



Youth Unemployment Committee

Corrected oral evidence: Youth unemployment

Tuesday 18 May 2021

11.40 am

Watch the meeting

Members present: Lord Shipley (The Chair); Lord Baker of Dorking; Lord Clarke of Nottingham; Lord Davies of Oldham; The Lord Bishop of Derby; Lord Empey; Lord Hall of Birkenhead; Lord Layard; Lord Hall of Birkenhead; Baroness McIntosh of Hudnall; Baroness Newlove; Lord Storey; Lord Woolley of Woodford.

Evidence Session No. 9

Virtual Proceeding

Questions 84 - 98

Witness

I: Baroness Wolf of Dulwich CBE, Professor of Public Sector Management, King's College London.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witness

Baroness Wolf of Dulwich.

Q84 **The Chair:** Welcome to this evidence session of the Youth Unemployment Committee, which is being broadcast live via the parliamentary website. A transcript of the meeting will be taken and published on the committee website. You will have the opportunity to make corrections to it where necessary.

Today, we are very pleased to have an evidence session with Baroness Wolf of Dulwich, professor of public sector management at King's College London. Baroness Wolf, welcome. You might wish to say a word about yourself as an introduction.

Baroness Wolf of Dulwich: Thank you, Chair. I am indeed both an academic at King's College London and a non-affiliated Member of the House of Lords.

I should make it clear that this morning's evidence is very much me speaking in a personal capacity, because at the moment I am seconded on a part-time basis to the Government to advise the Prime Minister on skills policy. To be clear, there is no gaping hole between opinions in the two places, but this is me as me, not as a representative in any way of Her Majesty's Government.

Q85 **The Chair:** Thank you very much for that clarification, which is entirely understood.

I want to ask you a very general question about your priorities with regard to the skills agenda as it relates to young people between the ages of 16 and 24. What are your priorities?

Baroness Wolf of Dulwich: Particularly between 16 and 18, of course, there are differences in the routes that young people take in any country in the world. I also think it is very evident—it is almost banal to say this, except it is so hard to put into practice—that for the large majority of young people, whether they are 16 or 23, an absolute priority is that any formal level of training should include opportunities to have direct contact with the workplace and that any part of the curriculum should be informed in an ongoing way by the requirements of employers in the workplace for those areas that are very clearly related to a job.

Clearly, this is not the focus of this committee, but it is equally important that the more academic parts of the curriculum remain in ongoing contact with the changing and developing world of the areas that they work with.

It is not just about academic versus vocational. It is an ongoing challenge to make sure that a curriculum, in so far as it is delivered in specialised educational institutions, remains linked into the wider context to which it is oriented.

I am sure that every witness has said and will say that the big challenge, which different systems achieve with more or less success, is to ensure

that in the directly vocational, occupational and technical areas of the curriculum, which are closely oriented to movement into jobs, that link is kept up to date and employers are actively involved at all times.

Apart from the obvious fact that you have to fund it properly, that to me is the No. 1 priority, and it is an ongoing task.

- Q86 **The Chair:** May I ask you about assessment, too, because it is obviously related? As regards 16 to 18 year-olds, do our systems of assessment effectively measure the skills of young people?

Baroness Wolf of Dulwich: That is presumably a broad question, and I am not sure that it has a yes or no answer. My answer would probably be in some cases yes and in some cases no. It also again relates to what it is you are actually assessing them for. If you are assessing people for entry to competitive hierarchical institutions, you have a very different set of requirements for your assessment system from, effectively, trying to give someone a licence to practise in an occupation.

My broad answer would be that some of our assessment is pretty good and some of it is less good. I am not going to start pulling out individual items, but I will take the opportunity to bang on about one thing that I think we have not achieved in this country yet. In areas that are quite close to a licence to practise, we need not just to have employers involved; we need employers contributing directly to the assessment process, just as, for example, they do with medicine. You do not get your medical assessment completed without any practising doctors involved.

For anything that is job oriented, such as a licence to practise, in saying that your skills have reached a level of practicality where you are ready for the workplace, I believe very strongly, even though it is difficult to do, that you should have employers actively involved in the actual process of assessment. We do not do that. I recommended it in my 2011 report. It died a death, I think, because it went into the "too difficult" box. I would very much like to see it taken back out again. You will probably want to come to the 2011 report at some point, and this seems like an opportunity to say that that particular recommendation is one I would still stand by 100%.

The Chair: Let us move on. I invite Baroness Newlove to ask the next question.

- Q87 **Baroness Newlove:** Good morning, Baroness Wolf. I think that you have already skirted around some of the question I want to ask you. Given that your review was authored a decade ago, has it had the consequences you hoped for regarding developing high-quality technical education? Do you believe that the national curriculum is still fit for purpose in preparing our young people with the skills they need to achieve success, especially as we are looking at the labour market today? If not, what is missing?

Baroness Wolf of Dulwich: I will take these in reverse order, because I have to say that I am not an expert on the national curriculum. I do not

even know when it is next up for review. I will go back to some of what I was trying to do in 2011, and the bits where I think we succeeded and the bits where it did not succeed properly.

For a lot of people who are either in the committee today or hopefully will listen to this at some point, it is probably not as obvious as I am sure it is to Baroness Newlove that, back in 2010, we had a system for 14 to 18 year-olds—and particularly for 16 to 18 year-olds—which was, in my opinion then and now, seriously flawed. Essentially, it encouraged schools. In fact, for 16 to 18 year-olds, it paid schools and colleges essentially on the number of qualifications that they could shell out. Anything on a very long list counted as a GCSE equivalent and anything that was on a very long list for 16 to 18 year-olds, you got paid for. The more thin qualifications you could put people through, the more brownie points you got and the more cash you got.

The result of that in my view then, and I have not changed my mind in retrospect, is that we had a large number of qualifications that were not fit for purpose. That included many qualifications that claimed to be vocational and technical but were very low quality, and not in any sense doing what the label on the packet said. I think that getting rid of those was a big improvement.

If I was going to say what I feel was the single most important thing that was in my report, which was accepted and was achieved, it was creating a proper programme of study for 16 to 18 year-olds. I still feel that it is really important that we should think about 16 to 18 year-olds not in terms of the individual isolated qualifications that they take but in terms of a much more holistic programme. The thing that was really necessary, and did happen, was a move to funding per student for that age group rather than funding per qualification.

Let me come to the bits that I think did not work quite so well, and I suspect this will come up again later when you ask about T-levels. There were two things that I said that I think proved harder to do. The first was that it was really important that as that 16 to 18 offer developed we should see emerge some really good-quality, sizeable, chunky, employment-related qualifications for those who did not want to do A-levels. I was very disappointed, bluntly, that the awarding bodies did not come forward with them. I am sure that there are all sorts of reasons why they did not. It was to do with commercial pressures and lack of confidence, and all the rest of it, but they did not. That was what led Nick Boles, the Minister at the time, to convene a panel on technical education, led by Lord Sainsbury. It came out with the recommendation that it was not happening but it needed to happen.

Going back, I still stand by those recommendations. We can probably come on to where we are, partly because of the pandemic. I think that the later work was necessary. I was too much of an optimist, and it was a clear case where it does not happen if the Government do not give the lead.

The other thing that I said—this is where I am not 100% sure, so this is just an impression and is not based on firm evidence—was about young people who were really struggling. I should preface this by saying that every country in the world struggles with this. It is not like other people have got it sorted and we have not. At any given time—and some of them will be very able, by the way; this is not about special needs pupils in any sense—it is about the fact that, particularly in that age group, you get a subset of young people who really are struggling and for whom the regular institutionalised life of a school or college just does not work. It is not a group on which I am an expert at all. I am much happier talking about higher technical apprenticeships than I am about this group.

It seemed to me then and it seems to me now that for those young people you need two things. The first is that you have to keep their English and maths going; you have just got to, because those are the most important vocational life skills that exist anywhere. It would not be English if we were in France—it would be French and maths—but the same point arises.

The second was that these are the sorts of young people, above all, for whom getting out of school, getting out of college, and being in a workplace and doing stuff that is real, where they have to measure up, is likely to be the best thing that you can do. It is also, of course, the most challenging because, if you are an employer, this is not necessarily the kid that you most want to take on.

We still struggle with this, and I think everybody struggles with it, but it is incredibly important that we keep looking at it. Perhaps, and I am just throwing this out—I have not returned to this, and neither has anybody else—we need to come back and look at it again and look at what incentives we would need to give employers to get them actively involved. Very reasonably, if they are taking somebody on as an apprentice, this is an employee. They want somebody who is actually going to help the company. You cannot run a company as though it is a charity with a bottomless bank account.

That is the area where we continue to have challenges and probably will continue to. That is a partial answer, but I do think that, not just due to me but due to the Government at the time, 16 to 18 education in the broad is in a better place than it was in 2010.

Baroness Newlove: Thank you, Baroness. You have more or less answered my supplementary. May I pick up on a very valid point that you made? The Bishop of Manchester and I are aware that life skills are so important to all that we create in academic or practical skills and the policies that we are making now, especially with the pandemic.

I love working with young children, young students, who do not tick that box. There is an issue with our pupil referral units, and the amount of money that is spent, because it is not actually productive, and if they go into criminality, there is the cost to the state. I think we need to look at that and address it.

English and maths are important, and, as you said, employers are there as a business, not a charity, but I think that they need to switch and look at the talent that the youngster in front of them has. They might have entrepreneurial skills when they are selling and describing things that are completely different. They need to pick up on that seed of creativity and they are quite educational.

I am really passionate about the language that is engaged. For anybody going for an interview, it is very nerve-racking. I do not care how old you are, or how skilled you are—the language completely puts a blocker on your mind because you are trying to work it out. I am really grateful for what you said, but I think we need to look at life skills. Team-building is so important and understanding what they can produce—perhaps not in the way that your induction is expecting, but they could be an excellent worker.

Baroness Wolf of Dulwich: May I come back on that because I completely agree? It sounds as if you know far more about, for example, PMIs than I do. I do agree. The answer is not giving people certificates in life skills, which are a complete waste of space and time and money, bluntly.

It goes back to the question about how you get employers to look at an individual young person. I completely agree with you—that was why I said this very clearly at the beginning—that a lot of these kids are extremely talented and interesting people. They often are and, if you can keep them from going totally to pieces, they will come through—often very creatively so.

There is always this difference between a broad judgment on or fear about young people or a certain group of people and the way that you feel about the individual kid that you have got to know. That is why I think the biggest challenge is getting employers involved. It is not like you go through something, you finish, you go for an interview and then you do not get it. It is about both how you best create those skills and how you get employers who will look at an individual young person and say, “Actually, they’re all right”.

Q88 **Lord Baker of Dorking:** Baroness Wolf, I was interested to hear you say earlier that you do not know much about the national curriculum. You have done more to change the national curriculum than any other single person in our country since 2010 and the Wolf report. You changed it fundamentally because you do not believe in 14 to 18 education and you believe only in post-16 education technically. I do not think I am misinterpreting your views.

Baroness Wolf of Dulwich: Do I not believe in 14 to 18 education? Lord Baker, what I believe is that until the age of 16 there should be a very strong common core. I do believe that.

Lord Baker of Dorking: I fully understand that.

Baroness Wolf of Dulwich: As for changing the national curriculum, that is very flattering, but I do not think I did. What I did was encourage the Government to take a large number of very poor qualifications off the approved list. We can quibble over semantics.

Lord Baker of Dorking: It is not quibbling, Baroness Wolf. Let me start at the beginning. In 2016, the Government abolished the UK Commission for Employment and Skills because it published skills gaps. I believe that I am not interpreting your views incorrectly when you say that you think that publishing skills gaps by the Government is a fairly fruitless exercise. It is too difficult to do in a sophisticated economy. I am not misinterpreting you on that, am I?

Baroness Wolf of Dulwich: I think that just publishing skills gaps at a national level is not tremendously helpful. I believe in skills analysis. The current White Paper is very much about looking at what employers in a locality do or do not have trouble with. I had nothing to do with the decision to abolish the commission, by the way—absolutely not.

Lord Baker of Dorking: I am sure you did not, but you approved of it—I am quite sure of that. Since then, the Government have not published any skills gaps, although various educational institutes have, and so have employers. We have been presented with evidence. The employers who come before us nearly always speak about skills gaps, whatever it may be in their own industry.

Three weeks ago, we had sent to us a very interesting piece of research called *Disconnected? Exploring the Digital Skills Gap*. You may have seen it. It was done by WorldSkills UK, the Learning and Work Institute and Enginuity. They looked at 1,000 companies in Britain, big and small, from nuclear to pubs. They discovered that 76% of the owners, chief executives or managing directors of those companies said that the biggest problem affecting their profits, growth and expansion was the lack of digital skills, and particularly data analysis. That to my mind is a skills gap. It seems to me that the education system of our country ought to respond to that to try to do something to fill the skills gap. Would you not agree?

Baroness Wolf of Dulwich: On digital skills, I would say that the Government have indeed been responding. I do not want to get into a discussion of publishing skills gaps versus doing other things. I completely agree that we have a major shortage of highly qualified people in almost every digital area. BEIS, for example, as you probably know, currently has a big green task force and various other task forces looking at this. The boot camps, for example, which started off under the previous May Government and which are currently being funded under the national skills fund, have taken digital skills as one of their major priorities.

We could probably have a long discussion about the best way to do this. I would say that simply publishing data on skills gaps may or may not be helpful. What is important is to have both a training system and an

education system that give good information both to providers and to young people about the changing labour market. I would also say it is important to have employers who invest in training and are willing to invest in training.

Lord Baker of Dorking: Yes, I accept that.

Baroness Wolf of Dulwich: I think that you would probably accept that, and that is a whole other discussion. I would love the Lords to have a committee that dug into why the recent record of British companies in investing in training seems—I emphasise “seems”—to be surprisingly poor, given the experiences that they have encountered.

Lord Baker of Dorking: You said at the beginning of your reply that the Government were coping with the skills gap in computing. We have just had papers from Pearson. They arrived I think only yesterday or the day before. They said that the figures show a decline in completion of technical qualifications in computing and IT. You are responsible for technical education.

Baroness Wolf of Dulwich: Lord Baker, I am not responsible for technical education.

Lord Baker of Dorking: With great respect, your recommendations have prevailed, Baroness Wolf. May I complete what it said to us? It said that the largest fall was at key stage 4. Level 2 qualifications taken in IT and computing pre 16 fell from 185,000 to 35,000; at level 2, they fell from 9,500 to 7,000; and at A-level, they fell from 47,000 to 34,000. Since you have been responsible for technical education, there has been a fall in IT and computing qualifications over the last 10 years.

Baroness Wolf of Dulwich: And you are telling me that this is my responsibility.

Lord Baker of Dorking: With great respect, Baroness Wolf, your voice has prevailed on technical education.

Baroness Wolf of Dulwich: I wish that were true. I am a great supporter of technical education, but on the A-level, can I just say—

Lord Baker of Dorking: Baroness Wolf, the consequence of the Wolf report in 2010 was to remove most technical education below 16 from schools. Design and technology has dropped by 70%. We have been sent other evidence. Since the removal in 2015 of the IT GCSE by the Government because they said that it was too simple an exam, there has been a reduction of 40% in youngsters since then studying computing in schools: a 40% reduction since 2015. How can that be sensible in the digital age? What are they studying instead? They are doing one of the eight academic subjects in Progress 8—perhaps English, where they are encouraged to read Jane Austen, so they might be concerned about the amorous affairs of the daughters of the squirearchy in rural Napoleonic England rather than learning a computer language. There is a direct fall of 40% in youngsters at 11 to 16 schools studying computing over the

last five years. Are you not concerned about that?

Baroness Wolf of Dulwich: I am concerned about it, but I am not concerned about the fact that the Government changed the GCSE curriculum, which was indeed completely too simple. I dare say you have heard the opinions of, for example, the current chief inspector on this subject already. I do not think that there is any point in teaching young people out-of-date skills in a way that is not relevant to the current labour market. This had nothing to do with me, and I would like to put that on the record. I actually think it was the correct decision.

May I say something about A-levels, where I think the problem is quite different? I think we have a serious challenge here. It is incredibly difficult, because of the exploding demand for good digital skills, to find good A-level teachers. It is a total nightmare. The major reason why people are not doing an A-level in IT and computing is not because of some recommendation that I made about GCSE-level qualifications back in 2011. The major reason why we have a genuine and worrying shortage of young people doing this in schools at the moment—I would agree with you on this—is because the system has not kept up with demand and it is extremely difficult to provide good teaching.

In the context of youth unemployment, I think this is really important. You cannot provide really good teaching in technical subjects to 16 to 18 year-olds unless you are also maintaining a supply of highly qualified people who are actually—

Lord Baker of Dorking: Yes, I think we would all agree with that, Baroness Wolf. May I bring you back to below 16 just for a moment, please? The result of your policy has been to remove most technical education below 16, as I have shown in computing and in design and technology. When you came out with your policy, you took your party to Norway, because Norway is the only country that teaches technical subjects beginning at 16. Do you know of any other major European country that does not teach some technical, practical, hands-on learning to 11 to 16 year-olds? Is there one?

Baroness Wolf of Dulwich: First, I did not go to Norway. Secondly, we also make this available. It is not true that we do not teach it. In fact, we are now very comparable in our 11 to 16 curriculum to just about any other major European country. It is not true that most European countries provide highly specialised vocational and technical programmes to young people under the age of 16. It just is not the case, Lord Baker. I am sorry; perhaps it should be.

Lord Baker of Dorking: I am sorry, Baroness Wolf, with great respect, Germany has technical schools at 11 to 12. Austria stops the national curriculum at 14 and has technical colleges. Switzerland is also following it. The Netherlands boasts of its technical stream below 16, and so does France. It does happen, Baroness Wolf.

Baroness Wolf of Dulwich: They do not boast of them. In fact, in the Netherlands, which I know really quite well, they have a major problem now with anybody wanting their children to go into highly specialised vocational technical schools before 15 or 16. The reason for this is that we are now in a world of universal upper secondary education, which is of course part of the problem: trying to make this work for young people who in the past were able to go into the labour market at 16 or 17. We were the last country in Europe to lose a youth labour market, but we have in fact now lost it.

Going back to your claim that I am responsible for the decline and disappearance of all technical education before age 16, first, it has not all disappeared. Secondly, I am not. Thirdly, I have no regrets whatever about recommending that schools cease to offer a very large number of very low-quality, pseudo-vocational and pseudo-technical qualifications, which was the case when I started to look at it in 2010.

Lord Baker of Dorking: Yes, I think you have expressed that view.

The Chair: Baroness Wolf, a moment ago you mentioned the chief inspector and made reference to a report or perhaps a set of reports.

Baroness Wolf of Dulwich: I will have to check with her on this, but I know she has been concerned about the quality of some of the qualifications that have been accepted on to the list. I do not want to take her name in vain.

The point I was making is the fact that you just put a label on something that says it is digital does not, alas, mean that it is a high-quality qualification or something it is worth the while of a young person to do.

Lord Baker of Dorking: Thank you very much, Chair.

The Chair: We have not heard from the chief inspector and it is a possibility that we will, but, through this discussion, I am suggesting to our secretariat that this is clearly an area that we might wish to address.

Because of time I need to move on quite soon to Lord Davies. Lord Baker, do you have anything specific to add?

Q89 **Lord Baker of Dorking:** I have one final question. There seems to be a dislocation, which is expressed to us by many industrialists, between what the schools are producing and what industry needs—I am not talking about FE colleges but about schools and the school leaving age of 18—and that, as a result, there is a high level of youth unemployment. What is the level of youth unemployment that you will take as natural in Britain at the moment?

Baroness Wolf of Dulwich: I cannot answer that question. This is not a natural period. I am not sure that I believe in such a thing as a natural level of youth unemployment anyway. If you manage to create a very good system of apprenticeships, for example, as a number of the countries that I think we both admire—such as Switzerland or Norway,

not so much the Netherlands, but Germany and Denmark—have done, you can have extremely low levels of youth unemployment, and that seems to me highly desirable.

Lord Baker of Dorking: The Government publish the level of youth unemployment—it is 14.4%—but the evidence that we are getting from other bodies, for example Ben Gadsby in Birmingham, is that the national average for NEETs is 11.5%; in the richer parts of Birmingham, it is 7%; and in the poorer parts, near Sandwell, it is 20%. Twenty per cent youth unemployment is a very serious indictment of our present system.

The Chair: May I make a further suggestion? I think that we need to talk to ONS directly. As you know, Lord Baker, it gave us advice before we began our work on the inquiry, but we need to get up-to-date figures from ONS. That is proposed probably for July in the committee's cycle. Lord Baker, thank you very much.

Baroness Wolf, was there anything you wanted to say further to any issue that Lord Baker has raised?

Baroness Wolf of Dulwich: I suppose that I would just like to flag the point that in a way came up in the context of A-level provision. It is very related to this whole question of providing a really good basis. That is the fact that one of the constant problems is the quality of people and the provision of teachers. I do not know whether that is something that you can correct, but it seems to me that it is a major issue in apprenticeship training as well, and the fact that a large number of colleges find it extremely difficult to hire good engineering lecturers, which is partly to do with wage rates and partly to do with supply.

It seems to me that there is always a danger that we all get fixated on—or not fixated on but concentrate too much on—what the Government can tell people to provide and how they write the curriculum, and not enough on whether, particularly in employment-related technical vocational areas, it is possible for them to hire really high-quality lecturers and teachers. If it is not, what can be done about that, and what experience previous programmes have had with success or lack thereof?

The Chair: Thank you very much for that. May we move to Lord Davies, please?

Q90 **Lord Davies of Oldham:** It has been quite an exciting five or 10 minutes or so while Baroness Wolf has been faced with Lord Baker in his challenges. However, I want to operate in an area in which she has genuinely been very constructive and on which many of us would wish to express our appreciation, which is the issue of apprenticeships. She has been very concerned that the extension of apprenticeships should go substantially beyond what we have had in the recent past and, particularly, that it should look like a career opportunity for the 16 to 18 to 24 group that we are studying at the present time about which we have concerns.

Apprenticeships seem to be an important dimension. What I want to know is whether, in fact, the apprenticeship schemes at the present time are meeting with her approval. Is it the case that only the very large companies are prepared to invest substantially in apprenticeships? Many jobs and roles could be available in much smaller enterprises, but they do not look upon apprenticeships as being the route that they want to subscribe to.

The apprenticeship levy, of course, ensures that all companies over a certain size make their contribution, but what we are concerned about is the effectiveness of the apprenticeship and how attractive it is to young people.

Baroness Wolf of Dulwich: First, may I say that you have represented me entirely correctly? I think that expanding apprenticeships for young people is enormously important. It is worth remembering that, if you go back to the 1960s or the 1970s, there were a large number of apprenticeships in this country. A very high proportion of 15 year-olds, as they then were, leaving school went into apprenticeships. It is not like we never had a system. The question is how to build it back and make it not merely as good but better.

I would also say that the quality of apprenticeships now is on average better than it was a few years ago. Lord Davies, I suspect I am telling you things you know all too well. There was a period when the quality of apprenticeships really went down. They were not what most people would recognise as apprenticeships at all. They were often very low-quality training with some or no training attached, which the Government paid for entirely.

Again, to state what my own position has always been, I have always felt that you had to have some sort of levy-type system, as indeed all the top apprenticeship systems do, because that binds companies in, and it creates an environment in which having an apprenticeship is normal. We used to do it entirely voluntarily, but it was a completely different world. Denmark has a tax. Norway has so much money that I am not sure how to describe it. Germany and Austria—all these countries—require companies not to pay for every single thing but to pay in.

In answer to your question, we have a challenge about how to bring more SMEs in. Large companies have unquestionably changed their behaviour because of the levy. I do not know the evidence. Somebody told me that it exists and there have been some studies that seem to indicate that what has happened is a combination of genuine increases in the amount of training they do plus a certain amount of replacement of existing training by the levy.

I do not know the figures. I am trying to chase down the research that shows this. Again, you hear from every company that they feel it is not flexible enough, that they are not being given enough time and all these things.

This is where I have to say that I do not know what changes, if any, the Government will make, but I think that we have had a recognition already, from both the Prime Minister and the Treasury, that there is a good argument for making the levy spending more flexible. I do not know how well that will work, but I would like to say, wearing my academic hat, that the flexibilities were good. A lot of people inside government, partly because they get their ear bent frequently by employers, are aware of this.

There is a challenge and I would be very interested to see what your report has to say about it, because it is also clearly true that we have had a decline in the number of SME apprenticeships. I think it is one of those declines that is no loss without insurance because they were not real apprenticeships. I think that there are a large number of companies that can and should be taking on apprentices. We need to look at how we can do that, how we encourage it, whether there is enough money in the current system to fund it, or whether there needs to be more. To me, that is probably the single most important thing we could do for youth unemployment opportunities, creating genuine pathways to a successful future for a large number of young people.

I totally agree with you that the problem at the moment is that, if you are near to or you get entry to a large company, the opportunities are probably better than they have been for decades and decades and decades. For many people, that is not a real option.

Lord Davies of Oldham: There have been interviews with young people striving to get into the job market at the present time, and it is always suggested that all they are interested in is money. Yet one of the striking things is that a great number of these interviews show that what they are concerned about is being in useful work and being recognised for what they are doing. It seems to me that that aspect of apprenticeships has a role to play in this, and we really need to encourage our companies to adopt these attitudes.

My younger son works for a big American car company. I am amazed, given the nature of industrial relations in America at times, at just how careful the company is in dealing with recruitment policy in these terms and how it treats its workers. It seems to me that at times we suffer from an insularity that does us no good when we are tackling this important area.

Baroness Wolf of Dulwich: I would certainly strongly agree with that. I would also like to take the chance to say yet again what I suspect a very large number of people on this call already know, which is that companies that take someone on as a proper apprentice, where they are an employee, they are paid and the company accepts the responsibility of providing the training, take enormous care of them.

That is why time and time again, when you look at not just the economic but the psychological impact of becoming an apprentice, it is wonderful, but it has to be a "proper" apprenticeship. It cannot just have a

makeshift short-term government programme and claim it is an apprenticeship if it is not. It works because the employer is deeply involved.

The evidence is now so overwhelming that the obvious conclusion is that this has to be a major priority. We need to build on what I think are genuine improvements over the last three or four years and take this on up. To me, that would be the most important thing that we could do for a very large number of young people.

I totally agree with you that people do not just want money. They want to do something that they think is worth doing and that gives them a sense of achievement and self-worth, and all those things.

The Chair: There are two supplementaries—first from Lord Layard and then Lord Clarke.

Q91 **Lord Layard:** As you were saying, the basic problem with apprenticeships is that there are not enough places. In schools, we do not let that situation arise. We have an assessment of the number of school places needed in an area, and we make sure that enough places are provided. Should we not have a system for doing that with apprenticeships? Should there not be in each area an assessment of how many apprenticeship places would be needed to meet the demand; then a serious effort to drum up that number of places; and, if that should be done, a needs assessment, followed by an action plan?

Who should be doing that? I had always thought that the National Apprenticeship Service would do it, but it has now become very automated. Should it not become a serious player in the local scene, with boots on the ground, working closely with local authorities—or who should do this? As you say, this is a central problem for youth. Perhaps the single biggest problem for youth is that there are not enough apprenticeships. How are we going to organise the supply of apprenticeships?

I have another question on FE, but should I leave that until after Lord Storey?

The Chair: Yes, I will make a note.

Baroness Wolf of Dulwich: I am not sure that I have all the answers to Lord Layard's question, but I think that he already knows—we have known each other for a long time—that I completely share his passion for apprenticeships. I am possibly less convinced than he is of the capacity of government to plan and do needs assessments. I think that apprenticeships work to an extent because an employer voluntarily takes somebody on.

What we have not yet recreated, and what to me is the most important thing, is the assumption of any local employer that they are part of a network that is involved in apprenticeships. It is fundamental to the Swiss, Austrian and Danish systems that all employers are involved.

It also relates back to the point that I was making earlier about the fact that we do not bring employers in to assess people, even where there are technical issues. I have to say that it seems to be very difficult for us to create this, partly because we have never created the institutions that many other countries have, which bring all employers together in either a publicly required or a voluntary upward thing.

Alas, I do not think that getting the National Apprenticeship Service to drum up support is viable. I do not have much faith that that would do it.

We also have to look at the funding and how we create incentives and requirements for employers to become once again part of local networks in which it is completely normal that at some point over a few years when there is a reasonable opportunity you take an apprentice.

I have not thought this through in any detail beyond what I have written in the past, but that has always seemed to me to be the key characteristic of really successful systems—that local employer organisations are entwined with the apprenticeship system. To the extent that they exist, it works. That is also one reason why apprenticeships never vanished in the engineering industry, because it has powerful employer organisations.

It also seems to me that it has to be to some extent organic and local. You can say how many apprenticeships you would like there to be, but even in Germany that does not mean automatically they arise. Periodically, in Germany, you will get troughs and peaks, and you will have to try to find something for 17 or 18 year-olds to do while they are waiting to get a proper apprenticeship.

I think that the institutional structures are missing in this country. Again, Lord Layard has been in government for many more years in total as an adviser than I have. He will know how difficult it is to get consensus across government on what that should be. My own sense is that we have part of what is required in place, but we do not yet have those institutional structures that would mean that apprenticeship became something that was automatically in every employer's mind.

On the National Apprenticeship Service, part of the problem is that it has indeed gone automated, but the argument was that you needed to have something that was equal opportunity—where the information was available to anybody and everybody. I do not know how you square that particular circle.

The Chair: Lord Layard, I will come back to you after Lord Clarke.

Q92 Lord Clarke of Nottingham: I have a suspicion about all this pressing for more flexibility in the use of levy money and apprenticeships. Not all but some of the lobbying, I suspect, comes from people who want to go back to the bad old days, which you quite correctly described, where a few years ago all kinds of things were called apprenticeships, and the numbers looked marvellous, but the quality of the training being provided

was rather limited. For example, people pressed to get rid of the rule that 20% of the time has to be spent on off-work training. Some employers would like to get more subsidised work out of people and perhaps a little less time on training. Do you share my suspicions that we have to be careful about the flexibilities that Ministers are being persuaded to look at?

Secondly, what do you think about the case for lowering the threshold for the levy? I am attracted by that. I think that the threshold at the moment is too high and that far more companies that should be taking apprenticeships more seriously would take them more seriously if they were subject to the levy.

Baroness Wolf of Dulwich: The first one is easy. I completely and totally agree with you, and I hope very much that Ministers will stay firm on that. The levy should be for apprenticeships and it should not be something that you can divert into anything that is vaguely training, which I think a number of people would strongly like.

On the threshold—this is very much a personal view—I think that we should look at this very carefully, if not immediately then in the longer term. I have argued very strongly—this is a view in the public space already—that, if people are not doing anything, they have no skin in the game. One thing that has interested me very much in looking at the German contributions is that they have a steep sliding scale. At the very bottom what you are asked to pay is very little.

The obverse is the argument that you do not want to place further burdens on businesses—that it is a business tax and all the rest—but, as I have said it publicly, I may as well say that, yes, I think we should be looking at that more clearly. It would be very good to know what the view of the committee is on that.

Generally, I think that we absolutely need to make sure that everybody is dealt into this—that it does not just become something that is over there, with a few companies, some of whom are brilliant about it, and many of whom would, as Lord Clarke says, just like it to go away or like to be able to use the money for anything.

The Chair: I invite Lord Storey to ask another supplementary question, and then, Lord Layard, I will come back to you.

Q93 **Lord Storey:** Hello, and thank you very much for joining us today. It probably goes back to the question from Lord Layard. You are, in a sense, at the centre of government. Obviously, if you are based in Downing Street advising the Prime Minister you can see what is going on and how the land lies, so to speak. Given your passion for vocational education and skills in all their various guises, do you think that the current machinery of government is fit for purpose to deliver what we want to achieve?

I have a second question. We have mentioned other European countries. I was always terribly impressed—I think I might have said this before—by

my Swiss cousins. They are both academics, but their children were not academic at all, yet the system seemed effortlessly to cater for them. They went straightaway into apprenticeships and one of them went on to university. Is there a European country where we could say, "That is where we want to be going"?

Baroness Wolf of Dulwich: I will answer the first question first. I absolutely do not have a clue. Let us find out in three or four years whether we have made any progress. I have no developed views on the machinery of government, other than I had no idea how complicated it was until I started getting entangled in it.

On the other European countries, I think it is always very difficult to borrow a policy from somewhere else and bring it into another country. I also think one learns a gigantic amount from looking at other countries about one's own specific peculiarities, and about what is possible.

I totally share your admiration for Switzerland. However, it struggles to keep it on an even keel. If I talk to Swiss people I know, they say that part of their problem is that they have lots and lots of people who come in from other European countries with a rest of western Europe university obsession, which means that they do not understand what Switzerland is doing.

I think that Switzerland probably does it better than anybody else on earth. It is impossible to be Swiss. If Switzerland did not exist, nobody would ever conceive of it as a possibility. But what it shows yet again, to me at least, is the fact that you have to have local businesses and local communities—of course, this is much easier when you have a cantonal system with major powers—education, employers and, indeed, government genuinely integrated and linked at the local level on everything to do with apprenticeship and technical education.

Secondly, if you do that, you can create a remarkably good system in which there is not only one route up to the top, and in which there are genuinely two ways in which you can make a successful career. The Swiss are very committed to maintaining that. It is possible to maintain it because, if you are a business in a Swiss canton, you have to be a good citizen. You cannot just parachute in, run a business and go. You are deeply involved in every aspect.

I share your admiration. I think that, although it will be hard, the thing that I am most pleased is, at least in principle, very strongly expressed in the White Paper is the commitment to growing denser networks at a local level, because if we do not succeed in doing that, we will not really move forward very much.

The Chair: May I go back to Lord Layard for his next question?

Q94 **Lord Layard:** It follows this up. It is about the White Paper and the Bill. A major advance is the right to free education at any age up to level 3—a major step forward. My question is: do we have the mechanism to deliver

that at the moment? Will providers be put in the position where they can provide the places that the people might demand? It is a similar question to the one about apprenticeship, but about FE.

The academic route is automatically funded and the money follows the student. Can we deliver that right without the same thing applying throughout FE? Can the existing system, where the funding agency makes contracts with a limited budget, ever deliver the right?

Baroness Wolf of Dulwich: I am not sure if I know the answer to that. I am glad that you are pleased about level 3, which, after all, was promoted very hard by the Lords Economic Affairs Committee and was recommended in the Augar review. I am also really pleased.

On the question about whether it can be delivered without moving to the funding mechanism that we have for both higher education, where it is demand led, and for four to 18, where at least you know the demography, the answer is that we do not yet know. In a way, it is a question for you to ask the Chancellor rather than me. At the moment, the situation is indeed very clear. For higher-level study, it is demand led. For four to 18, you know what the population size is and you plan the places. In between, as Lord Layard points out, there is a budget.

In the short term, I am almost more worried not about the money running out but about the capacity of colleges to hire high-quality people to teach the courses, and about getting the message out. My sense is that, if it starts to work really well, pressures will be felt.

The answer to your main question, Lord Layard, about whether we can do it with this sort of system, I honestly do not know, but it is a start, and one of the things that we will now find out is what the pressures are in being able to provide what the people who are coming through are genuinely demanding and wanting.

The Chair: I will go on to Lord Empey in just a moment. Question 5 has been covered and does not really apply any longer, but Lord Empey wanted to ask about the *Skills for Jobs* White Paper.

Q95 **Lord Empey:** What policy options could be brought forward to manage relationships between government and employers so that they have input into the development of technical education courses? How can these relationships be made more flexible? Obviously, there is no point in training people for whom there is no demand.

Baroness Wolf of Dulwich: As I am sure you know, the White Paper—and the skills Bill, which is being introduced today and will clarify some aspects—tries to ensure that at the very least employers and providers talk to each other all the time at a local level. You will not be able to offer provision without employers being involved. Given my audience, you will all be tremendously aware of the number of existing financial flows and regulations—[*Inaudible*—]and all the rest of it. Again, it is about creating an institutional focus and it is why you simply cannot do provision at a local level without employers having created plans.

As regards making it porous, I would like to highlight one question, and again I would be very interested to know whether this comes up again. One thing that we have always done in this country, including very much for young people up to the age of 18, and for 18 to 24 year-olds, where I think it is much less obvious, is that we have tended to tie everything to qualifications. The problem with qualifications is that they are slow and cumbersome to create. They take time. You consult and they have to go through quality processes.

In the last year, the Government have started to introduce boot camps, which are not tied to formal qualifications but are very clearly tied to recognised skill requirements in the locality. If you go on a boot camp, you have to be promised not a job but an interview, so you have to be closely linked into local employment.

It is interesting that whenever I talk, for example, to the CBI it will say that what its members are very concerned about is whether there is a possibility of creating courses that are quite flexible and new, react to local needs and do not have to be tied to a qualification that has gone through this long approval process.

That is one of the major challenges. We need to move to a system where, on the one hand, there are qualifications, and it is about quality control and about central government worrying about fraud and people not using the money properly, and, on the other hand, you have local labour markets that move very fast and are often very different. To me, one thing that we need to get better at is making it possible for publicly funded providers to offer training and courses for 18 to 24 year-olds—and, to be honest, for 24 to 58 year-olds too—that are flexible, genuinely employer led and about local immediate needs rather than something that deserves a full national set of standards based at the Institute for Apprenticeships and Technical Education or formal qualifications that have gone through Ofqual.

We do not do those very much and we need to do them more. That again seems to me to be a very strong part of what employers and employees want. If we want to drive up productivity, for example in companies, a lot of what we are talking about is upskilling and quite short-term things. It is not necessarily about huge, one-year, full-time qualifications.

Lord Empey: I get the point about boot camps and an interview at the end of it, and that can lead to a job, but when that job, say, comes to an end, the dilemma is that person has nothing to show for it other than the experience. That is the permanent dilemma.

Baroness Wolf of Dulwich: It is the permanent dilemma. One thing that I have become very convinced about is that we have slightly fetishised formal qualifications in the face of the evidence. Some qualifications are hugely worth while, but employers do not recognise many qualifications.

I have been around for long enough—probably in common with quite a number of people—that I can remember the catastrophes of much of the national vocational qualification, or NVQ, reforms. The idea there was that formal qualifications, including putting formal certificates on little units, would transform both the efficiency and the openness of the labour market. The reality is that employers go by your experience, who you worked for and a very limited number of formal qualifications.

My own belief—again, I have written this in lots of different places and it is not a government view—is that we have gone too far towards tying funding to qualifications, and that is one of the reasons why we have not been as successful as we need to be in making employers very close to publicly subsidised or publicly provided education and training.

I think that 16 to 18 in this sense is different from 18 to 24. We are now in a world like the rest of Europe where, essentially, whether it is a good idea or a bad idea, young people are in education until the age of 18. If they are lucky, they get an apprenticeship before that, but, by and large, that is where they are. Between 18 and 24, a lot of people will be going in and out of the labour market. For them as well as for older people, and to keep employers closely involved with the training system, we need not to give up on formal qualifications but not to be quite so preoccupied with them as we have been in this country. That is more or less the philosophy that I had 10 years ago when I talked about creating study programmes for 16 to 18 year-olds, rather than piling up formal qualifications, and I still feel it.

Q96 The Lord Bishop of Derby: I want to take you back to something that you said at the beginning of our time together today, and thank you for your contribution. You said that you did not think that this ought to be about the academic versus the vocational. The skills White Paper sets out that ambition to rebalance HE and FE to ensure that university is not the assumed better option for all young people.

I want to ask you a deeper, wider question about culture. Beyond simply making T-levels and apprenticeships more widely available and better integrated into local circumstances, as important as this may be, what options would you recommend to increase parity of esteem between technical options and academic routes for our young people?

Baroness Wolf of Dulwich: I do not feel, unfortunately, that you do it by getting up and saying you believe in parity of esteem. Politicians have been doing that for the whole of my working life, and I think they genuinely wanted to bring them closer together, but it does not happen.

May I go back to Switzerland? It is not that everything is equally valued, and one should not overdo this, but what is truly important is evidence that there really is a good route other than A-levels and university. In a way, unfortunately, the balance is towards providing some evidence. The more that we open up routes, the more evidence there will be. This goes back to another point that we have not discussed at all, which is about making the current, rather rigid, higher education loan entitlement much

more open and much more fluid. Once you have said that it covers both sectors and is over a lifetime, you start, hopefully, to acquire examples.

I think that almost more than T-levels, at least in the short term, by increasing the availability of really good apprenticeships, and increasing the availability of higher technical awards that are actually offered and are clearly valuable and are not full degrees, opinions will change when people see that things are changing.

Having said that, I do not know how many of you have seen the recent polling evidence from the Social Market Foundation showing quite a strong change in public opinion. There is a growing realisation among many parents, including middle-class parents, that university is not the be-all and end-all—that it does not automatically mean you have a direct route to an incredibly high-prestige, high-paying job, and that there are a lot of jobs where you will have a better chance, even now, let alone in the future, hopefully, by doing an apprenticeship or technical qualification post 18 of it taking you a long way.

I think that people are realising that. I am sorry to keep banging on about apprenticeships, but I think that they are the single best opportunity to convince people that there is a route to real success as well as real satisfaction that does not involve doing a three-year degree.

Q97 Baroness McIntosh of Hudnall: Baroness Wolf, I have been listening very carefully to what you are saying, particularly on the fetishising of qualifications, which I found extremely interesting. What was going through my mind as you were speaking is that, whatever adjustments we make to the way the labour market works, there will always be, will there not, a very large number of jobs that are what you might call simple? They do not require huge qualifications to be done, but they can be done well or less well.

One of the problems that I think perhaps the Lord Bishop was touching on is how we value those contributions. As this is a committee that is preoccupied with unemployment, and therefore by extension with employment, what is your view of how we value the jobs that will be available to young people for whom qualifications will never be the aspiration?

Baroness Wolf of Dulwich: I do not have any miracles, but it is interesting, because, of course, the jobs that we think of as simple are often incredibly complicated; it is just that all human beings can do them. The things that we think of as simple are often the things that are most beyond the capacity of any conceivable robot or AI system.

One thing that has come out of the pandemic is that people have become very aware of the value of social care. That has really changed it, but it has not changed it because we stuck qualifications on it; it has changed it because of social opinion. What I know about and work on is the formal provision of vocational education and training. I do not think that we can transform the way human beings look at those jobs simply by claiming

that they are—[*Inaudible*—but it is partly about the whole set of values in a society.

What we have ended up with in this country, and hopefully we are moving away from it, is a really terrible 50:50 split. It is not so much saying that 50% go academic and 50% do not. The evidence is that if you do not go the academic route at 18, you do not get any further training, including, to be honest, opportunities to upskill. Also we should come back to education at this point and get general forms of education that will probably mean that you are better at your job.

I finish with an anecdote about how well you do or do not do it, and social care just happens to be an area of which I have some personal experience. I would say that it is a very demanding job. It is a job that some people do better than others and some do more imaginatively than others. The ones who do it more imaginatively, on the whole, get more enjoyment out of it. We have tended to see training possibilities in that job as minimal and only about ensuring that you have got your safeguarding training up to date and that you know how to use the latest form of hoist, and so on.

I think that is completely wrong. Part of what we need to be doing is offering people the right and the opportunity to do additional things, which may sometimes be very clearly related to the job, and sometimes more to do with more general upskilling and about an opportunity to move, if you move.

Part of what we do to downgrade other jobs is simply not to bring the whole population into adult education and opportunities. I also feel that there is a limit to what formal training can do to educate a society in the importance of these jobs. The responsibility goes beyond the formal education and training system. It is very important and it would help if we realised that these are not really simple but very complicated. They just do not require—

Baroness McIntosh of Hudnall: What I was struggling not to say was “low value” because I wanted to make the point about value. They are not low value and some of them are actually things that people do that perhaps will not lead anywhere beyond where they are, but we still need them, and we need to value the people who do them.

Baroness Wolf of Dulwich: I could not agree more, but I think that what I am saying is we do not achieve that by sticking more formal training requirements and qualifications on them. I think that it is a dreadful failure of not just our society but most societies that we downgrade these jobs because they do not seem to involve three years of a university degree.

Baroness McIntosh of Hudnall: Thank you, that is really helpful and very much my view.

Lord Baker of Dorking: I want to place on record an area of policy in

which I am in 100% agreement with Baroness Wolf. I think you have got the policy on FE colleges 100% right. We are going to take a Bill through the House of Lords giving the Government power over FE colleges, and they are going to insist that local companies, whether in Darlington or Lincoln or Bristol, determine what is needed in the training locally. That is putting industry at the heart of education, and is 100% right. UTCs have been doing it for the last 12 years, so thank you for adopting our philosophy.

The only point I would make is that more youngsters will be in schools than in FE colleges, and I do not yet see where the schools are going to listen more closely to local businesses, but they ought to do that as well. On this one, you are right.

Baroness Wolf of Dulwich: Lord Baker, on this one you are also right, of course. I am glad that we agree on some really fundamental aspects of this, but I guess not everybody can agree with everybody on everything.

Q98 Lord Woolley of Woodford: Baroness Wolf, like you, we all very much care about social mobility. In that sense, how do we reconcile the tension between the academic route and the apprenticeship route? What are we saying to working-class families if they are going down the apprenticeship route and yet middle-class families are going down the academic route?

Baroness Wolf of Dulwich: One thing that we could say is that as regards social mobility, and indeed earnings, a large number of apprenticeships are better value than a large number of academic options. We have to make it easier for young people to know what opportunities are associated with things. For example, it staggers me still—and I know what it says about apprenticeships but I am not sure what it says about universities—that having what is, in effect, a level 3 craft engineering apprenticeship, is a better start in life, on average, than an engineering degree. That does not mean that an engineering degree from one of your best universities is not great, and it does not mean that a lot of universities are not turning out a number of very successful engineers. It is beginning to percolate down to people that many university degrees are not a guarantee of social mobility, and that it is really important to think very hard before you embark on one at 18 whether it is the right thing to be doing and the right thing to be doing now.

Obviously, we have to push back against the often negative image of apprenticeships that grew up in the period before the reforms to which Lord Clarke was alluding. There is no alternative to giving people a lot of information, but I would like to see us doing more to give access to people not just to a single careers adviser but to mentors: a system where, if you have questions about something, there is some way of linking you to somebody who has done it.

Talking of social mobility, for many people one of the biggest problems is that, if you come from families that are advantaged—and often that meant that a grandparent was highly socially mobile—you have this

whole network of people you can ask. You are two steps away from people. If you come from a family that is disadvantaged in an isolated part of the country, you are often stuck and do not know who to ask. However brilliant the careers advisers are, it is just one careers adviser.

I think that the most useful thing we could do is give far more people far more access to people they can be linked to who can tell them, and who can say, "I did an apprenticeship in this and it was great", or, "I did that one and it wasn't so great", or, "I did this degree and it was great", or, "You know what, I wouldn't do that one".

Lord Woolley of Woodford: Do you honestly think the middle classes will be saying to their children not to go to university and to go to an apprenticeship? Unless that changes, we do not fundamentally change the dynamics.

Baroness Wolf of Dulwich: I do not think you will ever wipe it all out. If you go back to Switzerland, or Germany, and all the rest of it, the reality is that it is still quite competitive to get into a top engineering degree or a top law degree. I do not think it will suddenly be washed out altogether.

This slightly irritates me, but if you look at the apprenticeships that the big City banks and accountancy firms are offering, they are already being deluged with middle-class applications. Again, it comes back to the point I made earlier. To some degree, we cannot wish it, we have to demonstrate it, but I think that there is also considerable disillusion setting in with middle-class parents about the automatic superiority.

I do not want to overdo this, Lord Woolley. You will not suddenly abolish any difference between going to one of the top universities—the University of Technology in Zürich, even—and doing an apprenticeship. I am just trying to think what would be low value. Some of these are quite high value. It is not that somebody who would have done a law degree suddenly decides to be a hairdresser, but being a hairdresser has huge advantages if you want to travel the world and have a family, I would say. You can open it up and even it out to a significant degree in the middle. Above all, you can make it easier and more effectively run for young people who do not have highly informed family networks to get a wide array of genuine information about what does and does not pay, and to realise, for example, that if you like a number of these occupations—or if you want to be an accountant, come to that—a work-based route will often be more effective as well as meaning that you earn from day one.

The Chair: Thank you very much indeed for that. Baroness Wolf, a particular note of thanks to you on behalf of the committee for your contribution to our deliberations, which has been enormously helpful. I say this at the end of every witness session: if you think of something later that you wish you had said, we are formally taking evidence until July, so please feel entirely free to drop a note to the secretariat to say so.

On behalf of the committee, very many thanks to you for your time and for your contribution, which has been hugely appreciated.