuing regulations under this section the Secretary of State must carry out a public consultation.’

*To require the Secretary of State to bring forward a definition of job quality and to ensure there is a consultation on defining job quality.*

**Stephen Timms:** I welcome you to the Chair, Mr Streeter. We know that you will guide our deliberations with a firm but fair hand, and we look forward to benefiting from that.

Some 18 months ago, the Chancellor of the Exchequer explicitly repudiated a notorious statement made by one of his Conservative predecessors that unemployment was a price “well worth paying” to bring down inflation. I suspect that all members of the Committee would support the Chancellor in repudiating that remark, which was made in 1991 or 1992 by the then Conservative Chancellor, now Lord Lamont. By contrast, today’s Chancellor affirmed the goal set out in modern times, first by Gordon Brown.

My hon. Friend the Member for Stretford and Urmston said that 10 years ago—I persuaded her to say that it was 20 years ago; I think it was in 1993—Gordon Brown set out what was, at the time, a radical aspiration to achieve full employment. The Labour Government who were elected a few years later formally signed up to that goal and went on to explain what full employment meant to them. That is the point on which I want to press the Minister, through amendment 1.

I welcome the fact that the Chancellor has said he wants us to achieve full employment, but we need to know what the Government mean by that. The amendment would make that clear. The last Labour Government, of which I was a member, was committed to full employment and said that that meant a rate of employment of 80%, which is why that figure is included in the amendment.

I accept that other definitions of full employment could be used. The Chancellor has given the impression, from time to time, that the definition he would like to see would be that of the highest rate of employment in the G7. That is a reasonable alternative definition; it is not as good a definition, but one could run with it. The central point is that we need to know what definition of full employment the Government are using in setting out their goal. Otherwise the target, and the purpose of the report required under the clause, is meaningless.

G7 employment rates in July were 74% in Germany, 73% in Japan, 72.6% in Canada and the UK, 68.7% in the US, 63.8% in France and 56% in Italy, so on the most recent figures the UK’s employment rate is squarely in the middle. I think we would all agree we should be doing significantly better than that. I think Bill Clinton said:

“I do not believe we can repair the basic fabric of society until people who are willing to work have work.”

All of us would sign up to that sentiment, but what exactly are the Government setting out to achieve in clause 1 and the required report?

A couple of years ago, the TUC carried out research on employment rates across the OECD—so beyond the G7. At that point the highest rates of employment were 84.1% in Iceland and 80.4% in Switzerland, so if the

definition used was to be the highest rate of employment in the OECD aside from very small countries such as Iceland, that would also get us to a figure close to the one of 80% that we use in the amendment. I hope the Minister will agree that that is where we should aim.

Of course, that is a challenging goal. There is no question about it. I am not for a moment suggesting that an 80% rate of employment will be delivered readily or in a short time. I suspect that it will take some time, and I think that strengthens the case for the proposal in amendment 24 that there should not be a sunset clause. We are going to have to go some to reach an 80% employment rate by 2020. It would mean an extra 2.5 million jobs—an additional 9% on the UK jobs total—but aiming for anything less would be short-changing Britain's jobseekers.

My hon. Friend the Member for Stretford and Urmston will move an amendment later relating to the Government's equally welcome commitment to halve the currently very large disability employment gap. The fact is, it will not be possible to achieve an 80% overall employment rate without making significant progress in reducing the current disadvantage that people with disabilities, and other disadvantaged jobseekers, face—or indeed without making progress in localities where the employment rate is exceptionally low. We need the full employment target to deliver improvements for disadvantaged groups, as well as to others, so that everyone benefits from the achievement of that aspiration and large numbers of people are not left behind.

Of course, others have argued for other definitions of full employment, and I entirely accept that the Minister might want to do that, although I suspect that if she signs up to a definition it will be one of those that I have suggested. For 25 years after the second world war, everyone agreed that we should have full employment and, by and large, we did. Between 1950 and 1973 the average rate of unemployment was 2%. It was always less than 1 million. In 1955 the unemployment rate actually fell to 1%.

Of course, full employment never meant zero unemployment. William Beveridge, the architect of the post-war welfare state, said that full employment meant an unemployment rate of less than 3%. Milton Friedman referred to a natural rate of unemployment, whereby no one stays out of work for very long; unemployment would fluctuate, he suggested, between 5% and 6%. On top of that, of course, there will always be some people who are prevented from working by ill health—a number that seems to be rising quite significantly in the UK.

I entirely accept that different definitions of full employment can reasonably be adopted. I think that the best definition is an 80% rate of employment. I accept that the case could be made for others, but we need to know what the Government's definition is. Otherwise, the aspiration that has been set out is a pretty meaningless one. I hope that this afternoon the Minister will tell us what the Chancellor means by full employment, because there is not much point in having a commitment to it—indeed, there is an obligation in this clause on Ministers to report on progress towards it—if we have no idea what Ministers actually mean by the term, as is currently the case.

I am looking forward to hearing in a moment the case for the SNP amendments that have been grouped with amendment 1. Of course, they raise an entirely

reasonable point about the quality of the work being undertaken, and I will say a couple of words about them. A number of our witnesses commented on that issue, and what Julia Unwin from the Joseph Rowntree Foundation said about it this morning was interesting. Her written evidence to us makes the point that

“work also now offers less of a guarantee of a decent living standard than it did in the past. This suggests a need to look more closely at both the amount and type of work available to each household, as both these will influence whether people can reach an acceptable living standard through earned income. Specifically, one of the significant trends underneath the long term picture of jobs growth over the past five years has been the increase in self-employment, especially part-time self-employment.”

We know—we discussed this with our witnesses as well—that a significant majority of almost two thirds of children living in poverty are now living in a household where somebody is in employment. Julia Unwin suggested today that the report that clause 1 requires ought to say something about progression in work as well as the actual proportion of people in employment. I would be interested to know what the Minister thinks about that idea.

We used to think that being in work was the way to get out of poverty. Today, that on its own is clearly not enough. Low pay, low hours, insecure work and the proliferation of zero-hours contracts over the past few years have all undermined the reliability of work as a way out of poverty. Oxfam's evidence to the Committee makes the point that

“people place high value on satisfying, secure and suitable work as well as jobs which provide a sufficient income”.

The concept of decent work has been debated in recent years. It has been defined by the International Labour Organisation, the Adam Smith Institute and others as including

“fair pay, job security, mental health, recognition of overtime, work-life balance, job satisfaction and autonomy, safety, achievable work, skills development, and effective management”.

What I am unsure about is the practical potential for measuring those things across the economy in the way that SNP Members suggest in amendment 106. I will be interested to hear the arguments they make about that. Certainly, that was precisely what some of our witnesses called for, such as Oxfam in its written evidence, but I am not sure how practical it is. Of course, we could also look at issues of equality in work such as whether opportunities are open equally to all and why all too often they are not. Those issues would come under the amendment as well.

Coming back to my amendment 1, I hope that the Minister will be able to satisfy us on this question of the definition of full employment that the Government are using. It is time for people who have seen the commitment to full employment in the Conservative party manifesto, and heard the Chancellor's commitments over the past 18 months, to know what Ministers mean by that term. I hope the Minister will accept amendment 1, which would finally make the position clear.

5.15 pm

**Hannah Bardell:** I thank the right hon. Gentleman for his remarks. We have no problem with supporting the definition in the Opposition's amendment, which supports the ambitious target for the UK of achieving the highest rate of employment in the G7—Oxfam made that comment just this month.

[Hannah Bardell]

Amendment 106 requires the report on full employment to report on the quality of jobs—as the right hon. Gentleman said, we heard a lot about that in evidence to the Committee, both oral and written—and their distribution, and to give a breakdown of statistics for employees in those jobs. New clause 11 would put a duty on the Secretary of State to define job quality within six months of carrying out a public consultation on it—a public consultation is very important.

The intention behind our two measures is to ensure the quality of jobs created, so that they amount to decent work. According to Oxfam, the quality of work is central to alleviating poverty, particularly through the concept of decent work:

“‘Decent work’ includes fair pay, job security, mental health, recognition of overtime, work-life balance, job satisfaction and autonomy, safety, achievable work, skills development, and effective management.”

My apologies; that is not Oxfam but Unison—I would not want to misquote anyone.

It is deeply troubling that, increasingly, available jobs are not always reliable and therefore are not a long-lasting route out of poverty. As I mentioned earlier, the number and rise of zero-hours contracts, low-paid jobs with insufficient working hours, insecure contracts and often poor job progression can mean many working people are still trapped in poverty. Disabled people are more likely to be unemployed or in low-paid positions regardless of their qualifications. It is therefore vital that we measure where jobs are going and their quality to ensure we can identify gaps in employment and work to create quality full employment for everyone, to echo recent comments by the Joseph Rowntree Foundation.

It is of further concern to us that in a 2014 report, “Pay progression: Understanding the Barriers for the Lowest Paid”, the Chartered Institute of Personnel and Development reported that, as many who have contributed to our evidence sessions have said, women in particular are estimated to comprise up to 64% of low-paid workers. The measures we have tabled would help us bring forward decent work measures to identify where the Government should really direct their policy efforts to achieve full employment, deliver equality and challenge barriers at work, in order to lift the poorest out of poverty.

Unison has called for

“a commitment from the Government to encourage employers to provide decent jobs, wages and work practices”,

and has stated that that should be measured. The amendment and new clause would bring forward that vision and ensure that the Government defined their duty within six months of the Bill’s enactment. We feel strongly that having a commission to look at this issue will give us the opportunity to provide a definition. Without one, it will be hard to measure job quality. We will press the measures to a Division.

**Emily Thornberry** (Islington South and Finsbury) (Lab): I found the evidence on this clause very interesting. It speaks to our modern times. In the ’70s, everyone knew what full employment was. It meant five-day-a-week of nine-to-five jobs in which it was clear what someone’s role was and they had security, with a pension and a family wage. We have moved a very long way from that.

We heard earlier from the chief executive of the Child Poverty Action Group that it is important to have child poverty figures that make sense in order to keep Government honest. I am concerned about the honesty behind the clause—what it really says and what it is really doing about making matters clear to the public. In 2015, we as a society want full employment, but what we see that as is not the vision of the 1940s or 1950s. It is a different type of full employment.

The reality is that a large number of people work flexibly. Many of them work flexibly out of choice, because it helps them to balance their work and family life, but many more work flexibly out of the choice of their employer. The increasing and unfair demand for people—particularly the young—to work on zero-hours contracts undermines our sense of security, of wellbeing and of having a place. Part of being in employment is that we feel we have a role. If someone is employed on a zero-hours contract, they are a beggar; they are there at the sufferance of their employer. They could be called to work any hours or no hours, and yet they have been bought.

Someone in “full employment” could be working a ridiculous amount. If the Government are talking about full employment as being people in jobs, and those jobs are employment as defined by the Office for National Statistics, I imagine that someone could be working 20 hours or 20 minutes a month and still be in employment. The Minister would then happily get up and tell the country that there was full employment, when many people were working hardly any hours, did not know how many hours they would work, were working with great insecurity and were bouncing along at the bottom of the employment ladder. They might work for a few hours in an ice cream van if the sun shines. If it rains, they will not work for two weeks. They will not work in the winter, and yet in some respects they would be in full employment, at least for part of it. That is not what people imagine as full employment.

I do not know who thought of this, but let us say it was George Osborne, just to pick a name off the top of my head. Let us say he was wanting to—I don’t know—manipulate things, make political points and try to fool the public. I may be wrong, and I will listen with interest to what the Minister says about this, but it might be part of the red Tories agenda to appeal to the working class. They want to have someone getting up and saying, “Do you know what, guys? We’re in full employment.”

The fact is that people will be sitting at home, looking at this and knowing that their friends and family are not in what they believe to be full employment. They are not in employment that brings home a wage with which they can support themselves, let alone their families. We know that because of the rise of zero-hours contracts. We know from friends and family that there are people in employment who certainly do not earn enough money to live. We also know that because of the rise in tax credits. The Government are dealing with the cost of tax credits not by ensuring that people no longer need to rely on them because they are in what I define as full employment, but by starving the third child. That does not seem to be entirely straightforward.

For the Bill to begin with the Secretary of State getting up and telling us all that people are in full employment when we know that they are not at all seems to lay the grounds of what the Bill is really

about—it is about political posturing. It is a heartless and nasty piece of legislation. It undermines the very support of the poorest and most vulnerable, and it begins by having a laugh: it says that they are going to be in full employment, when we know they will not be.

**Neil Coyle:** I appreciate my hon. Friend's hyperbole about starving the third child. There were some frowns from Government Members. Does she share my concern that there are 700 people in Southwark who are in work and using local food banks to feed their families? For those who are frowning, having those kinds of figures put in front of them will hopefully demonstrate the case and help them to understand why there is concern about the adequate measurement of income and full employment.

**Emily Thornberry:** My hon. Friend makes an important point. It should be written on the shaving mirror or beauty mirror of every Tory MP, so that they see it every morning, that two thirds of children who live in poverty have parents who are in work. Those parents are in full employment, and yet they are in poverty. That brings us to all sorts of ideas about what the hyperbole behind the Bill is. We are told that the best way out of poverty is to get into work, but then we ask: what work? Is 20 minutes or a couple of hours a week that someone might get working in an ice cream van work that will take their family out of poverty? No, it is not.

We all know the truth: at a time when employment is fractured, insecure and unfair, for us to be able to talk properly through statistics to the public, we should be talking about whether people in work are getting the hours they want and working sufficiently so that they do not have to depend on benefits. When I heard some of the questions asked of some witnesses in the evidence sessions, I was surprised to hear that some members of the Committee did not understand that there are people in full-time work living in central London who have to rely on benefits to make ends meet and that someone on an average wage would not be able to afford to live in central London without getting help with their rent from tax credits. Those people are not in full employment in my definition. My definition is, "You work, and you can support yourself and your family." Anything else, frankly, is a lie.

When we talk about full employment, we should also talk about those who are inactive, as Marcus Mason from the British Chambers of Commerce rightly said. Of course, some may have been on benefits and had their lives made so difficult that either they are currently being sanctioned or, because they kept being sanctioned, they have given up and are living on their wits, their relatives or food banks. However, according to the Government, they are not unemployed because they are not claiming jobseeker's allowance any more. That may well be because they are also suffering from mental illness and find it very difficult to cope with their situation.

People like that come into my surgery and I know that other Members see them, too. That is the reality of life. For a welfare Bill such as this to begin with a complacent statement that the Minister will get up and tell us about the fantastic employment rates we have in this country strikes me as the first of many cruel cuts made by the Government in the Bill.

**Priti Patel:** I take the completely opposite view to the hon. Lady. Achieving full employment is a bold ambition, which I think all right hon. and hon. Members would support, and, quite frankly, it should be a great aspiration for our nation.

It is right that everyone who can work should work and it is worth touching on the fact that many of the welfare reforms not just in this Bill but in the previous Parliament have been put in place to support people to get closer to the labour market, into work and, in particular, to sustain long-term employment. It is right that everyone who can work should work and, through measures such as universal credit, we are ensuring that work always pays.

It is a mission of this one nation Government not just to help working people to achieve security and have a long and fulfilling career, but to support and assist them in getting closer to the labour market. That is exactly what the Department for Work and Pensions is doing through many of our employment programmes. If we look at the number of vacancies in the labour market, which stands at more than 700,000, and the fact that employment has been increasing—full-time employment is up since 2010—and youth unemployment has been going down, we see that more and more people are in work and sustained employment. That should be welcomed.

**Emily Thornberry:** Of course, to avoid the benefit cap, people have to work 16 hours a week. As I understand it, there is an incentive, therefore, for people to get into work for 16 hours a week. Might that give us an inkling about how the Government define full employment? To work less than that meant that someone was not fully employed, so there was a need for a benefit cap to give them the incentive to work 16 hours. Does that help with the definition of full employment?

**Priti Patel:** With regards to the benefit cap, I remind hon. Members about the fundamental principle behind why it was brought in: there was to be a maximum level to the amount of out-of-work benefit that the Government would pay to households. The cap is a simple matter of fairness to families who make difficult choices every day about going out to work, taking up employment, where they live and how they will support themselves.

It is exactly right that that principle applies to households in receipt of benefits so that there is a strong incentive to take up sustained work and reduce long-term welfare dependency. That is absolutely our focus through universal credit, and progress towards full employment means that the UK needs to be the best place in the world to create a job—[*Interruption.*]

5.30 pm

*Sitting suspended for a Division in the House.*

5.45 pm

*On resuming—*

**Priti Patel:** We were about to discuss the progress towards full employment. As I said on the previous clause, the Government set out in our manifesto our aspirations for the UK to be the best place in the world to start a business and to achieve the highest level of employment in the G7. The right hon. Member for

[Priti Patel]

East Ham pointed out that landing on a single definition is difficult, as many definitions are used around the world. Our pursuit of full employment is important, because sustained economic growth depends on having a flexible work force. Some Opposition Members commented on changes to the labour market. The fact that our employment market has evolved benefits individuals and changes lives, which means that sustained employment gives people new opportunities. In addition to the overall benefit of driving down welfare spending, we are enabling people to aspire to live different lives and have sustained employment.

We now have one of the highest employment rates in the developed world and the second-lowest unemployment rate in the EU. We have already exceeded the full employment goal set out in the Europe 2020 strategy of securing a 75% employment rate for men and women aged 20 to 64 by 2020. As I said earlier, that was achieved by supporting people who require help and assistance in accessing the labour market.

**Stephen Timms:** To be clear, is the Minister saying that the aim for full employment is to achieve the highest employment rate in the G7? Is that what the aspiration means?

**Priti Patel:** I thank the right hon. Gentleman for that question. We set out in our manifesto our aspirations for the UK to be the best place in the world to start a business and, in particular, to achieve the highest level of employment in the G7. We are focusing on putting measures in place. It will not happen through one target or one measure; it is about having a combination of policies across Government.

**Stephen Timms:** The Minister has clarified the point. Just so it is absolutely clear, can she confirm that the report required in clause 1(1) will be about progress towards the highest rate of employment in the G7?

**Priti Patel:** The report, which, as clause 1 outlines, must be produced annually, is to illustrate progress towards full employment across the UK. It demonstrates the Government's clear aspirations and ambition to achieve the highest level of employment in the G7.

**Emily Thornberry:** Will the Minister give way?

**Priti Patel:** I am going to carry on where I left off.

There are many ways to support full employment and sustain people in employment. I touched on our work across Government. The Department for Work and Pensions has a big network of 700 Jobcentre Plus offices and work coaches who work with claimants to prepare them to look for work.

**Neil Coyle:** Will the Minister give way?

**Priti Patel:** I will not. I am going to continue.

The Department for Work and Pensions provides sustained support ranging from skills training, referrals to apprenticeships, which we will discuss in later parts

of the Bill, work experience, referrals to sector-based work academies, the Work programme, help to work for those who are long-term unemployed and various other schemes. That is all about working across Government in a holistic way to support our ambition to achieve full employment. Through the delivery of universal credit, we have the opportunity to support and engage people who are on low incomes and live in low-income households. We will help them progress into work and increase their earnings so they become more independent and self-sufficient. That also happens through engaging with our work coaches at jobcentres.

Interestingly, outside the evidence sessions, the Department is constantly engaging with businesses and external stakeholders. We will be trialling the effectiveness of providing more support to universal credit claimants who are in work but would like to do more and have more hours to work and more employment opportunities. It is also about providing a safety net for those who need it and how we continue to support those who need it. At the same time, this is about the whole principle of work, achieving full employment and, for those who have been trapped on welfare for a variety of reasons, how we can move them into work and long-term sustained employment. That has to be done by encouraging businesses to invest in creating a modern and highly skilled workforce. We are committed to achieving 3 million apprenticeship starts over the next five years and we will continue to increase the relevance of apprenticeships through employer-led apprenticeships reforms.

**Neil Coyle:** Will the Minister give way?

**Priti Patel:** I will give way shortly.

**Emily Thornberry:** Will the Minister give way to me too?

**Priti Patel:** If the hon. Lady is patient and lets me make my remarks, I will give way to her. Producing an annual report illustrating progress towards full employment across the UK demonstrates the Government's clear intention and commitment to building a strong economy, working with businesses and ensuring that the labour market has opportunities for all, regardless of geography and where in the United Kingdom someone lives.

We will use the first annual report to set out the conceptual framework for full employment and the measures that will be used to monitor progress against that aim. We believe that the best route to full employment is through extending the opportunity to work, supporting people so that they are able to work and supporting them in accessing the labour market. I will give way and then I will come back to some points I made earlier.

**Emily Thornberry:** I am most terribly grateful to the Minister. Might she be able to assist us with an important point? There is a phrase that she has used many times, and many other Ministers use it too, but I have never really quite understood it and I wonder what the Government mean by it. What do the Government mean by "work"? Do they mean 20 minutes a week? Does that mean that someone works? The Minister also talks about sustained employment. Again, I would be grateful if she could give us a definition of that. I do not mind if she does not answer immediately if she needs some further guidance but I would like an answer.

**Priti Patel:** When it comes to the principle of work, it is about having long-term employment opportunities. It is not about being based on hours. We all know that work has great value for individual health and wellbeing. The hon. Lady made points about quality jobs. There is no universal definition of quality jobs.

**Hannah Bardell:** Does the Minister therefore agree that our proposals to have a commission to find a reasonable definition of “decent work” is sensible so that we have a benchmark that we can all be proud of? Without that, it is clear that the Government will hide behind the very basic figures of 20 minutes’ or an hour’s work a week and mask the real issue.

**Priti Patel:** No, I do not agree with the hon. Lady. In addition to having work, being in a job and being in employment, it is about the quality of life that that job gives. That means different things to different people. For some, it could be about salaries but it is also about self-confidence, self-worth and self-esteem. It may be the opportunity to work for the first time if they have not had the opportunity to do so and have now had skills training, or for a variety of reasons.

We will consider what further analysis can be included in the annual report including how the level, distribution and composition of employment have evolved over time. We feel that that is a more transparent approach, rather than trying to summarise a varied and complex picture into a simple measure of a definition of job, work or job quality.

Since 2010, two thirds of the increase in employment has been across a range of sectors, in particular managerial, professional and associate professional occupations, which command greater salaries. The growth in employment has been dominated by full-time employment, accounting for nearly all of the annual rise in the number of people in work. There are a variety of factors, which we will consider through further analysis in the annual report so that we have a better picture, rather than just one measure. The UK has one of the lowest proportions of temporary workers in the EU. The proportion is less than half the EU average and is lower than that of Germany, France and Denmark. We are talking about employment and how we work across Government to achieve full employment, but we are also working with employers, schools and colleges. Employers communicate with Members of Parliament on a regular basis, and they all tell us that it is about individuals having a range of soft skills and how we work to support individuals in enhancing their skills, be they soft skills, technical skills or vocational skills. That particularly applies in the case of younger workers. My Department, as I have highlighted many times, is working across Government, not just with the Department for Business, Innovation and Skills on apprenticeships but with the Department for Education, to focus on training and engaging young people in particular so that we can all work collectively to achieve the objective of full employment.

I urge the right hon. Member for East Ham to withdraw his amendment.

**Stephen Timms:** I am grateful to the Minister for her response, because at least we now have a definition. She is clearly saying that the Government’s definition of full

employment is the highest rate of employment in the G7, and it is helpful to have that on the record. I do not think it is a very good definition of full employment. As I said in my earlier remarks, the highest rate of employment in the OECD, even if we miss out Iceland, which is perhaps an exceptional case, is that of Switzerland, at 80%. We ought to be aiming for better than 74%, which is currently the highest rate of employment in the G7—it is the rate of employment in Germany.

I will press amendment 1 to a vote, which I hope the Committee will support.

**Neil Coyle:** The Minister, who unfortunately did not give way, referred to two things during her speech—one was Jobcentre Plus and the other was universal credit. Should the Government provide more information and documentation on the role Jobcentre Plus will have during this Parliament and on how many people are expected to be receiving universal credit by the end of this Parliament? We need those answers if the measurements are to have any validity, particularly in the context of the changes to Jobcentre Plus. If that support is meant to be available, hopefully the Government will ensure that it is available throughout the course of this Parliament.

**Stephen Timms:** My hon. Friend is absolutely right. We need to know more about what is proposed for Jobcentre Plus. We certainly need to know more about what is going on with universal credit. As far as I can tell, universal credit is running about four years late. We were told initially that 1 million people would be receiving universal credit by April 2014, and the last figure I saw was about 60,000.

**The Chair:** Meanwhile, back on the amendment.

**Stephen Timms:** Indeed. The Minister referred to universal credit as a tool for getting people into employment and for delivering full employment. We certainly hope it will be one day, but there will be a rather large period before we are anywhere near that stage. I hope the Committee supports amendment 1.

*Question put, That the amendment be made.*

*The Committee divided: Ayes 8, Noes 10.*

#### Division No. 2]

#### AYES

Bardell, Hannah	Phillips, Jess
Blenkinsop, Tom	Thornberry, Emily
Coyle, Neil	Timms, rh Stephen
Green, Kate	Wilson, Corri

#### NOES

Atkins, Victoria	Patel, rh Priti
Churchill, Jo	Scully, Paul
Heaton-Jones, Peter	Shelbrooke, Alec
Milling, Amanda	Vara, Mr Shailesh
Opperman, Guy	Whately, Helen

*Question accordingly negatived.*

6 pm

**Kate Green:** I beg to move amendment 2, in clause 1, page 1, line 6, at end insert—

[Kate Green]

“(1A) In this report the Secretary of State must also set out the progress that has been made toward halving the disability employment gap.”

*To require the report on progress towards full employment to also report on progress towards the Government’s stated aim to halve the disability employment gap.*

The amendment is in my name and in that of my right hon. Friend the Member for East Ham. In it, we make the case for a requirement to report on disability employment. I believe all hon. and right hon. Members share our concern about the substantial gap in employment rate between disabled and non-disabled people. Despite efforts over many years and some progress, the gap still stands at an unacceptable 30%. That has to be a worry for everybody.

It is, however, quite unclear from the Bill how Ministers intend to narrow the disability employment gap, how doing so will contribute to the overall full employment target that we have discussed, and what timescale they have in mind for reducing that gap. We warmly welcome the ambition of, as I understand it, halving the disability employment gap, but our amendment is designed to explore the fact that that is an ambitious target, unsupported by either targets or plans.

Not only does the employment gap between disabled people and the rest of the working age population stand at an alarmingly high 30%—only around 48% of disabled people are in work—but different groups within that very low level of employment experience different employment outcomes. The employment rate for people with learning disabilities, for example, is a shockingly low 8%. For people with autism, I believe it is around 15%, and for people with mental health difficulties it is relatively high. Around one in four people in the workplace will experience a mental health problem at some point in their working life, but despite the prevalence of mental health problems, employers remain suspicious, and they are often reluctant to employ people with mental health problems. As I often say, however, in reality they probably already do, but they just do not know it. We think the Government’s aim of halving the disability employment gap is ambitious, but we think it is right. We support that aim, and we want to discuss with the Minister this afternoon the steps she can take to ensure that it is achieved.

**Emily Thornberry:** I have been listening with great interest to what my hon. Friend has been saying, but I might have missed something. When did the Government make that promise to halve unemployment among people with disabilities?

**Kate Green:** I cannot recall exactly, but perhaps the Minister will be able to enlighten us. She may even wish to intervene on me to do so. I believe that that aim was announced very recently. My impression is that that has happened since the general election, and possibly over the summer. Perhaps her officials will be able to advise her if she, like me, cannot recall the exact date.

We agree that it is important to have that ambition for the level of employment among disabled people. It is important for our economy. We are massively wasting the talents and contribution of many disabled people. In written evidence from Leonard Cheshire, the Committee

was informed that the achievement of the Government’s ambition could make an immense contribution to the economy of between £13 billion and £68 billion a year. That, by any measure, is a substantial difference. Of course, it would also make a tremendous difference to disabled individuals, many of whom would love to be working but cannot obtain the work they would like. For a whole range of reasons, they experience significant barriers to labour market participation. It is, of course, absolutely right that we should work systematically through dismantling those barriers. In my opinion, disabled people should have the right to work. They should have the right to good work, and to the dignity of good work, which I think all of us in the House value. I commend Ministers on their ambition, but we will want to test them on the substance that sits behind it.

As I said, many disabled people who would like to work are not working, although they certainly have no lack of ambition to work. Indeed, their ambition to work is substantially higher than among non-disabled people who are not working. For example, among those with qualifications at level 3, 14% of disabled people who are not working would like to be working, compared with 6% of non-disabled people. That shows in just one set of statistics—many more could be pulled out—that disabled people are keen to work where that can be made possible.

However, we have many significant concerns about how the Government are approaching the delivery and achievement of their ambition. We have concerns that Government policies are playing out in a way that is not helping at all. For example, the Work programme has failed to deliver specialist employment support that meets the particular circumstances and needs of disabled people. Today it delivers employment outcomes—jobs, in other words—for only about one in 10 of those on the Work programme and on employment and support allowance. That is not good enough. At that rate of progress, it will take us a very long time to achieve Ministers’ ambition of halving the disability employment gap.

Many disabled people are not even receiving the support that they need while on ESA to take the steps that they need to enter or to facilitate their entry into the workplace. Later in our debates, the Committee can look forward to extensive discussions of the Government’s proposals on those in the work-related activity group. We know that the Government are making a case to cut the benefits of people in that group, which my colleagues and I will firmly oppose. We do not believe that taking money away from disabled people is the way to facilitate their return to work. We also know that the Government have made a broad-brush case that it will be part of a process of offering additional employment-related support to disabled people in the WRAG, but we have heard no details at all yet about what that additional support will look like.

If we cannot debate that at this point in the Committee’s deliberations, I give notice to the Minister that we will be very keen to have a full discussion of what is intended and what is in Ministers’ minds in relation to that additional support when we debate the relevant provisions in the Bill, which are very worrying with regard to the work-related activity group. They worry me, but they are causing huge anxiety to many of the 500,000 or so people in the work-related activity group.

**Neil Coyle:** Does my hon. Friend not think that disabled people's confidence in the Government's ability to support them with this commendable target has been somewhat undermined by the reduction in the number of disabled people supported by Access to Work, the number of disability employment advisers and the amount of employment for disabled people in Remploy factories? However in context or out of context they were, the comments made by a Department for Work and Pensions Minister were unfortunate. Does my hon. Friend think that that has affected disabled people's confidence in the Government's ability and commitment to ensure that decent employment opportunities are available?

**Kate Green:** My hon. Friend is absolutely right; there is real scepticism about what the Government really intend. I think the Minister is incredibly well intentioned in her ambitions for good-quality, sustainable job outcomes for disabled people. However, wishing for the ends is not the same as achieving them. We need the right steps and the right measures to provide support for disabled people and crucially, as my hon. Friend says, to give them the sense of confidence they need to take advantage of the support on offer. If they feel that the Government's motivations are, in fact, to make it harder for them to survive while preparing for work, or to push them into unsuitable work—work that may actually make those with serious health conditions even less well—that is naturally not a frame of mind in which we would wish anybody to enter an employment support programme.

The barriers faced by disabled people to an equal chance and an equal right to participate in the labour market are myriad, and many were referred to in the written and oral evidence received by the Committee. For example, we heard from Mind, which I thought gave some interesting and illuminating evidence to us last week, that there is a particular concern for people with mental health problems who are looking for work. It needs to be the right sort of work and the right sort of support to get people back to work.

According to Mind, just 8% of people with mental health problems who have gone through the Work programme have achieved a sustained job outcome. Furthermore, 83% said that their experience of being on the Work programme had made their health worse, and 76% said it made them feel less able to work. Those are really depressing statistics. I know the Minister will share my huge concern about those figures and the experiences of people with mental health problems. It is not a good sign for halving the disability employment gap given that, as I said earlier, so many of us will experience a mental health problem at some point in our lives.

We all share a real concern about young people's employment prospects. We all know the scarring effects on a young person at the beginning of their working life of not being able to get into the labour market in order to build up their experience of work and ultimately progress and develop their career. I am absolutely passionate about that. I am of the generation that experienced a collapse in employment for young people at the beginning of the 1980s, and I remember the fear and anxiety we lived with at the time. We have seen it happen to subsequent generations, and I know that there is real concern about ensuring our young people have the very best chances to start their careers and get into the world of work.

The anxiety we rightly have about our young people's employment prospects is massively amplified for disabled young people. Their employment chances, and the educational experiences many of them have that lead to their employment chances, are so much worse. We must all be concerned about that. We know that disabled young people are four times more likely to be unemployed at the age of 26 than non-disabled young people. They are twice as likely to be not in education, employment or training. To the extent that the Minister's ambition to halve the disability employment gap can bear down on those shocking statistics and improve on the very poor performance we are achieving for our young people, she will have the wholehearted support of the Labour party.

There is widespread support for significant and radical reform of the employment support being delivered to disabled people. We heard it from our witnesses, we saw it in the written evidence and it is widely debated around the House. It is therefore a huge disappointment to us that nothing in the Bill gives any sense of what the Government are actually going to do about the disability employment gap. There is not even any specific reference to it in the Bill, with its full employment reporting obligation. That must call into question the seriousness with which the Government are prepared to put their money where their mouth is. A reporting obligation would really put a spotlight on what the Government are doing and what their programmes and initiatives are achieving to halve the disability employment gap.

6.15 pm

We heard a lot from our witnesses about the kind of employment support that would be effective, the improvements that are needed and the lack of support that disabled people receive. We also heard about what good work would look like for disabled people. It is not very different from the characteristics of good work in respect of non-disabled people that my right hon. Friend the Member for East Ham outlined a few moments ago. However, we need to acknowledge that extra support will be needed for disabled people to enable them to get into or return to work and deal with the specific barriers and experiences that they will have in the labour market. We must ensure that they have a chance to work.

**Hannah Bardell:** I commend the hon. Lady on a great speech. I agree with much of what she says. Remploy was one of the organisations that gave evidence. Although it is now successful, it previously had funding pulled by the Government, who took away vital opportunities. In Scotland, hundreds of disabled people lost the opportunity to work. The Scottish Government intervened and have now developed an organisation called Haven PTS, which I have visited personally. Does the hon. Lady agree that we need investment in such organisations so that employment opportunities are out there for people with disabilities?

**Kate Green:** I have never been a purist on Remploy. It seems there is a place for such employment support for some people; it helps with their sense of dignity and pride. That has in many cases been taken away from those who lost their jobs on the closure of the factories. Their chances of returning to work have been pretty poor.

[Kate Green]

Even more concerning is what happened when the Government closed the Remploy factories on the back of the independent report that they had commissioned from Liz Sayce. It was said that the money could be better applied to giving disabled people a chance in the mainstream labour market, and we expected that that money would go into, for example, the Access to Work programme, which my hon. Friend the Member for Bermondsey and Old Southwark mentioned. In the previous Parliament, the Select Committee on Work and Pensions found that it appeared no such thing had occurred. Indeed, it seemed impossible to find out what had happened to money released from the closure of the Remploy factories. That is hugely regrettable. It does not seem to have done much to benefit those who had lost their jobs as a result of the closure. I very much share the hon. Lady's concerns.

We heard from many of our witnesses about the need for personalised specialist support designed and delivered more locally. Kirsty McHugh told us about that last week, and she highlighted the importance of the adviser relationship and building confidence. We heard a lot about the need for a better payment mechanism for providers. For example, Matt Oakley said in his evidence that he thought the Government might need to look again at the attachment fee for providers who were supporting disabled people with programmes to get them back to work.

Will the Minister say something about what has happened with Work Choice, a specialist programme for disabled people that witnesses in our evidence session last week were positive about? We know that the proportion of people who go into work having been on Work Choice is 10 times the proportion of disabled people who go into work having been on the Work programme, but it is underused. I have been told that in my constituency the payment structures are being changed to make it less likely that providers will work with those with the highest barriers to labour market participation, who are the group that we understood Work Choice was intended to help.

We also heard, and have had written evidence, about the importance of joining up the health and social care agendas with the employment agenda to facilitate a return to work. For example, people need flexible health provision so that they can get an appointment with a doctor or a specialist at a time that does not clash with when they want to go to work, and they need social care that helps them go to work. Perhaps somebody can arrive to help them get up that bit earlier in the morning, so that they have time to prepare themselves and go out to work. Although the integration of health and social care is welcome, I suggest to the Government that the missing bit of the jigsaw, if I may suggest this to the Government, is employment. Joining them up would facilitate and maximise the chances of people moving into work. We can also question whether the criteria by which local authorities are required to provide social care should include access to employment.

Routes to work are important. Later we will debate participation in apprenticeships, internships and traineeships, and we also heard that it would be very important for the Government to act as an exemplar and a good commissioner. Self-employment has been raised.

**The Chair:** Order. This is a very powerful speech, but if the hon. Lady could relate it more to the reporting of the employment gap, that would be helpful.

**Kate Green:** I understand, Mr Streeter; you are quite correct.

It is important that the Government come forward with a report on how things are progressing and on what measures we can have to understand the nature of the progress, but I think Parliament would also welcome a report that described the steps the Government were taking, the different labour market approaches that were being used and how each of those was more or less effective for people with different health conditions or disabled people with different impairments. I am particularly interested in any report that might be prepared that properly analyses the use of self-employment for disabled people. We heard some interesting and, I think, ambivalent views from our witnesses last week, who said that it could be good and give disabled people more freedom, autonomy and choice, but that it could also be quite isolating, which would be a concern.

We heard a great deal about employer engagement. Public reporting might be one way to enthuse employers and drive up employer engagement, because it would be very much in the public domain and visible, and that would facilitate public debate.

I hope that the Minister welcomes amendment 2. I understand that, if she feels unable to accept it in full today, she may wish to reflect on it and come back with some of her own suggestions. I am open to hearing from her, but we must all agree that a focus on this issue is really important to every single one of us, and that a proper statutory report of progress would be extremely helpful in achieving the ambition that Ministers have.

**Emily Thornberry:** It has come to my attention that the first time we were aware that the Conservatives said that they wanted to halve the disability employment gap was in a brochure snappily entitled "Strong Leadership. A Clear Economic Plan. A Brighter, More Secure Future." On page 17 of this book of fiction, there is the title "Jobs for all", and following that, it is stated:

"We will fight for equal opportunity",

and that

"the jobless rate for this group"—

people with disabilities—

"remains too high and, as part of our objective to achieve full employment, we will aim to halve the disability employment gap: we will transform policy, practice and public attitudes, so that hundreds of thousands more disabled people who can and want to be in work find employment."

What is interesting is the context within which the Government made that promise—that solemn vow—to the country about what they would provide. They said that they would provide full employment and, if I can repeat it for emphasis,

"as part of our objective to achieve full employment, we will aim to halve the disability employment gap".

If the Government have decided to put into legislation the solemn vow to have full employment—clause 1 states that they are going to report to Parliament to tell us how well they are doing on that—it makes complete

sense, as part of that, for them to have an obligation to tell us how they are doing with halving the disability employment gap.

That is the only point I wanted to make.

**The Chair:** Thank you. That was the best speech in the debate so far.

**Priti Patel:** I welcome the debate and the points made by the hon. Member for Stretford and Urmston, because this is an important area for discussion.

The amendment's purpose is to require the annual report to Parliament to include progress on the measures that have been made towards halving the disability employment gap. To put that into context, as she touched on, the Government are absolutely committed to the ambition to halve the disability employment gap. It is a challenging one—there is no doubt about it, which is why I welcome her contribution—because it requires us all, in my view, to transform policy, practice and public attitudes, and the Government are committed to doing all that they can to ensure that disabled people who can and want to work are supported and able to move into work as well.

The hon. Lady will know—we have discussed this in previous debates—that there has been an increase of more than 200,000 in the number of disabled people in work in the last year. That is why it is important to bring together—again, I touched on this issue in the previous discussion—other aspects of Government to work together to achieve the objective in the right way, so that the right kind of support and provision can be made.

As progress against the disability employment gap commitment is, of course, a key factor in achieving the wider commitment of full employment, that is why we take the view that it is not necessary for progress on that commitment to be reported on in the annual report. We believe that that is consistent with the Government's manifesto commitment, which we said was part of our objective to achieve full employment, in addition to the aim of halving the disability employment gap. We will be able to achieve full employment only by achieving progress towards halving the disability employment gap.

I will touch on some of the points that the hon. Lady mentioned, particularly with regard to support for groups and with regard to how we will do more to halve the disability employment gap. She will know there are a range of Government programmes and initiatives. She mentioned Access to Work. Indeed, we have extended Access to Work to provide more support to disabled people in pre-employment, through work experience and obviously through employment-based training, internships and traineeships.

The hon. Lady touched on the Work programme as well. With regard to both the Work programme and the Work Choice programme, we take the view that they are not directly comparable, but of course the contracts for both programmes will end in 2017 and we are already working with the providers to get a better understanding of how we can develop them, including the support that is required, and so we can invest in the right way. She mentioned payment models. We are having those discussions right now, and it is right and proper that we work with those providers. We have also launched a specialist employment support programme, which is an innovative

new programme that again provides extensive specialist support to those disabled people who need help and support.

Those are just illustrative examples of the work that is taking place in this area. However, in relation to the amendment, I will just restate that we will be able to achieve full employment only by achieving progress towards halving the disability employment gap. The annual report will include an update on the Government's progress in achieving that ambition. That is why in our view the amendment is unnecessary, and I therefore urge the hon. Members who tabled it to withdraw it.

**Kate Green:** I welcome what the Minister has said about recognising the importance of halving the disability employment gap, and what she has said about its being a prerequisite for achieving the ambition of full employment, which I think is right. However, it always drives purposeful and effective policy when the spotlight of reporting and monitoring is put into the public domain, and therefore I wish to divide the Committee on the amendment.

*Question put, That the amendment be made.*

*The Committee divided: Ayes 8, Noes 10.*

#### Division No. 3]

##### AYES

Bardell, Hannah  
Blenkinsop, Tom  
Coyle, Neil  
Green, Kate

Phillips, Jess  
Thornberry, Emily  
Timms, rh Stephen  
Wilson, Corri

##### NOES

Atkins, Victoria  
Churchill, Jo  
Heaton-Jones, Peter  
Milling, Amanda  
Opperman, Guy

Patel, rh Priti  
Scully, Paul  
Shelbrooke, Alec  
Vara, Mr Shailesh  
Whately, Helen

*Question accordingly negated.*

*Amendment proposed: 23, in clause 1, page 1, line 6, at end insert—*

*'(1A) The Secretary of State will appear before a Committee in each of the Scottish Parliament, Northern Ireland Assembly and the National Assembly for Wales to answer questions about the report.'*—(*Hannah Bardell.*)

*This would require the Secretary of State to appear before a committee in Scotland, Wales and Northern Ireland to answer questions about the full employment report.*

*Question put, That the amendment be made.*

*The Committee divided: Ayes 2, Noes 10.*

#### Division No. 4]

##### AYES

Bardell, Hannah

Wilson, Corri

##### NOES

Atkins, Victoria  
Churchill, Jo  
Heaton-Jones, Peter  
Milling, Amanda  
Opperman, Guy

Patel, rh Priti  
Scully, Paul  
Shelbrooke, Alec  
Vara, Mr Shailesh  
Whately, Helen

*Question accordingly negated.*

6.30 pm

*Amendment proposed:* 106, in clause 1, page 1, line 6, at end insert—

“(1A) The report in subsection (1) must include information about:

- (a) the job quality of new jobs created, as set out in section [Definition of job quality] of this Act;
- (b) the distribution of the quality of jobs by occupation, industry, sector and region; and
- (c) the distribution of the quality of jobs by sex, race, disability and age.”—(*Hannah Bardell.*)

*To require the report on progress towards full employment to also report on progress on quality of jobs, the distribution of those jobs and a breakdown of the employees in those jobs.*

*Question put, That the amendment be made.*

*The Committee divided: Ayes 2, Noes 10.*

#### Division No. 5]

#### AYES

Bardell, Hannah

Wilson, Corri

#### NOES

Atkins, Victoria

Patel, rh Priti

Churchill, Jo

Scully, Paul

Heaton-Jones, Peter

Shelbrooke, Alec

Milling, Amanda

Vara, Mr Shailesh

Opperman, Guy

Whately, Helen

*Question accordingly negated.*

*Amendment proposed:* 24, in clause 1, page 1, line 7, leave out subsection (2)—(*Hannah Bardell.*)

*This would remove the provision that repeals the full employment reporting obligation at the end of the current Parliament.*

*Question put, That the amendment be made.*

*The Committee divided: Ayes 8, Noes 10.*

#### Division No. 6]

#### AYES

Bardell, Hannah

Phillips, Jess

Blenkinsop, Tom

Thornberry, Emily

Coyle, Neil

Timms, rh Stephen

Green, Kate

Wilson, Corri

#### NOES

Atkins, Victoria

Patel, rh Priti

Churchill, Jo

Scully, Paul

Heaton-Jones, Peter

Shelbrooke, Alec

Milling, Amanda

Vara, Mr Shailesh

Opperman, Guy

Whately, Helen

*Question accordingly negated.*

**The Chair:** It is my opinion that we have had a good old debate about the clause, so I do not propose to allow a stand part debate.

*Clause 1 ordered to stand part of the Bill.*

### Clause 2

#### APPRENTICESHIPS REPORTING OBLIGATION

**Stephen Timms:** I beg to move amendment 75, in clause 2, page 1, line 16, at end insert—

“(aa) information about the uptake of apprenticeships broken down by region, gender, age, ethnicity, disability, sector, qualification and level,

(ab) a report by the UK Commission on Employment and Skills on the quality of apprenticeship being provided, and’.

*To specify additional information that must be included in the Secretary of State’s report progress towards meeting the apprenticeship target.*

**The Chair:** With this it will be convenient to discuss amendment 102, in clause 2, page 1, line 16, at end insert—

“(aa) information about the number of people with special educational needs and disabilities entering into apprenticeships; and

(ab) information about the number of people with Education Health and Care plans entering into apprenticeships.’

*To require the Secretary of State to report on the number of people with special educational needs and disabilities entering into apprenticeships.*

**Stephen Timms:** We come to the part of the Bill that deals with apprenticeships, and we are keen to get on to the second group of amendments on the clause, so I will get a move on.

We welcome the target set out for England in the Bill. I think it is rather unusual that there should be 3 million apprenticeship starts in the period 2015 to 2020—the target is ambitious and one that we support and welcome.

However, we heard in our evidence sessions that there is a danger. Rebecca Plant, the head of apprentices and graduates for Capp, told us on Thursday that she thinks the only way the target can be achieved is by sacrificing quality. She told us of

“myriad examples, such as apprenticeship barman and of apprenticeships in really low skills.”

She asked:

“How is that an apprenticeship?”,

and went on to say,

“people are just turning a job role into an apprenticeship... That is not right.”

She argued that the 3 million target

“should be broken down into levels of skills, so that higher level—level 4—degree apprenticeships should be broken out and there should be clarity.”

She continued:

“I would break it down and give transparency. What is a level 2 apprenticeship? What are people signing up to? Badging level 2 programmes as an apprenticeship is fundamentally wrong.”

She gave an impressive account of her thinking. In the middle she said,

“I am sorry... I am not very good at this”,

but actually she gave us valuable evidence. She also said that

“traineeships should not count towards that 3 million at all.”—[*Official Report, Welfare Reform and Work Public Bill Committee, 10 September 2015; c.8-9, Q8-9.*]

I do not imagine that traineeships will count towards the 3 million target, but I would be grateful if the Minister could confirm that.

The concerns raised by Rebecca Plant were echoed and amplified by Marcus Mason, our witness from the British Chambers of Commerce, who said:

“I would like to echo Rebecca’s comments and the worries about the 3 million figure...the apprenticeship starts from the previous Parliament—just over 2 million—included a lot of rebadging of Train to Gain programmes, and we do not want to see that again. We do not want to see a decline in quality because we are just chasing an arbitrary figure.”—[*Official Report, Welfare Reform and Work Public Bill Committee*, 10 September 2015; c.9, Q10.]

I am confident that every member of the Committee will agree with his sentiment.

Amendment 75 addresses those concerns about apprenticeship quality, which are widely expressed by businesses and others, in two ways. First, it requires the report produced each year to split the apprenticeship starts in that year by sector, qualification and level, which is exactly the split Rebecca Plant called for in her evidence on Thursday. Secondly, the amendment requires the Secretary of State to publish each year a report from the UK Commission for Employment and Skills specifically addressing and describing the quality of the apprenticeships on which participants have embarked in the previous year.

Is the UK Commission for Employment and Skills the right body to produce that report? Clearly, what we want is an independent, reliable report on quality, which might be achieved in a number of ways, but the UKCES is in a good position to fulfil the task. It is, of course, a Government-appointed commission, so I hope the Government feel that they can have confidence in its conclusions. The commission’s chair, Sir Charlie Mayfield, is also chairman of the John Lewis Partnership, and the commission includes such distinguished business people as the director general of the CBI and the general secretary of the TUC. It includes representatives of large and small businesses, including Will Butler-Adams, the managing director of Brompton; Julie Kenny, the chairman of Pyronix, with whom I worked when I was a Minister; Grahame Smith from the Scottish TUC; and Liz Sayce of Disability Rights UK.

The commission has a broad range of experience and perspectives, and it has done a lot of relevant work in this area. It has published reports on understanding skills and performance challenges in a range of sectors, and those reports address apprenticeship issues. It has produced a series of reports called “Working Futures”, “Careers of the Future”, and “The Future of Work: Jobs and Skills in 2030”. It also has the capacity to give independent advice. It does not simply say what the Government want to hear. I do not know whether the commission is subject to the same sort of pressure as the Office for Budget Responsibility—we have discovered over the past couple of days that the Treasury leans on the OBR to prevent it saying things that will embarrass the Government—but we do know that the commission is able to make independent remarks.

On the persistent problem of stubbornly high unemployment among young people, to which my hon. Friend the Member for Stretford and Urmston has referred, the commission has said:

“High quality apprenticeships should be a normal career pathway for many more young people, and a normal way for businesses to recruit and develop...talent”.

The commission has the necessary independence, as well as the expertise, to provide the independent review of quality that, from the evidence we have heard in Committee and from what everyone in the field says, is needed.

The amendment also specifies a number of breakdowns of apprenticeship numbers that could be useful for informing policy and understanding of how the apprenticeships programme is working in practice. We should know the number of apprenticeships taken up each year by people with disabilities—my hon. Friend will move a separate amendment on that in a moment—and we need information by region and by gender. The importance of those breakdowns will be apparent to everyone.

I want to say a little more about the other two breakdowns the amendment calls for. The first is the breakdown of apprenticeships by age. As we heard from the witness from the British Chambers of Commerce, a lot of things that are called apprenticeships are really just rebadged Train to Gain programmes. Train to Gain was a programme under the last Labour Government wherein existing employees would take often quite short training courses to increase their skill levels. There is nothing wrong with that, of course, but it is not what most of us think of when we hear the term “apprenticeship”. One consequence of that emphasis in the apprenticeship programme is that only quite a small proportion of apprenticeships are undertaken by young people. Worse still, the number of young apprentices fell last year—a pretty disastrous development that is contrary to what we all want—so it is important to get a breakdown of apprenticeships by age each year.

Secondly, it is important that we see a breakdown of apprentices by ethnic origin. I pay tribute to the work of the Black Training and Enterprise Group and its chief executive, Jeremy Crook. Ethnic minorities are seriously under-represented among apprentices: 20.2% of the population are from an ethnic minority and 25.4% of apprenticeship applications are from ethnic minorities—a larger proportion than in the population as a whole—but the proportion of people from ethnic minorities who start an apprenticeship is only 13.8%, which is way less than the proportion in the population and around only half the proportion of those who applied.

The problem of under-representation of ethnic minority citizens among apprentices is not new. I first asked a written question on the subject three years ago, when I was told that 9.8% of starts were from ethnic minorities, so the current proportion, 13.8%, has gone up, of which I am glad. In fairness to the Government, the problem is not repeated throughout their employment support measures. For example, of sustained job outcomes in the Work programme, 19.9% are secured by ethnic minorities, which is almost up to the full 20.2% in the population. Nevertheless, there seems to be a particular problem in the apprenticeship programme that must be addressed. I know that efforts are being made to do so, but so far they have fallen well short of what we would want to see.

It is vital that the problem is fixed. Amendment 75 specifically requires a breakdown by ethnic origin, so that we can track what is happening. I hope that the Minister accepts that the amendment would build constructively on clause 2, and so will accept our proposals for strengthening the report.

6.45 pm

**Amanda Milling** (Cannock Chase) (Con): I welcome the target set out in clause 2 of creating 3 million apprenticeships this Parliament. It will give more people,

[Amanda Milling]

including young people, the skills to get on in life, and will build on the 2 million apprenticeships created in the previous Parliament, 5,000 of which, I am pleased to say, were created in my constituency, Cannock Chase, in companies such as the Pertemps People Development Group, Gestamp, and Fuel Conservation Services. The target and the mandatory reporting of progress set out in the Bill show that the Government are not only serious about increasing the prominence of apprenticeships but committed to achieving that goal and holding themselves to account.

To demonstrate why it is important that we are setting the target, I want to talk about Scott, an apprentice I met in my constituency last year. He had been stabbed sometime before I met him—

**The Chair:** Order. The hon. Lady must of course link her remarks to not only the clause but the amendments. That is important. Now, let us hear more about Scott.

**Amanda Milling:** I will come to the amendment in a moment, but I would like to talk about Scott briefly. Because he had been stabbed, he would barely leave home. With a lot of persuasion, he decided to take part in the National Citizen Service, which was the gateway to his becoming an apprentice. I met him again roughly 12 months later, when he joined me at a meeting with the Leader of the House. He was incredibly impressive. He was professional, relaxed and confident, and he made an excellent contribution to the discussion. Now he is a coach for NCS at Coachright. It was his dream, and he achieved it. That is an example of the opportunities apprenticeships can give people. They can genuinely transform people's lives, which is why I believe we should focus on the overall target set out in the Bill, rather than on amendments 75 and 102. The overall target ensures that we give more people the skills that are valuable to them, to businesses and to our economy.

Clause 2 sets out the need to publish progress during the term of the Parliament. I hope it will go beyond the term of the Parliament, because creating apprenticeships is an aspiration for the long term, not just for the next five years. The monitoring will help us to establish our success in engaging businesses and apprentices; I know from personal experience that that has been a challenge in the past. That was outlined in last week's evidence sessions. This is an opportunity to overcome some of the challenges to getting people into apprenticeships, regardless of their demographic background. I point out that demographic information is available through other sources.

We need to focus on driving awareness of apprenticeships in the various groups and ensuring that they understand the different apprenticeships. We also need to look at how apprentices and businesses see value. I will not go into each of those points in detail because we have a lot to cover. In short, there are many areas in which we need to identify solutions to address the challenges for all audiences and demographic groups, and achieve the target of 3 million. I look forward to playing my part in creating a marked increase that will transform the lives of more people like Scott.

**Neil Coyle:** I rise to speak to amendment 102, which would require the Secretary of State to report on the number of people with special educational needs and disabilities and the number of people with education, health and care plans entering into apprenticeships.

Before I start, I want to make three quick points. First, I thank the Chair and Clerks for their help and advice so far. Secondly, I again commend, as I did in last week's witness sessions, the very welcome target for narrowing the disability employment gap in this country. It really is brilliant that the Government have made that commitment. Thirdly, I am grateful, especially as a new Member of Parliament, for all the briefings and notes from organisations including the Federation of Small Businesses, Disability Rights UK, and especially Mencap and my own council, Southwark. I am still a councillor in Southwark, but I do not take an allowance as a councillor; I do not know whether I have in the past six months. If that needs declaring, there it is.

The disability employment statistics are shocking. Only about 48% of disabled people of working age, and fewer than 10% of people with learning disabilities, are in work. That figure falls to about 5% for people with mental health conditions, including schizophrenia. There is widespread acceptance that more needs to be done, which is why the Government target is so welcome. One route is, via this amendment and information on apprenticeships, to give disabled people the skills and experience that benefit longer-term employment.

We heard widespread concern from witnesses that the Work programme has not worked for disabled people—the success rate is only about 10%. Disabled people's organisations suggested that that demonstrates a further need for the apprenticeship route to be better utilised, although they noted their concerns about income levels in evidence submitted to the Committee.

Last week we heard the British Chambers of Commerce raise concerns about simply applying the raw target. The headline 3 million must be broken down to ensure that it works for all and is effective. The Federation of Small Businesses provided me with a briefing—I hope that something went to other Committee members—which showed that 60% of small businesses took on an apprentice in the past two years. Its concern is that the new target will undermine the existing system. It estimates that about 400,000 new starts will be needed a year. That is a big jump, and I suggest that its concerns need assuaging. If the new target generates a revolving door of people re-entering different apprenticeships, it is less useful than an adequately prioritised target, which amendment 102 focuses on. I think that the witnesses accepted the need for a better focus on areas of work and groups of people who need more support and for geographical prioritisation. Amendment 102 goes some way to meet that concern.

The Minister mentioned, in voting down a previous amendment, that there would be some reporting on targets, which would be welcome. If there was a bit more detail on that, perhaps amendment 102 would be withdrawn. Accepting the suggestions of witnesses and prioritising the proposed target group would go down well with business, better meet needs and, I hope, avoid the fear and risk that a new target will undermine the quality of apprenticeships.

I want to touch on the existing scheme. The hon. Member for Cannock Chase mentioned the existing scheme and the target of 2 million. The Government

have highlighted the fact that 2.3 million young people went into apprenticeships over the previous Parliament. They obviously plan to expand that number further, but the 2012 report “Creating an Inclusive Apprenticeship Offer”, commissioned by the Government and written by Peter Little OBE—no less—showed a worrying decline in the proportion of apprentices declaring a learning difficulty and/or disability overall.

Since 2007-08, the proportion of that group accessing apprenticeships fell from 11.5% to 9.1%, and the picture for people with moderate learning disabilities is even bleaker. In 2008-09, just 2.5% of apprentices declared a moderate learning difficulty. By 2012-13, that had fallen to 1%, which is of concern to Mencap, to which I am grateful for providing those statistics.

Although the total number of apprenticeships has risen in recent years, those with special educational needs and disabilities are being left behind and are already significantly disadvantaged in employment opportunities. Amendment 102 would help refocus attention and ensure, through the need to report, that opportunities are open to all in a way that helps the Government with that commendable broader target to reduce the rate of unemployment among disabled people.

We have had some discussion about context. There are significant concerns about what will happen to people in the employment support allowance work-related activity group. Some 248,000 people in that group have mental and behavioural disorders, as recorded by the Department for Work and Pensions. That figure includes many people with learning difficulties, who are the focus of Mencap’s concerns. Using an information system to ensure that apprenticeships are open to that group would be a bit more carrot if we are going to whack with a particularly nasty stick. There are many different reasons for the low level of reporting of disabled people on apprenticeships, including the demand for apprenticeship places, which, in turn, has led to higher entry requirements, excluding some disabled young people who, although perfectly capable of doing the job, do not have the academic qualifications needed. Amendment 102 would help to tackle that.

Disability organisations believe that better routes into apprenticeships for young people with special educational needs must be established. There is a need to increase the number of supported internships or traineeships that work well for people with learning disabilities. Reporting would also help, as the amendment suggests.

Disabled people face barriers in terms of the attitudes of employers and apprenticeship providers, and there is a lack of knowledge that support such as Access to Work is available for disabled apprenticeships. It has been disappointing to witness the decline in disability employment advisers over the past five years, which I mentioned and witnesses to the Committee, including Remploy’s spokesperson last week, referred to. Will the Minister provide clarification on the role of disability employment advisers and Access to Work when it comes to apprenticeships?

Does the Minister plan to reflect the concerns of the business community, demonstrated by the British Chambers of Commerce and other witnesses, about signposting and a one-stop shop for advice and support for businesses seeking to use the apprenticeship programme? The amendment could help to shape that approach as, without

the information on reporting, it is difficult to deliver a system that gives businesses access to the information needed.

While many young disabled people with special educational needs can complete the on-the-job vocational part of the apprenticeship framework, they struggle with the English and maths assessment. Support and reasonable adjustments must be available for those apprentices and the level of qualification set at an appropriate level. I hope that the Government are able to demonstrate how the new plans will meet their Equality Act 2010 obligations to ensure that disabled people are not disadvantaged further. Reporting on the number of disabled people able to access the scheme would help towards that equity. It is incumbent on the Government to take the lead in ensuring that access to apprenticeships is as equitable as possible, as well as reporting on progress to boost the numbers of people with special educational needs and disabilities on the programme. Within that reporting target, it also seems prudent to report on the number of apprentices with the new education, health and care plans, which replaced statements in September last year.

Returning to the issue of businesses and to concerns expressed in writing and in the evidence sessions, reporting is crucial in ensuring the efficacy of the extended apprenticeships scheme. To include a requirement to report on the number of disabled people who receive support in the form of apprenticeships among the other reporting requirements might reassure businesses and disability organisations that the plans will not just result in low-quality, revolving door schemes that meet the number but not the longer-term goals of the Government, employers and disabled people. I look forward to the Minister’s response, and I thank the Committee for its consideration of the amendment.

**Priti Patel:** I commend and thank all hon. Members for their contributions. There is a lot to cover, but all the points are highly relevant. I will cut to the chase and go straight into the amendments.

First, I reassure the Committee that the first part of amendment 75 is unnecessary in view of the level of reporting that already takes place. My Government reports on almost half of the criteria as part of the Government’s quarterly first statistical release and will continue to do so as part of the annual reporting requirement set out in the Bill. Those statistics include a variety of figures broken down by region, age, gender, ethnicity, disability, level and sector. On breaking the figures down by qualification, we also publish information on the courses that apprentices are enrolled on in each academic year as part of the national aims report. The reporting process is there, and it is detailed.

The first part of amendment 102 is also not required, as the Secretary of State already reports on the number of people with learning difficulties and disabilities entering into apprenticeships. As for the amendment’s second requirement, the Government do not publish data on the number of people entering into apprenticeships with education, health and care plans. We are already helping to make apprenticeships more accessible for people with such plans by providing the full funding for apprenticeship training under existing frameworks to entitled 19 to 23-year-old care leavers. We will work with Barnardo’s to continue to ensure that apprenticeships are accessible for care leavers.

[Priti Patel]

The second part of amendment 75 would require the Secretary of State to provide a report by the UK Commission for Employment and Skills on the quality of apprenticeships. That is unnecessary, as we are already committed to a range of measures to ensure the quality of apprenticeships. That has been subject to much discussion, not just in this Committee but in government, particularly with the Department for Business, Innovation and Skills, which is taking the lead. We have already ensured that all apprenticeships are real paid jobs, with a minimum duration of a year and minimum hours of employment. They have to include off-the-job training, which must include English and maths when those have not already been achieved. We are already working to ensure that the quality of apprenticeships is high and, importantly, continues to improve.

The best indicator of quality is that apprenticeships help people to progress into employment. Government data already show clearly that that is the case across the programme. On average, level 2 and level 3 apprenticeships increase earnings by 11% and 16% respectively. We have seen the significant returns that they bring to the economy. Latest research indicates that adult apprenticeships at level 2 and level 3 deliver £26 and £28 of economic benefit respectively for each pound that the Government invest.

I reassure the Committee that we can never stand still on this issue, and we are certainly not complacent. The Government have introduced a number of additional measures to ensure that apprenticeships offer the best opportunities to apprentices and the businesses that employ them. That includes giving employers the responsibility to develop new apprenticeship standards.

The right hon. Member for East Ham referred to some of the points that came out in the evidence sessions. Having a dialogue with employers is crucial, but they have to be responsible in helping us to develop the standards and the quality that ensure that their business and sector needs are met, while we focus on introducing rigorous assessment of end-point competence to ensure that apprentices can do the jobs that employers want. Ofsted and Ofqual will of course continue to play an essential role in the quality of apprenticeships. Ofqual will help to ensure that regulated qualifications meet the standard. Ofsted will inspect and report on the quality of apprenticeships, including observations in the workplace as part of the wider provider regime. We judge that the measures will give confidence that apprenticeships are high-quality jobs with training.

7 pm

Apprenticeships are accessible to people with disabilities or learning disabilities, but we can always do more, such as using reasonable adjustments for disabled learners, which has been promoted through the skills funding rules. Awarding organisations have also reviewed the accessibility of online and PDF tests to make them much more compatible with assisted technologies such as screen readers.

A point was also made about people from black, Asian and minority ethnic communities taking up apprenticeships, and I can report that in the last year of the previous Parliament over 44,000 people from BME

backgrounds benefited from apprenticeship schemes. The Prime Minister has a 2020 vision to increase the proportion of apprenticeships being taken up by people in BME communities by the end of this Parliament, which will mean doing more and putting in place an action plan. We are committed to that.

On that basis, I urge the right hon. Member for East Ham to withdraw the amendment.

**Stephen Timms:** I am grateful to the Minister for what she has told us about the data that will be published, which does pick up on the points in the first part of amendment 75. I am disappointed, however, that she was unable to confirm to my hon. Friend that we will be able to find out the number of people with education, health and care plans entering into apprenticeships, but I hope that the Minister will have another look to see whether that can be provided.

The Minister is a bit complacent on the quality point. I accept that it is not really a matter for her—it is for her colleagues in BIS—but we heard during our evidence from the British Chambers of Commerce, no less, that the only way the 3 million target will be achieved is by watering down quality. The mechanism that we proposed would have dealt with that. I will not press the amendment now, but I hope that she might commend our idea to her colleagues. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Jess Phillips (Birmingham, Yardley) (Lab):** I beg to move amendment 99, in clause 2, page 2, line 5, at end insert

“and that 20,000 of these apprenticeships are taken up by children and young persons leaving care.”

*To amend the apprenticeships target to require that 20,000 of the three million apprenticeships are taken up by children and young people leaving care.*

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

Amendment 103, in clause 2, page 2, line 5, at end insert

“and that a specified proportion of the three million apprenticeships are entered into by people with special educational needs or disabilities.

‘(2A) For the purpose of subsection (2) the Secretary of State shall, by regulation, specify the proportion of apprenticeships that must be entered into by people with special educational needs or disabilities for the target to be met.

(2B) The Secretary of State must lay before Parliament in each reporting period a report setting out how they plan to meet the apprenticeship target as it relates to people with special educational needs or disabilities.’”

*To require the Government to ensure that a specific proportion of apprenticeships are taken up by persons with special educational needs or disabilities for its apprenticeship target to be met and to require the Secretary of State to report on how they intend to meet that target.*

Amendment 100, in clause 2, page 2, line 29, at end insert—

“(5) In this section “children and young persons leaving care” has the same meaning as in the Children (Leaving Care) Act 2000.”

*This amendment is consequential on amendment 99, to define the term “children and young persons leaving care”.*

**Jess Phillips:** As I have not been feeling very well, I beg the Committee's indulgence if I have to run out at any point. Actually, the Committee has made me feel a little better, so thanks everyone.

As my hon. Friends have said, we welcome the Government's commitment to create 3 million apprenticeships by March 2020. I like the idea that the Prime Minister has 2020 vision, as stated by the Minister, but I am unsure that I have it right now. When done well, apprenticeships have huge potential to transform the lives of vulnerable young people through a combination of college and work.

I want to lay out why the amendment matters by describing a case study that fell into my lap this week—I promise the Committee that it is real. Since I have been on this Committee, I keep asking everybody I meet what benefits they are on and what is happening to them, and a woman came into my surgery on Friday with a housing problem. She had a private landlord who was a bit rogue, and she needed help getting on to the council housing list. She was my age and had seven children. If anyone thinks that that is not a hard-working family, I advise them to stay at home with any number of children. She had already been hit by the benefits cap, and was no longer receiving any help to pay her family's rent.

As I am a member of this Committee, I thought that I would ask her some questions about the effect that the benefits cap had had on her life and do a bit of evidence gathering, but she was absolutely not interested in talking to me about her benefits and how they had been reduced. All she wanted to talk to me about was how she wanted to work when her youngest started school the following year. She told me how she had had a tough life. She grew up in the care system and had 32 placements. She wanted to be a teacher, or at least a teaching assistant. She had literally no idea how to start, so I simply talked her through what I might do if I were in her situation.

This woman is my peer. She is a mum the same age as me, but the gulf between us is enormous. Like her, I went to primary school for seven years and then secondary school. I have a nice, stable life. I was afforded the chance to spend my early adult years studying, living off my parents, working in all sorts of jobs, building experience, building me as an adult, making my chances and finding my path. She has had absolutely none of that—not because she is idle or lazy, but because she did not have the same chance that all of us in this room have had or the chance we would ever want to give our children.

The importance of the amendment is clear. Where the state has loco parentis for a child or young person, it must mean just that. We must treat the children in our care exactly as we would treat our own children and as we expected our parents to treat us.

I welcome the policy on apprenticeships. However, in its current form it is unlikely to benefit young people such as the woman I described in my surgery who are facing the greatest challenges, including those who have been in the care system. I contacted Barnardo's, which is the national leader in working with care leavers, for information. It told me that the young people it supports struggle to obtain apprenticeships, often due to the entry requirements, which may include five A to C grades at GCSE.

As in the case study I outlined, school education is often disrupted for care leavers due to multiple placements. Combined with the impact of traumatic early experiences, that means that they are much less likely to achieve academically at the same rate as their peers—any of us in this room. One consequence of that is that 34% of all care leavers are not in education, employment or training at the age of 19, compared with 15.5% of 18-year-olds in the general population. That is nearly double—in fact, it is more than double; I will be good at maths one day. We are calling on the Government to amend the Bill to change the definition of the apprenticeship target by specifying that 20,000 apprenticeships will be reserved for young people who have been in the care system.

This cannot just be about numbers; we must also recognise the difficulties faced and act as any parent would—as my parents did, and as I act. These special apprenticeships should come with appropriate support to assist young people who have been in the care system overcome any barriers to the workplace, and employers should receive larger reimbursements to cover additional costs. There are many innovative schemes. As we heard in the evidence session on the very first day, the level of support given to people in these environments is so important. We must not exclude young people who struggled at school but who have the potential to achieve qualifications with the right support. That is crucial if we are going to give these young people a chance.

I also call on the Government to amend the Bill to specify additional information that must be included in the Secretary of State's progress report on meeting the apprenticeship target. That information should include not just the uptake but the outcomes of apprenticeships for young people who have been in the care system.

Anybody who has ever worked with young, vulnerable people, as I have for many years, will know that there is a problem when they start work and begin to lose their housing benefit. How the Government allocate housing benefit and whom they protect in the cuts will make a big difference to those young people. When a vulnerable young person begins work, they start to lose their benefits. Vulnerable young people's work is often unstable, chaotic and not well paid, so there is a balancing act for care leavers between wages and stable tenancies. Remember they have no mum and dad to fall back on; we are relying on the Government to be their mum and dad.

A really good example in my constituency of how to do that well is something special that a youth homelessness organisation called St Basils is doing. It has the live and work partnership with the Sandwell and West Birmingham Hospitals NHS Trust in a community response to youth homelessness, which is an innovative scheme providing 27 apprenticeships for young people, including care leavers, who are homeless or at risk of homelessness throughout Birmingham and Sandwell. The trust has provided a block of apartments that were previously used as staff accommodation but are no longer in use. St Basils, with the help of partner Keepmoat Regeneration and an empty homes capital grant, has completed the refurbishment of the accommodation to provide on-site shared accommodation for the apprentices.

St Basils is managing the accommodation and supporting the young people in their homes—that support, as I have outlined, is so important—and the trust is providing a range of apprenticeship opportunities. A pre-apprenticeship programme is being funded by Health

[Jess Phillips]

Education West Midlands, delivered by University Hospitals Birmingham. That particular innovation is a scheme in which the young people live benefit-free, as I am sure the Minister is delighted to hear. It is something we all want. The funding and the support structure have been developed to ensure that young people can have an opportunity to live and work without recourse to welfare benefits.

To meet concerns about housing benefit for under-21s, people getting on to apprenticeships and ensuring that we are doing our best for care leavers, there are innovative schemes to give care leavers—the most vulnerable people in our society—a real chance. The scheme that I have described recognises exactly what I am asking the Government for in my amendment. It takes a community to bring up a child or young person. That is exactly the sort of brilliant and innovative scheme that the Government should consider when looking at care leavers and apprenticeships. The amendment would give that vulnerable group impetus and show them commitment. The Government should do that, because it is exactly what a mum and dad would do.

**Neil Coyle:** I rise to speak to amendment 103, which specifies that the apprenticeship target of 3 million apprenticeships should include a specific target related to the number of apprenticeships undertaken by people with special educational needs and disabilities. The amendment is a probing one and links to some earlier discussions, so I will try not to repeat anything.

I have three quick points to make. The Government have an ambitious target of 3 million apprenticeships, but disabled people and their organisations think that a sub-target ought to be set for that under-represented group of young people. The Minister has already answered that some of the information is available, so no burden arises from the amendment. I will be intrigued to hear why specifically the situation could not be reported on or monitored, or a target provided. If the information is known, please report on it.

In addition, as has been mentioned, that reporting could help the Government meet the broader and commendable target to reduce the employment gap for disabled people. We have already talked about the statistics for disabled people and employment overall: disabled people are a third less likely to be in employment, and the employment gap represents some 2.2 million disabled people. My hon. Friend the Member for Stretford and Urmston referred to disabled people being four times more likely to be unemployed at the age of 26, which is evidence of the need for such targeting. Overall, disabled young people are twice as likely to be NEET.

The Minister mentioned that the number of disabled people in work had risen in the past couple of years—I think that was the time period—but in the past five years the percentage of working-age disabled people has fallen from 53% to 48%. Again, some additional emphasis and focus on ensuring that disabled people have opportunities would be welcome.

7.15 pm

The positive impact of apprenticeships is well evidenced. We have heard from a range of witnesses, but I would also like to refer to some constituency

examples. The Government incentive of £1,500 for employers with fewer than 50 employees has had some impact, but the council is also leading on apprenticeship programmes, including within council services in clerical and administrative posts and in partnership with development sites, including in construction through Lend Lease's "Be Onsite", a scheme with Unite's construction support. I know that unions are not necessarily the flavour of the month for Conservative Members, but Unite commends the scheme. It is working, and it is delivering opportunities for young people, including disabled people. If the council can use such programmes to monitor and ensure opportunities for disabled people, perhaps the Minister can learn from local authorities and work with them in partnership, as well as saying what role local authorities might have under a broader apprenticeship scheme as we go forward.

Disability Rights UK has provided some extra information that I will read briefly:

"Some disabled people miss out on achieving GCSEs at grades A\* to C, sometimes because ill health means education is interrupted, or adjustments or support aren't put in place. It is now possible to demonstrate 'functional skills' rather than the GCSE results to get an apprenticeship. This needs to be strongly promoted."

Disability Rights UK

"recommend that, to ensure that potential applicants, careers advisers, employers and providers all know of the flexibility to offer functional skills in English and maths, this information should be on all local authority 'local offer' websites, on the National Apprenticeship Service and National Careers Service websites and publications, in provider guidance, information to employers and the quality statements on apprenticeships."

The amendment would help with that. Without a national Government priority and target for disabled people in apprenticeships, there will be no pressure or impetus on local authorities to ensure that Disability Rights UK's recommendation is delivered.

Disability Rights UK also suggested a flexible approach to ensure that disabled people have the same opportunities to access apprenticeships as other people. Its concern matches the point highlighted to the Committee by employers that a headline figure is not the only useful measure, and that 400,000 additional new starts could undermine overall quality if there is no focus on certain groups, perhaps those furthest from the employment market.

It is essential that the new programme is targeted well and increases long-term employability, possibly in conjunction with Access to Work. We have had some discussion of that already, and the Minister made a point about spending on Access to Work, but can she clarify specifically whether the number of disabled people supported by Access to Work in the current financial year is higher or lower than the number supported in 2009-2010, the last full year of the last Labour Government? The last time I looked at the figures, the number of disabled people supported by Access to Work had fallen. Witnesses support better advertising and use of Access to Work, and to date the Government have been unwilling. I hope that apprenticeships will offer the opportunity to reconsider how Access to Work is used in the longer term to reduce unemployment.

Leonard Cheshire Disability has briefed the Committee, saying that in order to meet the Government's target, 1 million disabled people must get into work. I hope the Government will reconsider how Access to Work can

fulfil part of that role. The Minister mentioned a change in Access to Work from 2013 involving extending it to work placements. It would be absolutely fantastic to have any information at all about how that has been delivered and what impacts it has had; £2 million was set aside to deliver it. If it is working, that would be useful to know; if not, again, there is additional evidence to suggest that a specific target for disabled people, linked to the existing Government programme, would be useful.

I am conscious of time, and I know that some brilliant examples have already been given, but the Minister does not strike me as naturally timid. I hope that there is no timidity in approaching a target, because there is good practice among businesses that have demonstrated a commitment to delivering apprenticeship and employment opportunities to disabled people. I have examples. These are not DWP examples; they are real people and real names. Jane Forster, a disabled person, was taken on by Barclays, which a national programme that the Government could use and learn from.

**Priti Patel:** I have been there.

**Neil Coyle:** Brilliant. Well, there we are. It is nothing to be timid about. Jaguar Land Rover also has a scheme, which took on Daryl Jones. I am sure the Minister has heard of that scheme. IBM also has a fantastic scheme. I will not go through the specific examples, but those businesses are out there and have shown the way. I hope the Government learn from those business examples and deliver the measures in the amendment. Both the Federation of Small Businesses and the British Chambers of Commerce have indicated that they are willing to help in that regard. The amendment would drive that focus and help meet that target.

My final point is this. Crisis has provided an excellent briefing for members of the Committee. The youth obligation announced in the recent Budget requires young people aged 18 to 21 to apply for apprenticeships or traineeships, gain workplace skills or go on mandated work placements after six months. It is even more essential that apprenticeships are open to disabled people. Amendment 102 would support the Government in delivering the new requirement they are placing on young people.

**Priti Patel:** I apologise for my seated intervention, Mr Streeter.

**The Chair:** You are forgiven.

**Priti Patel:** It is fair to say that during this debate we have covered a wide range of points. However, I will bring our debate back to the amendments, which seek to impose targets on the Government for the number of apprenticeships taken up by people leaving care and by people with special education needs or disabilities.

On amendments 99 and 103, apprenticeships are real jobs with training. As is the case for all other jobs, employers make the final decision as to who they hire for any apprenticeships they have advertised. As apprenticeships are employer-led we are not able to ring-fence apprenticeships for particular groups, as that would mean we would require employers to hire particular people for vacancies. The 3 million target will provide more opportunities for everyone, including those leaving care and those with special educational needs or disabilities.

In an earlier discussion I touched on some of the existing schemes, which we are of course extending. A lot of investment is going on in this area already. When we have more time I will be happy to elaborate on that and talk about the programmes, so as to share more information with the Committee. Much work is ongoing in the Department.

To respond to amendments 99 and 100, we already provide full funding for apprenticeship training under the existing frameworks for entitled 19 to 23-year-old care leavers. The hon. Member for Birmingham, Yardley spoke with great passion. To answer her point, this is not about excluding people but about supporting them, especially those with challenging backgrounds. The circumstances she highlighted are poignant—she spoke about a real individual who, as she pointed out, is the same age as her and her peer, and who wants to work and to have the opportunity to progress. It is incumbent on the Government to support that individual to find the right routes and access so that she can get the support she is looking for.

The hon. Lady mentioned Barnardo's, which I know has called for an additional target of 20,000 apprenticeships taken up by children or young people leaving care. We will work with Barnardo's to continue to make apprenticeships accessible for care leavers. The hon. Member for Bermondsey and Old Southwark mentioned that responsibility for this area is not solely DWP's but goes across Government. There is an apprenticeship advisory group that helps the Government to understand and address any apprenticeship issues connected to diversity and equality, so as to address barriers and make apprenticeships as inclusive as possible.

As for reporting, in a previous discussion I touched on the fact that a lot of the data are published as part of our quarterly statistical first release. We will continue to publish those data as part of the annual reporting requirement set out in the Bill. The Government want all apprenticeships to be as inclusive as possible. Thousands of disabled people have already benefited from apprenticeships. There are many schemes, such as the Disability Confident campaign, and Barclays, Marks and Spencer, Sainsbury's and many other employers are doing great work in this space. As a Department, along with the Department for Business, Innovation and Skills, we are encouraging businesses to do more—that is part of our ongoing work and dialogue with them.

For a start, we want in this Parliament to build on the success of the work that has taken place with employers on apprenticeships. We judge that the measures in the Bill will give confidence that the Government are ensuring that apprenticeships are accessible to people of all backgrounds, including care leavers and those with special educational needs and disabilities. I urge the right hon. Member to withdraw the amendment.

**The Chair:** It is Ms Phillips' amendment; she is not yet a right hon., but it will not be long.

**Jess Phillips:** It is a matter of time, isn't it, Chair?

I will come back on some of the things that the Minister has said. I welcome her concerns. I will send my constituent to her, as she is keen to get her into work. Although I understand what she says about targets and the policy being employer-led, there are a lot of things that other Government Departments, as well as

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hers, could potentially do to try to reach targets in both areas. I welcome that, so I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Clause 2 ordered to stand part of the Bill.*

### Clause 3

#### SUPPORT FOR TROUBLED FAMILIES: REPORTING OBLIGATION

**Stephen Timms:** I beg to move amendment 4, in clause 3, page 2, line 46, at end insert—

“(2A) The matters by which the progress made by a household that receives relevant support shall be measured under subsection (1)(b) include whether a member of the household is in employment.”

*This requires one of the factors which is used to measure whether a household receive support is making progress is whether or a not a member of the household is employed.*

**The Chair:** With this it will be convenient to discuss amendment 5, in clause 3, page 3, line 6, at end insert—

“(4A) A report prepared under this section must include information about the number of households receiving support where a member of the household, who had not previously been in employment during the last 12 month, has entered employment.”

*To require the report on support for troubled households to specify the number of households receiving support where a member of the household has become employed.*

**Stephen Timms:** We now deal with the troubled families programme, for which there is widespread support. As Ministers have acknowledged, it has its roots in the family intervention projects introduced by the previous Labour Government. The pioneering Dundee families project, established in 1995, has been particularly influential. The approach has all-party support, and we welcome the proposal in the clause to introduce a new and more formalised reporting obligation.

The troubled families programme as it currently stands was given a big push by the riots in summer 2011 and was launched by the Prime Minister later that year. Louise Casey was appointed director general in November 2011. The troubled families programme is in touch with a lot of agencies: with housing departments because of rent arrears; with social services about the wellbeing of children; with police and youth offending teams; sometimes with drug and alcohol services; with education departments over school non-attendance and exclusion; and with the health service. All of that means that the families we are talking about impose a high cost on the taxpayer. They are also often high-harm to themselves and to others. Outcomes for children in those families tend to be poor, and many are on the borderline of being taken into care. A solution has to involve all family members and a multiplicity of agencies, so inter-agency planning delivery is the key to the effectiveness of the programme.

The goal announced in 2011 was to turn around 120,000 troubled families in England by this year, aiming to turn around the patterns repeated in generations of poor parenting—abuse, violence, drug misuse, antisocial behaviour and crime—with the Government investing some £4,000 per family over three years on a payment by results basis. The key element of the programme—this

was distinctive to the family intervention projects as well—is that each family has an assigned caseworker responsible for turning their fortunes around and bringing together the efforts of all the agencies working with that family to maximise the chances of success.

The official evaluation, published last July, gave us some detailed information. Some 49% of all families in scope are lone-parent families. The under-18 conception rate is only 2%—rather contrary to the stereotypes we sometimes hear. Some 90% of the adults in the families involved have committed no criminal offence. Only 3% have been treated for alcohol dependency, and it is the same proportion for drug dependency. But 46% of households have an adult or adults suffering a mental health problem, and 33% of the children have mental health problems—that is a particularly troubling figure. Some 32% of the adults and 20% of the children have a long-standing physical illness or disability. Some 74% are workless households. For 83%, at least one person receives out-of-work benefits; 27% are in rent arrears; and 21% are at risk of eviction from their homes.

7.30 pm

To be included in the programme, a troubled family has to be either involved in crime and antisocial behaviour, where actual triggers are identified, or have children that are not in school, or have an adult on out-of-work benefits. Any family meeting one of the first two of those criteria and the third are automatically in the programme. Local authorities can then add in other families on the basis of their local knowledge and their discretion.

When it is claimed that a family has been turned around, that means they must either have an adult in the household who has left out-of-work benefits and been in employment for at least three months, or that all the children in the household have been attending school consistently for a school year and the family’s involvement in antisocial behaviour or youth crime has been reduced.

The point that we are picking out particularly in amendment 4—I know that you were eager to hear about this, Mr Streeter—is that of the 105,000 out of 118,000 families in the programme who we were told in the figures published in March had been turned around, only 11,000 families had been turned around on the basis that they had found continuous employment.

The Full Fact website published a rather sceptical assessment of the Government’s claims about the troubled families programme. It was headed, “Troubled families, troubled figures”. Full Fact was particularly sceptical about the claim that £1.2 billion had been saved across the country as a result of the programme, and its scepticism is probably warranted.

Clause 3 introduces an annual obligation on the Secretary of State to report, but it does not specify the criteria against which progress will be measured. The purpose of our amendments is to ensure that at least the extent to which members of the families have secured jobs is one of the items on which progress should be assessed. Amendment 4 would require that whether family members are in employment is one of the progress factors to be considered, and amendment 5 would require that the number of previously workless households in the programme in which an unemployed person has got a job should be specified in the annual report.

It is genuinely a very difficult task—there is no question about that—to support people in these families into work. David Holmes from the Family Action organisation gave evidence to us last Thursday and has talked about that difficulty, and I would love to speak about his evidence to us, as well as about some of the other points that he has made.

On Thursday, we also heard from a senior officer of Manchester City Council. A year ago, I visited the Working Well project in Manchester, which has been supported by the Minister's Department and the Treasury to see whether it is possible to do better than the Work programme has done for people on employment and support allowance. It has used the caseworker approach.

However, there is wide evidence that the approach in the troubled families programme, which has achieved some very good things, has not worked for employment. Getting the right lead family workers, who can integrate services from a variety of agencies, works very well, but the problem has been that generally, and not surprisingly, those lead workers have not been very good at getting people into jobs. That is where we think the focus needs to be switched to, and that is the reason for these amendments.

I suggest to the Minister that it is crucial that the annual report contains additional information about people who have got into jobs, not least so that really effective practice on the part of authorities such as Manchester, which we heard from last week, can be identified and taken up more widely. That will not happen unless the data on employment are available.

I know that the Minister will grasp the significance of these amendments, and I hope that she will also accept them.

**Priti Patel:** I thank the right hon. Gentleman for his contribution and for the focus on the troubled families programme, because it has been designed to turn around the lives of families with challenges. In fact, the first troubled families programme turned around the lives of more than 116,000 families. That is not to say that those hardest-to-help families' complex needs and multiple problems can be resolved overnight.

Amendment 5 would require information to be included in the Secretary of State's report on the number of households receiving support where a member of that household progresses into employment following a period of 12 months out of work prior to engagement with the troubled families programme. Getting parents and young people into work is at the heart of the troubled families programme. To reflect that, there are specific progress measures on continuous employment, as set out in the programme's operating framework.

As with the original programme, we expect the majority of families in the new troubled families programme to be claiming out-of-work benefits. Due to the complexity of the problems they face, they will also be a long way from the labour market. We know that getting a parent into work can have a transformative effect on the whole family. Any Committee member who has any engagement with constituents who have been involved in the programme will recognise the impact on families of the measures and interventions, which can really be transformative. That is what such programmes are about.

In recognition of that, the programme aims to support families with a multitude of problems where adult family members are currently out of work, irrespective

of the length of time they have been unemployed. Information on how the programme has supported adults into employment is therefore already an important part of the troubled families programme's independent national evaluation, which will be the basis of the Secretary of State's annual report to Parliament.

On amendment 4, clause 3 provides that, at the start of each financial year, the Secretary of State shall issue a notice "specifying the matters" by reference to which progress will be measured and reported on in the following financial year. The amendment would place employment as a progress measure into statute. We have purposely not set out a progress measure for the programme within the clause, so as to ensure that the programme remains flexible enough to respond to families' emerging needs and to reflect future Government priorities. The right hon. Member for East Ham mentioned that the programmes are varied geographically, and in respect of the local authorities involved and the multi-agency work that is taking place. Ensuring that the programme can remain flexible to respond to the needs of those families is therefore vital.

**Stephen Timms:** The Minister emphasised that getting people into employment is at the heart—I think those were her words—of the troubled families programme. I welcome her assurance, but that should surely then always be in the criteria against which the programme is assessed.

**Priti Patel:** The full employment measure, which we have discussed, is outlined in an annual report. This is about the troubled families programme, which already has an independent national evaluation. That will be the basis of the Secretary of State's annual report to Parliament. We take the view that we are already reporting on those measures. Different information that can be used to measure progress may, of course, become available during the lifetime of the programme. The annual notice issued by the Secretary of State will accommodate that information and will be based on the operating framework for the programme.

The current financial framework includes progress measures for employment, and therefore the first report to Parliament will include information on the number of adults in families supported by the programme who have moved into continuous employment. We believe that that is covered and that the amendments are therefore not necessary, so I urge the right hon. Gentleman to withdraw them.

**Stephen Timms:** I am glad that the point will be covered in the first report, but I am rather puzzled as to why the Minister is not willing to say that it should be covered in all reports, given the centrality of employment to the goals of the programme. Nevertheless, I am grateful for her response and will not press the amendment to a vote. I hope that, in practice, we will find employment featuring prominently in each of those reports in each of the years they appear.

*Amendment, by leave, withdrawn.*

**Stephen Timms:** I beg to move amendment 6, in clause 3, page 3, line 6, at end insert—

'(4A) A report prepared under this section must include information about the total value of expenditure directed at supporting relevant households by—

(a) local government,

- (b) central government, and
- (c) government agencies.”

*To require the report on support for troubled households to specify how much has been spent to support targeted households by different parts of government.*

I will not take up much of the Committee’s time on amendment 6, but there is one other set of data that we need to make a full evaluation of this programme: how much is being spent on it? As I understand it, the central Government allocation is £4,000 per participating family but, of course, other resources are also being allocated to those families. In particular, many local authorities, because it makes such a big difference to them if the families can be set on a new and positive path, are supplementing the resources provided by central Government, and other agencies are also contributing. We need to know the total value of spending on those households by the relevant agencies, and amendment 6 simply requires the report produced under clause 3 to include that vital piece of information.

The Government say that the 120,000 or so troubled families in the current programme cost the state £9 billion a year. Ideally, we would like to have a set of figures that add up at the beginning to £9 billion being spent on those families but that then fall as the programme starts to take effect. The announcement last March, on which the Full Fact website was rather sceptical, claimed that £1.2 billion had been saved as a result of the programme but, to secure a robust evaluation of the programme and to grasp the impact of those families on the Exchequer and the effect of the programme, there is no alternative to compiling the figures required by amendment 6, which would hopefully decline year on year if the programme is having the impact that we all want.

This is my final point, Mr Streeter, because I have a shrewd suspicion that you may not call a stand part debate on the clause today. The Local Government Association has made the point to us that, to minimise additional work in producing the report required by clause 3, data contained in the report must, so far as is practicable, be derived from any relevant official statistics, the national impact study and family progress data. What is the Minister’s response to that specific proposal?

**Priti Patel:** Again, I thank the right hon. Gentleman for his comments. Obviously, the troubled families programme is focused on better outcomes through the more efficient use of resources. It is therefore right that the primary focus of the report to Parliament is on the outcomes for those families.

Local authorities have been given the freedom to shape their own local programmes with their own local public service partners. In exchange, the Government have asked local authorities to provide information that will enable us to assess the impact of those programmes, which of course includes an understanding of what is being spent on families and the savings being achieved across local public services. That information on costs is part of the troubled families programme’s independent national evaluation, which I have touched on and which will also be published as the basis of the Secretary of State’s report. Information on Government spend on the programme is published annually in the Department for Communities and Local Government accounts. On that basis, it is not necessary to expand the scope of the duty.

There are a couple of points on the £9 billion estimate, which was based on the best information available at the time for the purpose of designing the original troubled families programme. The figure was the result of an analysis of a range of spending on troubled families by central Government Departments. The right hon. Gentleman also mentioned the £1.2 billion figure and the Full Fact website. That figure comes from a report published during the previous Parliament, and it is simply an indicative figure that suggests what potential savings could be made if average savings were replicated across local authorities.

It is fair to say that, because the information on costs identified in the independent national evaluation of the troubled families programme is already published, and will continue to be published—there is a line in the DCLG accounts, too—we do not believe we need to expand the scope of the duty. I therefore urge the right hon. Gentleman to withdraw his amendment.

7.45 pm

**Stephen Timms:** I am grateful to the Minister. When the evaluation came out in March, the then Secretary of State for Communities and Local Government did not speak in the circumspect terms used by the Minister. He claimed that £1.2 billion had been saved.

Full Fact points out, however, that that was based on just seven of the 152 local authorities that took part. Most areas showed gross savings per family of between £6,000 and £10,000, but in Salford savings were £18,000 and in Staffordshire they were claimed to be £49,000. The average was taken from those seven and grossed up to the 152, with the result being the £1.2 billion figure that Full Fact is understandably rather sceptical about. Ministers claim the figures to be savings with some authority, but it would be advisable to provide the more robust data that underpin the figures and estimates before such a claim is made. I do not propose to press the amendment to a Division, but the next time figures are claimed for savings resulting from the programme, I hope we have a more robust basis than that used in March.

*Amendment, by leave, withdrawn.*

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

**Stephen Timms:** In my earlier remarks I raised a question for the Minister about the request from the Local Government Association that information should be taken from existing sources where possible to minimise the amount of work. Is she in a position to comment on that, or perhaps will she drop me a line?

**Priti Patel:** I cannot comment at this stage, but I will be very happy to take that offline and drop the right hon. Gentleman a line.

*Question put and agreed to.*

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

*Ordered, That further consideration be now adjourned.—(Guy Opperman.)*

7.47 pm

*Adjourned till Thursday 17 September at half-past Eleven o’clock.*

**Written evidence reported to the House**

WRW 24 The Riverside Group Ltd (Riverside)

WRW 25 TPAS

WRW 26 Carers UK

WRW 27 National Autistic Society

WRW 28 The Abbeyfield Society

WRW 29 StepChange

WRW 30 Motor Neurone Disease Association

WRW 31 Le Personne Benevolent Trust

WRW 32 St Mungo's Broadway

WRW 33 Residential Landlords Association

