



Education Committee

Oral evidence: [Careers guidance for young people: follow-up](#), HC 333

Wednesday 7 January 2015

Ordered by the House of Commons to be published on 7 January 2015.

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Members present: Mr Graham Stuart (Chair), Neil Carmichael, Alex Cunningham, Bill Esterson, Siobhain McDonagh, Ian Mearns, Caroline Nokes, Mr Dominic Raab, Mr David Ward, Craig Whittaker

Questions 1-175

Witness: **Rt Hon Nicky Morgan MP**, Secretary of State, Department for Education, gave evidence.

Q1 Chair: Good morning, Secretary of State, and welcome back to the Education Committee. Happy new year.

Nicky Morgan: Happy new year to all of you.

Chair: Before we move on to the subject of today's inquiry, can I ask you: where is the Wormald report? It was "imminent" months ago—"days away", I think, when we last spoke to you—and here we are in the new year and we still have not seen it.

Nicky Morgan: It will be published next week.

Chair: Thank you.

Q2 Alex Cunningham: Which day?

Nicky Morgan: I cannot be specific about that, but it will definitely be next week.

Q3 Chair: Glad to hear it.

Secretary of State, the day you were appointed, we met and one of the topics that we talked about was careers advice and guidance. I am grateful that, since taking office, you have taken the issue seriously. As a Committee, we are delighted to see the Chancellor recognising that and finding some funding for something we have felt for a long time has

been neglected. What is your assessment of the state of careers information, advice and guidance in English schools at the moment?

Nicky Morgan: First, like you, I think this is a very important issue. Based on conversations that I have had with schools, in particular in my own area, I would say that there was a great willingness and interest in schools and colleges to think about the future of their students and to make sure that they are equipped for the workplace, but in terms of actual advice and guidance, there are areas where schools and colleges are sometimes not confident in giving advice or guidance, and there are parts of the country and even individual schools that do it much better than others. The Ofsted report, which I am sure that we will come on to discuss, showed that some schools can do this and do it well, but that is not the case across the country.

One of the reasons behind my announcement in December, which again I am sure we will come on to discuss, was that there are schools that want to reach out to employers and businesses and, likewise, businesses and employers that want to go into schools to talk about what they can offer, but they do not know who to contact in either case. It can be easy if you have a big company in your area such as Jaguar Land Rover, Bombardier or 3M, but if you are in a part of the country where there are lots of smaller companies, public sector employers or other small organisations, knowing who to invite into your school or college to offer inspiration to your students is a harder task.

Q4 Chair: Do you think it is that adaptor, if you like, to allow the three-pin plug of the schools and the nine-pin plug of the employers to come together? As you said, Ofsted's report was pretty scathing about the average state of careers advice and guidance in our schools—in some it was done well, but in most it was not. If you were listing what you see as the current problems that need to be addressed by the new organisation, how would you order them?

Nicky Morgan: That brokerage element, I think. I refer to it as a brokerage—that contact and those relationships.

Q5 Chair: Is that the No. 1 issue?

Nicky Morgan: I come to this as a former Treasury Minister who had a lot of dealings with employer bodies. They talked about the employability skills they found were lacking in students—that is probably issue No. 2—but issue No. 1 was whether students knew enough about the careers that open to them. We are in a rapidly changing marketplace, where technology is bringing new careers all the time, and I do wonder about the inspiration and advice that our young people are getting. Is the world of work really being opened up to them, and how does that feed back into the subject choices they make?

Another issue is that we have seen that advice and guidance have not necessarily been provided early enough. There is also the question of parental involvement: parents are hugely influential, but I know as a parent I can talk about what I do or my husband does or friends do, but there are lots of careers and jobs that I have absolutely no experience of, so how do I

advise my son or his friends on what they might like to do? That is where that brokerage element comes in.

Q6 Chair: That is the No. 1 issue.

Nicky Morgan: Yes, I think it is.

Q7 Chair: I have to say to you that this Committee does not agree. The No. 1 issue is the lack of incentive for schools and colleges and in some cases, particularly if there is a sixth form, the perverse disincentive to provide careers advice and guidance, when your primary driver of accountability is the league tables and your primary institutional interest, other than doing well in the league tables, is bums on seats. The single biggest problem in our system and the reason why we have such inadequate careers advice and guidance in most of our schools is that they are insufficiently incentivised to provide that. You started by saying there was great interest and willingness in schools to look at the long-term interests of young people, but the Ofsted report, our report and everybody else's report—they have been innumerable—point out that is not the case. In truth, schools are not focused on that for the most part, and that is because the framework that we create here does not deliver it. Could you please reflect on that?

Nicky Morgan: I am happy to. I do not see that in the conversations I have with schools when I go up and down the country. One of the things I said in my opening statement was that it is patchy—there are some schools that are doing this well and some that are interested but do not know where to turn. I also think that our schools have many things that they have to address, some of which we have discussed in previous Committee sessions, including the rigorous academic standards—I think the last time I was before the Committee we talked about exams and qualifications. Clearly, high academic standards, getting students through exams and gaining good qualifications, have to be a main priority for schools, but as I said, when I talk to secondary schools, particularly those focused on sixth form or 16-plus students, they are very interested and concerned about where their students are going to go.

Q8 Chair: They are hardly going to say they are not, are they? We on this Committee obsess about incentives and the framework of incentives that as national policymakers we create, because those are drivers of behaviour, whatever people say to you. No one is going to say, "I put the institutional interest of my school ahead of my moral commitment to children's welfare." If you visit schools, they are hardly going to say that to you. If you create a system in which they lose their job if they do not deliver five GCSEs at the required percentage but not if their kids end up a NEET, and destinations data never come out sharp enough and early enough to cause them to, you have a problem. If you and the Department do not see the fundamental problem at the heart of this issue, then everything else will end up being cosmetic.

Nicky Morgan: I certainly think destination data are important—yet again, I suspect, we will probably discuss that later. We are working on that and it is not there yet and we will discuss progress, I am sure. As Education Secretary, my role is to go out and listen to

schools, and I'm afraid I am not as cynical about this as I think you are, from what you have just said. That is not to say I do not think that career provision could not be much better and destination data could not be improved. That is very important.

Chair: It is trying to work out why—until you have worked out why you have the problem, you are unlikely to find a solution to it.

Q9 Ian Mearns: The thing that concerns me about what you have said, Secretary of State, is that, when you have gone around the country having conversations with schools, to quote someone who is no longer with us, “They would say that, wouldn’t they?” It is in their interest. I think the conversation you have to have is with other providers outside of the schools, to see what access they are getting to the schools to provide their prospectus.

Nicky Morgan: Absolutely, hence the new company.

Q10 Ian Mearns: It is almost 20 years since the then shadow Minister, who is sadly also no longer with us, Malcolm Wicks, made a speech about careers advice and guidance in which he said that what was happening in many institutions in terms of careers advice and guidance was akin to pensions mis-selling because, sadly, what was happening was that the institutions were putting the interests of the institutions first and those of the individual young person second because of bums-on-seats funding regimes. We are now getting evidence that, sadly, that is happening again widely. We have to provide a system where young people get impartial advice and guidance and then get access to a range of destinations post-16, whether it be within the sixth form of their current school or with a range of other training and FE providers, so that they can go on and follow a natural career path for them, rather than something that is guided to them because of the interests of the institution.

Nicky Morgan: I do not disagree with that at all. Where I perhaps differ from the Committee is that, although I am hearing that the Committee thinks that this is not happening at all, I think it is happening in parts of the country and in individual schools, but it is not consistent across the system. That is one of the reasons for setting up the new company. I read the quote from Malcolm Wicks in the evidence when I was preparing for the Committee session.

It is also important to say—this has come out in previous evidence sessions on this topic—that there has been no previous golden age of great careers advice and guidance. We are all still working towards a stage where our young people get the right inspiration and impartial advice. Our statutory guidance makes it very clear that they need that impartial advice and that they need advice that is right for them, not right for the institution.

Q11 Chair: If you give a small, struggling sixth form a statutory duty to provide impartial advice, how can it? We have surveys of teachers, FE colleges, apprenticeship providers and everyone else, and all of them say that those with a sixth form provide less good advice and guidance.

Nicky Morgan: As I say, that is part of the reason for the company and it is also something that the National Careers Service will be working on.

Q12 Bill Esterson: You have mentioned a couple of times the patchy nature of careers advice. You talked about your own experience as a parent and your limited ability; of course the same is true of teachers. I assume from what you have said that you accept that there is a shortage—a chronic shortage—of qualified careers advisers. What action are you taking to make sure that there are enough trained careers advisers to deal with it who can offer that range of advice?

Nicky Morgan: I am not entirely sure. Professional careers advisers absolutely have a place in the framework and in the system, but it is not only down to careers advisers. I actually think that some of the most inspirational people you get into schools are organisations like Speakers for Schools and Inspiring Women, as well as employers themselves talking about either their own companies or sectors. They are the people who often offer great inspiration. I am sure that we all as Members of Parliament go in and speak to schools about Parliament, democracy, what we do in our jobs and what our staff do. I think we can offer, and employers can certainly offer, as much inspiration. Careers advisers absolutely have a place within the framework, but it is not only down to careers advisers in the same way that it is not only down to teachers and not only down to parents.

Q13 Bill Esterson: So your approach is to rely on employers and effectively to leave it to the market to solve the problem—not to organise it or use your Department’s role to co-ordinate and make sure that where there are shortages, they are met by good guidance, which is something that came out of our apprenticeship inquiry.

Nicky Morgan: Good guidance, as I say, is certainly part of it. The whole point about the framework and giving responsibility back to the schools is that the schools will commission people to come in and speak, obviously in an age-appropriate way. If we are going to start early, there will be different speakers, speaking on different topics and at different times throughout the school. One thing that the new company will do is look at parts of the country where those relationships, links and invitations are clearly not happening. We already have anecdotal evidence of that, but there are parts of the country where that is happening and where there is good practice. It could also be voluntary organisations or third-party organisations providing those links. It is then a question of spreading that, and one of the things I want the company to do is to spread that best practice right the way across the country.

Q14 Mr Ward: In Bradford, all the secondary schools have sixth forms. When we visited Bradford college, they told us that they could not get their foot inside a school. What is there about the new company that would provide an incentive to a school to do anything other than say to a young person who is coming up to 16, “You should be staying in our school for a further two years”?

Nicky Morgan: I think that the company—the National Careers Service has their contractors in each area—will have the advisers and employers. Employers will be asking how they get into those schools. When they go in, many employers, depending on the type of employer that they are, will talk about other routes such as apprenticeships, higher education, or leaving education by working and then perhaps going back to studying. It goes back to the point that I was making to Bill, which was about inspiring speakers. We know many great people who have not followed a traditional career path and can go in and say, “This is what I did.”

It is about challenging employers, but also challenging parents and students to say, “Actually, I want to do that, and the best way of doing x career is to go and be an apprentice. I can’t do that in this school’s sixth form, so I am going to go to the college.” I hear the same complaint elsewhere in the country and part of the rationale for the advisers is to work out what is going on in each local area.

Q15 Chair: This has been a theme with the Department. There has been talk about inspiration. You can break down this whole area of CIAG into all sorts of bits. Inspiration is, in a sense, one bar of a whole series. However brilliant and inspirational someone is who comes in from the local BP plant in my constituency, talks about science and the careers it can open up for women, it does not provide people in the class with individualised advice.

You just said that it is up to parents and children to realise that they need to go to college to get the apprenticeship to enter something, but they don’t know that until someone talks to them about it. That is precisely what we are saying. Bill’s question was about the professional providers. Geoff the geography teacher, however motivated and excellent, is not a professional in careers information and labour market information, which, as you say, is more complex than ever before. If we do not have a profession of careers advisers, who are respected, kept up and available to provide face-to-face advice to schools, surely inspirational speakers, however useful as part of the package, are not really the answer. You mentioned the inspirational speakers in response to specific question about people who provide face-to-face guidance. That is just not the same thing.

Nicky Morgan: No, absolutely. I said that it is a part of the package. Those are exactly the words that you just used, Chair. It is a part of the response. Advisers are very much a part of the response. There is still a profession; there are careers advisers around the country who offer face-to-face interview practice, employability skills, CV advice, and specific advice. Of course, we still have the National Careers Service, which is very much up and running to offer specific advice. For example, if I want to go and be an astronaut, I want to know which qualifications I need, where I go, and which college will get me into space quickest. It is about a broad range of responses and inputs to a young person. We all know that young people do not learn and respond in the same way. Some will respond very well to a face-to-face interview or a mock interview practice; for others, it will take time because they do not have a clue about what they want to do and they need to hear about a range of different options.

Q16 Bill Esterson: The point the Chairman was making followed what I was saying. You said that you and your husband are in a position to give advice on a particular set of experiences. The same is true of an employer coming in. They can only advise on their experience in their business or organisation. That is not going to work for each individual child that they approach because it is not meeting the needs of the child. That is where the professional experience of a qualified careers adviser is so important. Although I agree that it is good to have specific examples to inspire, surely the role of the professional giving the range of options is crucial. I do not hear from you how that will be managed.

Nicky Morgan: That is part of the role of the prime contractors and subcontractors in the new National Careers Service set-up. There will be other organisations as well. There are other education and business companies.

Q17 Chair: How is that part of their role?

Nicky Morgan: To offer specific advice; for example, in the east midlands, the new contractor has arranged with one of the colleges in Nottingham for some employers to go in and give individualised, face-to-face, one-to-one sessions with students in particular year group. They provided 135 students with specialised written feedback. It was not about a particular job or employer, but generally about—

Q18 Chair: It wasn't professional careers advisers. These were just people from companies going in and sitting for a while with someone, which is not to say that is not valuable, but it is just not the same.

Nicky Morgan: What I am saying is that it is a part of the package. There are careers advisers and they are part of the package, but they are not the whole answer for the advice, guidance and inspiration we want our young people to have.

Q19 Chair: We recommended in our report that, precisely because the NCS collects labour market information and provides face-to-face guidance for adults, we couldn't see why the Government wouldn't want to extend an existing institution—especially with a Government rightly focused on value for money—and leverage all that intellectual property within the NCS and its existing relationships, which had to be brokered with employers already. Why wouldn't they want to leverage that and use it for young people as well? It would be cheap.

Nicky Morgan: The NCS is going to be part of the new company. It is going to be part of the advisory board. You have probably seen all the public reaction to the announcement made in December, which, from the NCS, the Career Development Institute and others, has been very positive. There are different bodies and organisations within this landscape, which I think is right. It is right for the schools to be commissioning a range of different responses. Bill is absolutely right to say that the school will have not have fulfilled their duty if they have invited one employer in during the year. Inviting a range of people,

including some professional advisers and employers, potentially arranging for some mentoring or work shadowing as well, begins to get to the advice we want.

Q20 Chair: What about the schools that don't employ any professional advisers whatsoever to come in? Would they be failing to fulfil their duty?

Nicky Morgan: There are two things—we are obviously going to talk about accountability. Ofsted will be reviewing advice and guidance in schools when they go and inspect. The other important thing that we have really got to focus on is destination data—more data about where students from a particular school or college end up.

Q21 Alex Cunningham: I would like to pursue what you see as the role of the professional careers adviser in schools. As part of that, I draw attention to my interest as a member of Unison, which represents such people. The union published a study in June saying that 83% of schools no longer employed any professional careers advisers and the role was being picked up by, in many cases, teaching assistants and other support staff who are totally ill-equipped to do it. Are you saying today that, as part of the package, every school should have some form of support from professional careers advisers?

Nicky Morgan: I am not going to mandate, no. I think it is up to schools—they will commission and have people in. I would disagree with your saying that people are utterly ill-equipped within schools. Some may be more confident than others—

Alex Cunningham: You said that you and your husband can provide a very limited range of understanding. A teaching assistant might well have even less experience than you have.

Q22 Chair: A university technical college particularly focused on vocational matters is training its receptionist to be its careers specialist within the school—just fitting it in while running reception. Because you are not mandating any standards whatsoever, that is the standard that is delivered. If you accept the lack of an incentive for them to take it seriously, which is pretty obvious to everyone who has looked at it for any time, and then you look at the failure to mandate any standards, you end up with a receptionist and a teaching assistant fitting in a little bit here and there and apparently that fulfils the duty. According to you, though, it doesn't, and we do not understand how this new organisation is going to put that right. If you do not put that right, you are diagnosing entirely the wrong ailment in the system.

Nicky Morgan: We have talked about Ofsted destination data. The schools will make the decisions. I am not aware of that particular example, but I am happy to read the evidence or whatever has been submitted. The school, university or technical college will be able to make a decision about the right people to get in.

Q23 Chair: So, receptionists as well?

Nicky Morgan: Well, it may be someone to co-ordinate bringing other people in to provide advice, guidance and inspiration.

Q24 Mr Raab: Morning, Secretary of State. Can I just check about scope of good coverage? Ofsted, in its sample survey, found that only a fifth of the 60 schools it surveyed were giving the right careers information to pupils. When you look across the board, do you think or do you have any evidence that the percentage getting it right is higher or lower than that, or do you think it is about right?

Nicky Morgan: It is probably about right. Lots of surveys have been done. I draw attention to the fact that Ofsted surveyed 60 schools—obviously, there are thousands more—and they found that 12 out of the 60 are getting it about right. We have no reason to say that that is not right. That goes back to my original point, which is that we know that some schools can get it right, but not all.

Q25 Mr Raab: As a relatively new Secretary of State you have created a new careers and enterprise company. There is a tacit acknowledgment that further strides need to be made. You talked about brokerage. If we break that down and use your paradigm, what factors are particularly missing? What priority would you give to the following: resources in schools; experience of teachers; lack of Government guidance, and willingness of employers to engage? Or are there other things missing? Within that brokerage paradigm, which of those factors—or any others—are the most important?

Nicky Morgan: Well, employers I have spoken to want to engage. They clearly have a definite interest in making sure that they have a pipeline of talent to recruit from, either locally or across the country. In terms of resources, schools have funding, as they have for many other things, and this is a part of their duty, so I do not think there is a lack of guidance from the Department. We have the statutory guidance that was put in place. Perhaps it is experience. Again, I hope that the new company will be able to go in and work with existing bodies. The schools will approach the company and say, “We would like to invite employers in. We are not sure where to go. We would like a broad range of people to come in and help us. Who do you suggest we go to? Who do you know locally who is willing to help?” That is where the company will be able to add great value.

Q26 Mr Raab: We have already talked a bit about the fact that we have received evidence that many teachers do not feel confident in providing rounded advice. What mechanisms, other than employer engagement, do you have to ensure that we make improvements in those areas and, in particular, develop training and expertise? How do we deal with the issue of impartiality and independence, for example, so that we are not just constantly shovelling kids into sixth form or further education when there might be apprenticeships or vocational training? Of those aspects, what would you see as the key things to improving the situation and the capacity inside schools?

Nicky Morgan: Obviously, it goes back to the review by Ofsted. An inspection is important and concentrates minds. Perhaps we could do more in terms of drawing attention to

the statutory guidance and the importance of impartiality in giving advice. The role of the company will be to find out where in the country that is not happening. It might be for the Department, the local authorities and the regional schools commissioners to ask the relevant school why other organisations, such as those involved in apprenticeships or the local college, are not being invited in to talk about what they can offer to students.

I am reluctant, as a new-ish Secretary of State, to put more burdens on schools and teachers. They have lots to do. There have been lots of changes, which we have discussed in this Committee before. I particularly want them to focus on high academic standards and on making sure their students get the best possible qualifications. I have also talked about the well-rounded individual. We have talked a lot about careers inspiration. Another thing that employers say is that the employability skills they look for in young people are often lacking. Obviously, I want schools to think about that. We have talked about character and resilience—things that I think are important in the workplace. Again, I want schools and teachers to focus on that. We have seen that, with more schools working together, they might be able to pool resources or to learn about how other schools commission good careers advice. One thing we have seen with some of the academy chains has been the advice coming from the chain itself or from working with other schools in the local area as to how they can work together to provide good careers advice, guidance and inspiration.

Q27 Mr Raab: Do you think the academy chains have a comparative advantage because of their scale?

Nicky Morgan: Potentially.

Q28 Mr Raab: It is not just a question of potentially. Obviously, you do not want to be prescriptive, but you have seen a marked difference in the amount of good solid careers advice in academy chains.

Nicky Morgan: Yes. Again, perhaps that is due to scale and having a head office where they are able to have one person working right across the chain, thinking about how to provide advice and guidance the right way in all the schools.

Q29 Neil Carmichael: Good morning.

Nicky Morgan: Good morning, happy new year.

Neil Carmichael: Happy new year to you, thank you. What was the catalyst for the creation of the enterprise and careers company?

Nicky Morgan: It was a number of things. It was partly my experience as a local Member of Parliament. I am part of a steering group of an organisation called Bridge to Work, which was set up by Loughborough college, working with local schools and employers, and I saw how that partnership worked in the local area. I think 900 young people have been helped so far in that scheme. Part of it has been about getting young people into the college for taster sessions and again engaging with parents. So, that was one reason. I

knew there were good schemes out there, which I do not want the company to squash. I want to see if they can be replicated elsewhere.

There was also my time in the Treasury when I spoke to employer bodies that said they wanted to get into schools but found it difficult to know who to contact. Likewise, schools often say that they would like to reach out more to employers and businesses but it is difficult to know the right person to contact. It is easy if you have a big company down the road but much harder if you have a series of smaller manufacturing businesses. That was one of the gaps that I felt was in the system.

The National Careers Service can be quite adult-focused and focused on particular priority groups. It has also had a change, from 1 October, and I want to allow that to bed in. That was the reason for finding someone like Christine Hodgson, who is fantastic, to head the company.

Q30 Neil Carmichael: So it is a kind of interface between the education and business worlds.

Nicky Morgan: Absolutely.

Q31 Neil Carmichael: Does that include the professions and the service sector?

Nicky Morgan: Absolutely. Christine at the moment is in the process of setting up the company. There is an advisory board. We have representatives from education—ASCL and the NAHT—Business in the Community, employer groups, the CBI, the British Chambers of Commerce, FSB, and the Education and Employers Taskforce. We have some major employers but also representatives from the careers sector. Thinking about how many people are employed in our NHS and the opportunities that are there, I am also keen that there should eventually be representatives from the public sector.

Christine and the board, and the chief executive when appointed, will make a decision about who they want to have on their employer advisory board.

Q32 Neil Carmichael: What will be the accountability line to you?

Nicky Morgan: I will be in regular contact with Christine and the chief executive when appointed. There will be regular dialogue with officials in the Department for Education. Broadly, I am hoping that there is cross-party consensus on the need for the company and the support to be offered to it. We will let them get on with doing what I think they will do extremely well. It may be that in due course the Committee will want to hear directly from the company as it is set up about the progress that has been made.

Q33 Neil Carmichael: How can you be sure they will have enough capacity, reach, strength and longevity to do the job properly?

Nicky Morgan: The Chancellor has set aside £20 million for the first two years, to get things up and running. As employers are involved, my intention is that eventually it will be self-sustaining. Costs will be relatively limited on the basis that advisors will be approached, but a lot of companies and organisations do that anyway, particularly larger employers. It is a question of leveraging off what they are doing and working with other organisations such as the Career Development Institute, the employer bodies and the National Careers Service. It is not a direct-delivery organisation; it is very much about bringing people together.

Q34 Neil Carmichael: It has got funding for two years. Beyond that, what would be coming on stream?

Nicky Morgan: I cannot write future Budgets. This Government are obviously very focused on the importance of careers. Having a strong work force is essential for our long-term economic plan. I hope very much that employers will also want to contribute to this and it will, in due course, become self-sustaining.

Q35 Neil Carmichael: Would that be in the form of contributions for special projects, or a shareholding?

Nicky Morgan: That is to be decided. The company is independent of Government. That is a discussion that Christine and the chief executive will need to have. Obviously, there are organisations like Business in the Community where employers pay the salaries of people who work in the community. That may be another way for employers to make a contribution.

Q36 Neil Carmichael: When do you expect it to be active? What is the launch date, so to speak?

Nicky Morgan: March.

Q37 Neil Carmichael: Will the new company have an advisory role, including commenting on the state of the careers guidance system? Will it be able to pick up problems, come back to you and say, "There is an issue here."? How will it effectively interface with the careers mechanisms that we already have in place?

Nicky Morgan: To answer your last question, it will have organisations like the National Careers Service and the Career Development Institute and will also want to involve the National Apprenticeship Service and organisations like that as part of the advisory board. In terms of feeding back, we absolutely want to know as a Department, and one of the questions that I will be continually asking Christine and the chief executive, when appointed, is about the parts of the country where they are finding that there is no or little activity. That is where we, as a Department, will be able to work with other organisations and local authorities to feed back, and that is where the company will want to focus. In terms of patchiness, it can literally be from one LEP area to another, from one local authority area to another and from one school to another. It is about making sure that schemes like the one I

mentioned in my constituency are now thinking, as that one is, about how they can roll that out within the county, let alone the region.

Q38 Neil Carmichael: What remit will it have in terms of social mobility?

Nicky Morgan: That is a good question. It does not have a specific remit, as such. Of course, good advice and guidance is absolutely essential. One thing we have seen is that the more interactions young people have with the workplace—I am just looking for the figures—the less likely they are to become NEETs. One thing that we absolutely want to prevent—local authorities already have this responsibility—is young people leaving education and not going on to something in the first place, because that is much easier than rectifying the situation later on. There is strong evidence that teenagers with direct experience of the labour market go on to achieve better outcomes in employment; that was from a 2013 survey. Also, young adults with higher levels of school-age employer contacts were, on average, up to 20% less likely to be NEET. That is a huge thing in terms of social mobility.

Q39 Neil Carmichael: Can you say a little bit more about the enterprise passports?

Nicky Morgan: Yes. One of the remits of the company has been to take on the recommendations from Lord Young's report, where the enterprise passports were first mooted. We now have pilots going on with a number of LEPs right the way across the country to see how the passports will work in practice. I think that it will take a little while to get them up and running, but they are a very important contribution. It is about giving people confidence in the skills they have gained in their education.

Q40 Neil Carmichael: How will you encourage everybody to treat these passports with value and to use them?

Nicky Morgan: One of the things will be about the new company, but it is also about talking to employers and explaining what the passports are. We have previously discussed qualifications and the education sometimes needed for employers to explain what qualifications will mean and the confidence they can have in them. It is the same with the enterprise passport, which is obviously also useful for going on to further study. It will take a while to get those up and running, and it goes back to the point about accountability and destination data. If you can eventually see that young people with strong enterprise passports or strong skills that they have gained in education go on to extremely good apprenticeships and careers, that will help to get that message out there.

Q41 Neil Carmichael: Will a company be able to go into a school and probe why that school is not perhaps focusing on the right kinds of subject or output that it should be?

Nicky Morgan: Well, I am not sure that that is within the official remit. I suspect that there would probably end up being conversations about that. It is also partly about employer feedback when they go into a school. One of the things that we have set out in the statutory

guidance is the particular importance of things like science subjects and making sure that girls in particular are studying science subjects and maths. We have discussed that previously in the Committee. I suspect that that will probably form part of the conversations, but it is not an official part of the remit.

Q42 Neil Carmichael: But if it was concerned about a certain school or group of schools simply not responding to local employment needs, what would it do?

Nicky Morgan: In the first case, it would obviously raise it with the National Employer Advisory Board and it could then have conversations with the Department. The Department would then do what we currently do if there is intelligence about a school not following the statutory guidance, which is to have a conversation, depending on the nature of the school, either with the local authority or the regional schools commissioner. Officials will talk to the school and find out exactly what is going on.

Q43 Neil Carmichael: So this could be a kind of warning mechanism as well.

Nicky Morgan: One of the things we particularly want the company to do is identify what we call cold spots—areas where advice guidance is not happening well or perhaps not happening at all, or where there is difficulty in other people, such as colleges or the apprenticeship service, accessing the students to give them that advice. That intelligence would absolutely be fed back.

Q44 Chair: Neil's question goes to the heart of the independence of this organisation. You said that the various governmental bodies would be represented on its advisory board, so I am trying to understand to what extent this is a genuinely independent creature of employers and to what extent it is a creature of Government. Neil's specific question was whether it would comment on public policy. Is it going to be in a position to come out in a way that none of those people can? The National Apprenticeship Service and the National Careers Service are all creatures of Government. Their chief executives cannot go out in the news media and say the Government are getting it completely wrong and need to do a complete U-turn, because that is not their job, but an entirely independent organisation is free to do that, if it is entirely independent. Is it?

Nicky Morgan: Absolutely.

Q45 Chair: So if they think you have entirely missed the central problem in the system—

Nicky Morgan: I am sure that Christine would tell me and then make it clear publicly, either to this Committee, should you be asking her, or to the media.

Q46 Chair: Okay. You said that you thought the biggest issue was around brokerage—what I call the adapter between the employers and schools. You said that was the biggest problem. You then said that that is going to be the central role of this new organisation, and you have said that you want to let the new NCS responsibility from 1 October bed in, but as the Government announced in statutory guidance on careers advice in April 2014: “From October 2014, the National Careers Service will expand its offer to schools and colleges. The National Careers Service will broker relationships with and between schools, colleges, local communities and employers, working with the local Jobcentre Plus where appropriate, to help young people benefit,” etc. It appears that the very role that the National Careers Service has been expanded to do from 1 October is exactly the role that you now say your new organisation is going to do, so it is hardly surprising if employers and schools are a little confused.

Nicky Morgan: First, I do not think they are confused. Secondly, I think the NCS and the new company are doing different things. The company, as we have discussed, is very much employer-led, and I think that is not the case with the NCS. The NCS also focuses particularly on a number of priority groups. I want the new company to be very much about going into schools, with a particular focus on 12 to 18-year-olds. The NCS is an all-age service, although of course they will particularly focus on some younger people and low-skilled adults without a level 3 qualification, as well as NEETs, as we have already discussed, and adults facing redundancy.

Q47 Chair: This was a specific extension of the adult National Careers Service to young people and, as defined by Government guidance, from 1 October, it was to do the very brokerage role for which I can see absolutely no difference whatsoever between what is described in here for them and what you have described as being the role of this new company—at which point I’m confused, and if I’m confused, I can’t help thinking that I would forgive some people outside of this place for being confused.

Nicky Morgan: No, they are different.

Q48 Chair: In what way is the role of the NCS different? In this aspect, it is not dealing with adults but, as it says here, it “will broker relationships with and between schools, colleges, local communities and employers” and the local Jobcentre Plus.

Nicky Morgan: The two organisations will work together to—

Q49 Chair: To do exactly the same thing.

Nicky Morgan: No, not to do exactly the same thing. They will work in partnership together. That is why the NCS is part of the advisory board of the new company. As I said, the new company is not a direct delivery organisation, in terms of advice and guidance. It is about bringing employers in, and that is one of the ways they can work—

Q50 Chair: That is exactly what this brokerage means. It will broker the relationships between schools and employers, and you have said that the new company's main role is going to be to broker relationships between schools and employers. You are saying it is different and I do not understand that.

Nicky Morgan: What I am saying is that the organisations are different. The new body is very much employer-led. That is not the case with the National Careers Service. The NCS has a number of different things to—

Q51 Chair: I accept that the leadership is different and the governance is different, but not the function.

Nicky Morgan: That is what the new body is doing. Its remit, as I have talked about, is being set up quickly, with employer involvement, to get that done. It will work with the NCS as part of that.

Q52 Chair: In what way is the role different?

Nicky Morgan: The NCS has many different things to do. Brokerage is part of it.

Q53 Chair: But in this specific aspect: the NCS “will broker relationships with and between schools, colleges...and employers.” In what way is that different?

Nicky Morgan: They come at it from a different angle. They will work together to deliver that same goal.

Chair: It is the same goal.

Q54 Ian Mearns: Secretary of State, you said before—I think it was a bit of a throwaway line, but it is probably true—that there was no golden age of careers advice and guidance. I have been involved in careers advice and guidance in some way for quite a long time. Back in the 1990s I chaired the board of Tyneside Careers, and I was a member of the Careers Service National Association executive board at national level. I do bump into people I have worked with over the years, and while there might never have been a golden age, I think the vast majority of people I speak with cannot remember it being as bad in the last 20 years as the position that we currently find ourselves in. Have you anything to reflect on that, which is the view of professionals out who are talking to me on a regular basis?

Nicky Morgan: I obviously have not been Secretary of State for Education for the past 20 years; I have been in this position since July of last year, and we are talking about actions taken now. I think it is right, and I go back to the comments made by Alan Milburn—one of your former colleagues, Mr Mearns—

Q55 Ian Mearns: I am afraid to say that I have known Alan Milburn longer than I care to remember.

Nicky Morgan: You don't look old enough, Mr Mearns. He talked particularly about the need—it was right for schools to take the lead on the commissioning of advice and guidance. Mr Carmichael has now left, but I think that, in terms of social mobility, getting the right advice and guidance approach is very important, and there is a new system. Of course I listen to professionals, and that is why I have taken the steps that I have taken, which is partly thanks to the conversation that I had with the Chairman right back in July of last year. Careers is very important, and this new company, along with everything else that is going on in terms of the Ofsted handbook, the destinations data, which needs to be better, the new national careers service and other organisations and the emphasis on character skills at school, which is also very important—all of that, I am hoping, will mean that we get to a better place.

Q56 Ian Mearns: Do you accept that you have a job of work on your hands?

Nicky Morgan: Of course, and I think we have done for a while. I am not sure that we are ever going to get perfection, because we are dealing with lots of different young people who have lots of different aspirations, and with lots of different schools and organisations. I think we would all agree that we have some improvements to make.

Q57 Ian Mearns: In terms of actually having the people out there who are capable of providing a broad range of good-quality careers advice and guidance to people, a colleague of mine recently attended a conference where quite a number of careers professionals were in attendance. The question was asked whether anyone would advise their own youngsters to become careers professionals in the future. I am afraid to say that across the board, the answer was no, given the current state of the situation that careers professionals find themselves in. What would you say to that? How are we going to recruit and train the next generation of careers advisers and guidance professionals?

Nicky Morgan: Partly, if I may be slightly flippant, I am not sure that many of us would advise our children to do what we do as careers. Sometimes, the advice that we give to our children is: "Don't do what I'm doing."

Ian Mearns: I want your job.

Nicky Morgan: In all seriousness, one of the things that we need to do—we have talked about this in the context of teachers as well—is to talk about the careers profession being a profession. We need to talk about the important role of careers professionals, those engaged in it and those in colleges and schools in terms of the contribution that we want our young people to make to our country in the future. We need to talk about the importance of getting good advice about what is available in the labour market, the jobs that are available and the subjects that they need to do. We must make it clear that this is not something that has got to happen by accident or as an afterthought; it is important. That is why we have the statutory guidance issued by the Department, why I have made the announcement that I have

made and why the Government have done a whole range of different things to promote youth employment and to make sure that as many of our young people are working as possible.

Q58 Alex Cunningham: Secretary of State, you said earlier that you are not going to mandate or direct that a professional careers adviser should have a role in schools. What sort of message does that give to young people? Most of our young people who need advice are in school, but the Secretary of State says, “I won’t actually direct that you have a role with the biggest cohort of people that I am supposed to work with.” How on earth is that encouraging them that there are good career prospects?

Nicky Morgan: Where you and I differ, Mr Cunningham, is the fact that I do not think that careers professionals are the only answer. They are an important part of the package, as we—

Q59 Alex Cunningham: They are part of the package.

Nicky Morgan: Absolutely; they are part of the package, but not the only part of the package.

Q60 Alex Cunningham: What part do they have then?

Nicky Morgan: As I have said before, there is definitely a role. There are lots of different inputs and ways that young people—

Q61 Alex Cunningham: To do what? What should professional advisers be doing in schools these days?

Nicky Morgan: I am not going to write the career description at the moment. The Career Development Institute represents careers professionals and it will have a view. There are many different ways of inspiring young people. It could be mock interview practice, work experience, work shadowing, mentoring, getting people in to speak or face-to-face interviews. There is a whole range of different things. I think it would be misleading to say, “Well, what does that say about career prospects?” What I want is young people to be prepared for life in modern Britain. That means having made available to them the whole range of options and careers out there, many of which I suspect young people never hear about. I do not think that I or my friends did when we were at school.

Q62 Ian Mearns: There are many different motivations for young people in why they choose to take particular paths, such as the next element of training to a particular career. For instance, if it is brought to their attention as an individual that a particular sector will be suffering significant skills shortages, some young people might be motivated by that, because they would see it as an opportunity to progress in a particular career path. Do you see the

National Careers Service as having a role to work in conjunction with the Department for Business, Innovation and Skills to do any work force planning from that perspective?

Nicky Morgan: I would be reluctant to use the words “work force planning”, because it sounds like we are mandating.

Q63 Ian Mearns: It would be packages every five years.

Nicky Morgan: One group that we have not touched on so far this morning is the LEPs—their role and the skills budget that has been devolved to them. The LEP in my area has done a huge amount of research on labour market information, the types of jobs available in the midlands, the types of jobs that we would like to have available in the midlands and the skills that we need. It has got that information, so it is then about getting that information out to schools and colleges. The National Career Service, the new company and career professionals need that information and that clarity. It does not say, for instance, “We’re short of HGV drivers, so we want everyone to be an HGV driver,” but you are absolutely right to say that there are many different motivations, and one of them is: “If there is a shortage of x job and that interests me, perhaps I’ll get some good earnings and get a job when I leave education.”

Q64 Bill Esterson: Why do you think schools are not getting the information on what the shortages are?

Nicky Morgan: Going back to the brokerage element, one of the things is the contacts with the LEPs. Speaking as a constituency MP, I have not yet got to the bottom of the existing contacts between schools and the LEPs. The scheme that I mentioned in my local area, in which the LEP has been involved, has helped in getting that information out there. It is about contact and communication.

Q65 Ian Mearns: Secretary of State, despite the latest changes made to the National Careers Service website, evidence suggests to us that it is not as useful as it could be for young people. I think it has been described in more pejorative terms, I’m afraid. What will you do on that specifically?

Nicky Morgan: Thank you for that information. I have people sat behind me who will be taking notes. We can certainly go and look at that and work with the BIS Department as well. The website is a part of the offering, but there is also the telephone helpline and other ways of contacting the NCS.

Q66 Chair: Now, one of those nasty questions a bit like being asked to do maths when you are on telly.

Nicky Morgan: To which the answer is no, Mr Chairman, never.

Chair: That is entirely the right answer. All politicians should refuse to answer those questions in a show of unity.

Nicky Morgan: I will remember to use that next time.

Chair: This is a more legitimate question. Have you ever looked at the NCS website?

Nicky Morgan: I did look at it before doing the announcement.

Q67 Ian Mearns: Secretary of State, you have ministerial responsibility for careers guidance, so why is the budget for the helpline for young people being transferred to BIS?

Nicky Morgan: I suspect it is so that it is all in one place. I think that that was done at the request of BIS. I am happy if someone sat behind me with more detailed knowledge can pass me a note so that I can give the Committee a full answer, but otherwise I will be happy to write. I understand that BIS asked for transfer so that all the money was in one place.

Q68 Ian Mearns: So, if BIS has the money, what input will you have to any changes made to the website and the helpline if the funding comes from them?

Nicky Morgan: We obviously still have links. My officials still talk to the National Careers Service. I mentioned the NCS being very much a part of the new company, and at the end of the day in this landscape we all want to work together, and the NCS offered generous support for the announcement I made in December.

Ian Mearns: I am not sure that you should stamp your feet, Secretary of State, but it is your responsibility, so I think you need to wrestle it back.

Q69 Chair: We recommended, as did the CBI and lots of others, that, rather than setting up a new organisation, this work should have gone to the NCS. Did you ask the NCS whether they would welcome an extension, assuming they get more than—

Nicky Morgan: Discussions were held. We did look around at a number of organisations. But going back to the employer-led nature of the new company, the view I took was that there was not an existing organisation that completely allowed for that, hence having this independent company.

Q70 Chair: BIS is not our area of observation, but it seems rather odd that the NCS is not employer-led. You might have said, “Why don’t you get the NCS to be employer-led, and then make it a whole age”—

Nicky Morgan: You are obviously very welcome to call the BIS Secretary in front of the Committee, or to ask the Business, Innovations and Skills Committee to conduct that investigation. But of course BIS put in £1.4 million towards the announcement and the new independent company.

Q71 Ian Mearns: Lastly from me for the moment, Secretary of State, I have to declare an interest in this one, because I am a vice-president of the Local Government Association. The LGA and the Gatsby Charitable Foundation, among others, have concluded that the lack of clarity of the original and revised statutory guidance for schools and colleges is partly to blame for the wide variation in provision of careers guidance around the country, and concerns remain about the current guidance. Will you look at it again in the light of this evidence? Will you help to provide that clarity?

Nicky Morgan: Sorry, which guidance?

Ian Mearns: Both the original guidance and the revised guidance.

Nicky Morgan: The statutory guidance? Well, we keep it under review every year, and I think it says that in the introduction.

Q72 Ian Mearns: I think the suggestion in the question is that you revisit it and clarify it.

Nicky Morgan: We do keep it under review every year; we will keep it up to date.

Q73 Caroline Nokes: You have repeatedly said that there is a huge emphasis on employer engagement at the heart of careers guidance reforms, and I think that more than one questioner has said that there has not been a golden age of a careers service. How are we going to get there, and are you confident that the new company has enough resources to ensure that all schools and all teachers will be able to call on the right employers?

Nicky Morgan: Obviously we are in the initial set-up phases of the independent company. I have enormous confidence in Christine Hodgson, who I think is a fantastic champion. She has been involved in this area for many years, and with the welcome we had in December, both from employers and employer bodies, there is enormous willingness to take this on, to improve and to have those links strengthened. One of the things will be about identifying the parts of the country and the schools where this is not happening well. As for resourcing, in the current financial climate I was extremely grateful to the Chancellor for the £20 million set aside in the autumn statement. We need to get on with it, and we need to see how things develop.

Q74 Caroline Nokes: This has been referred to previously, but what guarantees are there that successful business people—men and women—will also be competent at inspiring young people? I can think of some brilliant examples in my own constituency, such as an enterprise project run by the Romsey school where they have found some very inspiring local business people to bring into the school and run projects with them. However, is there not a danger that by inviting in business people, you will only get their view of what worked for them, so single routes into careers when in fact there could be many? Is there also a danger

that it will be an exercise in box-ticking by schools, and not necessarily that the right people will be put in front of students?

Nicky Morgan: Ultimately, the way of measuring this is going to be by looking at the destination data—I have said before that it is better, but we are not there yet—and seeing where our young people end up after they have left education. Of course, Ofsted will also be checking and reviewing the advice and guidance as part of its inspections. I think that is absolutely right, and perhaps it goes back to one of the previous questions; if a school was to invite only one employer in, that is not sufficient.

I think there are some fantastic inspirational speakers, but actually you do not know if somebody is going to be inspirational. Amazing people will often need persuasion to speak—they say “No one is interested in me,” and so on, but when they are there in front of a group of young people, they are really motivational. You need a whole range of different people from different sectors. I think one of the things we have not talked about enough is enterprise—setting up your own business, as well as the different careers that are open to people. In terms of meeting the duty it is going to be a whole variety, a whole range, of different activities that offer inspiration.

Q75 Caroline Nokes: You have mentioned destination data as a way of evaluating it, and obviously Ofsted inspections. To my mind there are two dangers there. First, in destination data, we could be looking at data 20 years hence, and that is a huge problem; certainly it is not going to give us any reasonable evaluation for the next five years. Also, Ofsted inspections of our better schools happen less frequently, so is there not a danger that this could slip through the net for quite some time?

Nicky Morgan: I think destination data actually is getting better. On the key stage 4 data we are now at, I think, 98%, so just 2% of the last cohort were not captured in the data. For key stage 5 it was 28% in the 2012 publication.

Q76 Caroline Nokes: It is going to be almost impossible to assess what effect Mr Bloggs, the CEO of company Y, going into school Z has on a child.

Nicky Morgan: Of course it will take time, absolutely. I think I have said this in answer to questions about character education: it takes time for these things to come out, and it is the parents and employers who will eventually know and be able to judge, and we will obviously get feedback as we do already from the employer bodies, as well. But I do think that the destination data, a bit like the data being produced by universities, is very important to know where young people end up.

As for Ofsted, I do not want there to be unnecessary burdens on schools. If a school has been rated as outstanding or good by Ofsted we should trust that judgment. We should trust that school. Actually, as we saw with the Ofsted thematic review, there are schools who are doing this and doing it well, and actually I think we should let them get on with it. If we are constantly hovering on their shoulders, we are not allowing them to commission that inspiration that I think that they can do.

Q77 Caroline Nokes: Do you think the Gatsby Foundation's comment that you are putting all your eggs in one basket is fair?

Nicky Morgan: No, because I do not think we are putting all our eggs in one basket. I think there are a variety of different organisations—we have talked about a number this morning—and a number of different ways of providing that advice and guidance. We have already talked about the fact that we know there are improvements that need to be made in the system, and we are working very hard with a number of different bodies to see those improvements made.

Q78 Caroline Nokes: I think you probably have already covered this to some extent. Coming from a split rural-urban constituency, I am very conscious that it might be harder for the more rural schools to find bigger business to come in, but the reality is that the largest employer in my constituency was Ford, who had 400 employees, until they closed. I would now guess that the single biggest employer is going to be Hampshire county council. What steps are you making to make sure that the public sector is involved, and do you think that local authorities necessarily have the skill set to inspire young people?

Nicky Morgan: First, I should say that I am hoping—in fact, expecting—that the public sector will be a part of the advisory board, and there will be certain public sector employers on that board. In terms of inspiration, again, whether it is local authorities, the health service, or education itself, it is about knowing about the range of different options and careers that there are out there. We see a certain number of officers at county hall whenever we visit but there are lots of other jobs out there too. It goes back to the point made earlier, which is that actually just inviting your largest employer once a year is not going to be sufficient. I would suspect that in your constituency, as in mine, there are lots of smaller businesses or nearby businesses. It may be, for example, that schools want to pool resources and work together, so that an employer is not going round lots of different schools, but is giving one or two bigger sessions. That is something that schools will decide by working together.

Q79 Ian Mearns: On that one, Secretary of State, I am sure that you will be aware that that will be more problematic in certain parts of the country than it will be in others.

Nicky Morgan: Absolutely, yes.

Q80 Ian Mearns: The Federation of Small Businesses in my own region has produced a neat statistic: there are 136,000 businesses in the north-east of England, but only 1,000 of them have more than 50 employees. Therefore it is about capacity within business to engage and deliver the sort of model that you have talked about. I know that your predecessor was very keen on pursuing this model, but do you see a more flexible approach?

Nicky Morgan: Sorry—

Ian Mearns: In terms of looking for employer engagement.

Nicky Morgan: Oh, I see. Well, I think it has to work for employers as well as it has to work for the schools and colleges and the students. Again, obviously, employers going in can talk about their own company, of course, but they can also talk about the wider sector in which they are engaged. To use space as an analogy—to get on the record that we have a thriving space sector in Leicestershire—if you were to get one of the companies coming in, they could then talk about the other companies, including smaller companies, and the other options and careers that are out there.

You are absolutely right to say that the vast majority of companies in this country employ fewer than 10 employees, and in fact some employ even fewer. I emphasise the point that I made about setting up your own business. That is one of the recommendations of Lord Young's report in particular: inspiring young people to think about setting up a business, either at a young age when they leave education or perhaps in the future.

Q81 Ian Mearns: But, referring to Caroline's question, you would also encourage players within the public sector—for instance, universities and health trusts—to be involved in the process?

Nicky Morgan: Yes, absolutely.

Ian Mearns: Okay, thank you very much.

Q82 Alex Cunningham: Secretary of State, it is clear that you have got the ear of the Chancellor, and his support as well, if you can get this money to fund your new company. Will you go back to him and ask him to restore the funding to schools that was stripped out of the National Careers Service—the hundreds of millions of pounds—so that it can then employ professional people and develop the services that we all know our young people need?

Nicky Morgan: At the risk of sounding like a slightly cracked record, I am not convinced. The professionals are obviously very important, but that is not the only answer. If you are harking back to an age when things were good, I do not see that particular age. Of course, we want to talk about the wider economic picture—we probably talked about that quite a lot at the beginning of this week. We have had to make difficult decisions, but schools do have funding within their general budgets for this, and they have to follow the statutory guidance and meet the statutory duty on guidance. Obviously, I cannot write future budgets or say where money will come from in future fiscal events.

Q83 Alex Cunningham: But there is not any specific dedicated or ring-fenced funding for schools to say, "You must dedicate that to careers advice and guidance," is there?

Nicky Morgan: I think one of the key principles of this Government has been to take away ring-fencing as much as possible from money we give to schools, because they are best placed to know their students and to know what is needed and how to spend it best.

Q84 Alex Cunningham: But they still have more duties without any funding to deliver them.

Nicky Morgan: We need to be clear. It is important that there is a duty. Schools do have funding and they can make funding available, and this is a priority.

Q85 Alex Cunningham: Evidence to us has suggested that schools that are doing career guidance well are those with structured career education programmes. Have you got evidence to the contrary? Was it perhaps a mistake to remove a statutory duty on schools to provide careers education?

Nicky Morgan: Again, it goes back to my point about trusting heads and teachers. When I go round schools—

Q86 Alex Cunningham: But can you trust them when 80% of them are said not to be delivering adequate careers guidance?

Nicky Morgan: It was a very small review—a review carried out by Ofsted back in 2013. There will be another look at all of this, and Ofsted are inspecting. Many schools do already provide careers education or employability skills as part of wider extracurricular activities or as part of a PSHE programme.

Q87 Alex Cunningham: What percentage of schools do you think are failing to provide? Ofsted suggests 20% out of 60 schools, and I know that there are many thousands of schools across the piece. What percentage do you think is failing to provide an adequate service?

Nicky Morgan: Going back to Mr Raab's question, Ofsted's is probably the most recent report and we have no reason to second-guess it. There will be further reviews in due course. I think as we have already said at the beginning of the hearing, provision is patchy. I am not going to second-guess as to an exact percentage.

Q88 Chair: The 80%: is that patchy or is that only a bit worse than patchy?

Nicky Morgan: The point is that it is not consistent right across the country. If we could say that everything was fine in a particular part of the country but not elsewhere—when I say patchy, what I mean is throughout the country.

Q89 Chair: You have no reason or evidence to believe—you have said this twice—that Ofsted's little snapshot does not broadly reflect the country as a whole.

Nicky Morgan: "Inadequate" does not—

Q90 Chair: Okay, you don't like the word "inadequate." What word would you like to use?

Nicky Morgan: I would acknowledge that improvements need to be made and that there are some parts of the country, some schools and some local areas where this is being done well and there are some where it is not.

Q91 Chair: In 80% it is not, according to Ofsted.

Nicky Morgan: Exactly, according to Ofsted.

Q92 Chair: You have said that you have no reason to disbelieve Ofsted, so you are accepting it for the time being. I know that other evidence could emerge showing something different.

Nicky Morgan: We haven't got any. If there is further evidence, I would be happy to write to the Committee, but that is the most recent. I know that a lot of you have talked about accountability, and Ofsted is a key part of that accountability regime.

Q93 Alex Cunningham: The NUS did a survey of young people, and it also concluded that the vast majority of people are getting an inadequate service. So it is not just Ofsted; there appears to be a huge amount of evidence out there, a lot of which we have heard in this Committee. We have to hope that we will see funding and success for your new initiative in the future. I accept that you are not going to make it a statutory duty again, but how will you ensure that it just doesn't end up as an add-on activity done by a teaching assistant or a school receptionist, as the Chairman illustrated earlier?

Nicky Morgan: We have talked about Ofsted inspection and the importance of destination data. It is also about making it clear that careers guidance is a priority, which is part of the reason for making the announcement, for the work we have done and for the importance attached to the new company. It is about making it clear to schools. Wherever I go, I make it clear that the role of schools is to prepare our young people for life in modern Britain. For most people that is going to involve getting a job or going on to further study. I think schools are aware that this is important, but we also believe in the framework set-up, which is that schools are best placed to commission and lead work on this.

Q94 Alex Cunningham: A final line on the employment of professionals. The Sutton Trust found that schools that do careers guidance well offer students an entitlement to see a trained careers adviser. Why does the DFE play down the importance of that one-to-one, face-to-face guidance from professional people?

Nicky Morgan: I don't play it down. I am saying that it is part of the offering. It may be right for some people, but what I don't want to do is—

Q95 Chair: Might it be appropriate for some schools to provide none whatsoever?

Nicky Morgan: It very much depends. The school might be doing other things through form tutors. I am not going to mandate or write what schools should be doing. There are different types of schools, and we have talked about university technical colleges, for example, but one-to-one, face-to-face guidance is part of the offer. What I don't want to see is some sort of tick-box approach: "They have had one-to-one, face-to-face guidance in year 11. That's it, we've done our duty." That is not the inspiration—

Q96 Chair: No, you have a tick-box approach in which you train the receptionist to do a little bit on the side part time and you don't have a single trained professional with knowledge of the local labour market ever coming in. If you want a tick box, you have one now. According to you, 80% of schools—you didn't like my word "inadequate," and I don't know whether you would accept this language—are not doing a very good job, and at that point you are simply going back to saying that we can trust schools to do it. But when Ofsted is showing that 80% of them are not doing it, we clearly cannot trust them. To suggest that a bit more brokerage by this organisation, duplicating the newly given role of the NCS, will somehow magically fix it misses the central point: schools are not motivated. They are giving a better education because we have created pretty heavy accountability to insist that they do so. If they have weak teachers, they have to get rid of them because the head teacher will lose his job if they do not. We have created that accountability precisely to put the interests of the child ahead of the interests of the institution, which might otherwise have just delivered mediocrity for ever. We don't have the incentives right on careers.

Nicky Morgan: I completely disagree with that summary. I am sure it sounded very good to you, Mr Chairman, but I don't agree. First, I don't think that schools aren't motivated. The new statutory guidance introduced in April 2014, the new National Careers Service and the new company are changing the landscape of careers provision. We will obviously have to wait for a while to see how it develops. There are improved destination data, and we are bringing forward the publication by six months so that the next set of destination data is published in January 2015. The Ofsted handbook has been beefed up, and inspectors have been given additional training on careers. I don't want to send an impression from this Committee that, somehow, nothing has happened and that some sort of tick-box approach is the right way to do this.

Q97 Chair: No one is suggesting a tick-box approach. All Alex was talking about was trained professional advisers. We are trying to tease out whether it is possible for a school never to have them coming in and whether that would be fine, and you seemed to suggest that it could be.

Nicky Morgan: And I have said that the best schools will bring in a broad range of people, including careers professionals, and they will have people within the school. We want to see best practice spread right the way across the system.

Q98 Alex Cunningham: So best practice suggests that schools should be using professionals, and you would support best practice.

Nicky Morgan: That is part of it. I absolutely believe in the framework that we have set up. It is right for schools to make the decision based on their knowledge of their students. There will be a range of inputs that are right for students—I cannot make that any clearer. Careers professionals will be right for some, and some schools might have inspiring speakers, employers and others come in. That is the landscape that we want to see—schools must be able to bring in the right people for their students.

Q99 Alex Cunningham: Finally from me, if Ofsted goes into a school and finds that it is failing to provide adequate or good careers advice and guidance—they have tried the employer thing and they have tried training their teachers but they have inadequately trained teachers—what advice will Ofsted give it? Will it say, “Look, it’s time to call in the professionals”, or is there some other solution?

Nicky Morgan: That is a matter for Ofsted. It will be reflected in the grade that Ofsted awards the school as a result of its inspection, and it will be part of its improvement programme. I am not going to write the inspector’s recommendation and report. Again, it will very much depend on each individual school. It might be that the school is getting in professionals but, for whatever reason, it is not cutting through to the students and inspiring them for the future.

Q100 Alex Cunningham: But you can see the day when Ofsted might say, “It’s time you got professional careers advice and guidance people into your school if you are going to deliver and meet your needs.”

Nicky Morgan: Ofsted might encourage a range of different options.

Q101 Ian Mearns: Secretary of State, you mentioned the new, improved destinations data. Do you see a situation in which the new, improved destinations data are used as an accountability measure for schools—in other words, making schools accountable for the progress of the youngsters once they leave?

Nicky Morgan: I certainly think that they could become very important, whether as a formal part of accountability or as something that schools focus on. For example, we are seeing that students are asking many more searching questions now when they turn up at university open days. They are saying, “If I am going to pay some money over, I want to know where students on this course end up.” I hope that with education, for employers and families as well, looking at the destination data will be an important part of making a choice about a particular education setting.

Q102 Ian Mearns: Because if destination data were to become an accountability measure, some institutions might start thinking about which courses they allow or advise

young people to go on. It is not just about getting an exam pass at the end of the day. It is about what you then do or are capable of doing after that.

Nicky Morgan: That is one of the ways in which people might respond. With all these measures, we want to make sure the young person gets the right advice for them. There is always a danger with any kind of tables or information that young people are not given the right advice for them and are sent off in a direction that makes the tables look good. Going back to my point about inspiration and the wide variety of career options available, it is about making sure young people find the right thing for them.

Q103 Mr Raab: Despite the statutory duty on schools to provide impartial careers advice on a full range of options, we have heard reports in evidence to the Committee that there is a very low awareness of the alternatives to sixth-form study among young people. Given that a statutory duty is in place, why is there a lingering snobbery around the vocational route? Why is it seen as the poor cousin to the academic route? What can we do to address that?

Nicky Morgan: I should point out that it is statutory “guidance” now, but schools have to follow it. Over the past couple of years, a greater number of apprenticeships have been created and the importance of vocational education has been renewed. One of my predecessors, in his time in the Department, focused on ensuring that vocational education is rigorous. That was the purpose of the Alison Wolf review and the sweeping away of the 3,000-plus qualifications that did not mean a great deal to employers and did not offer young people the start in life that they and employers were looking for in order to get jobs. It is about making sure. It is changing, and the awareness of apprenticeships has increased hugely.

Q104 Mr Raab: There is certainly evidence of a marked improvement in the supply of vocational options by Government and businesses, but the perception around demand, whether from teachers or young people, still seems to reflect a lingering British cultural snobbery. We are doing a separate study into apprenticeships and vocational training, about which we have heard a lot of evidence. You may say that this problem does not exist, but it cannot be resolved only at the supply side, although that is your strict responsibility. Do you see the problem? Do you think that it will be resolved over time, or that it does not exist and is a false dilemma?

Nicky Morgan: I think it can exist—I certainly think that. One issue is explaining the earnings that apprentices can get and the qualifications that they lead to. I would go back to the point about employer engagement: having an employer come in and say, “This is what our apprentices do.” Another thing is getting apprenticeship alumni—those who have been through apprenticeships or who are apprentices—to go back into their former schools or other schools and discussing the opportunities that are on offer.

Q105 Mr Raab: To what extent is it about esteem and to what extent is the education establishment not quite giving it the level of kudos and credit that it deserves?

Nicky Morgan: I wouldn't want to say that; I don't think that that applies as a generality. It goes back to the point that I suspect that there are some schools and some parts of the country where that might be the case, but the renewed focus on apprenticeships in the past couple of years and the evidence and coverage of the high-quality apprenticeships that are available is changing that. But yes, it is obviously taking time.

Q106 Chair: Do you have any evidence of that? You said that there might some areas where it is not very good; can you tell us any areas where it is?

Nicky Morgan: No, I can't, but only because I have not asked that specific question. I know, anecdotally, from going around schools and talking to educational establishments, that apprenticeships now come up much more in the conversation than when I started this job—as a Member of Parliament, not as Secretary of State. Don't forget that there was a massive push, particularly under the previous Government, for 50% of our young people to go to university. It is now recognised that young people need to be given the right advice for them and the right options on the right career path.

Q107 Mr Raab: We have heard evidence that some schools are deliberately refusing to give pupils information on pathways at rival institutions locally—for example, blocking attempts by colleges to disseminate their material and offer. Will there be sanctions on schools found to be clearly and flagrantly doing that?

Nicky Morgan: I am not sure about sanctions, but there will be investigations—there will be some tough questions asked.

Q108 Mr Raab: What's the point of an investigation if there is no sanction at the end of it?

Nicky Morgan: Well, because I do not necessarily want a sanction. What I want is action, and I want that to be that the college or whatever—the provider that is saying that it cannot get in—can go into the school and speak to the students. There is no point in having a sanction or fine, or whatever it might be; I would rather the situation be rectified.

Q109 Mr Raab: I totally understand that, because a sanction sounds very heavy-handed, but if you have a review—

Nicky Morgan: Well, it's not a review, as such, it is a conversation. We get evidence about the school, and whether it comes to the regional school commissioner or the local authority—

Q110 Chair: Between whom? Who would be conducting this conversation?

Nicky Morgan: I suppose it would depend on where the information came to. It could be the company, it could be the adviser, it could be the local authority. Why is—

Q111 Chair: So if I have a local school with a sixth form that refuses and does everything it can to block the sixth-form colleges from Hull from sharing information with its pupils because it is desperately trying to keep its sixth form alive, who would I report it to, who would have a conversation, and who would then fail to apply a sanction?

Nicky Morgan: If it was you, Mr Chairman, as a Member of Parliament, you would probably tell the Department, or you might tell the local authority—it would depend on the nature of the school. You might take it up directly with the head teacher and ask why the college is not being allowed in.

Q112 Chair: I know fully why they do it: because they are desperately trying to keep their sixth form alive.

Nicky Morgan: But sometimes asking a question and making it clear to the school that it is publicly known and not acceptable—

Q113 Chair: They don't care. They lose their job if their sixth form collapses, but they do not lose their job if there is the occasional newspaper story saying that it is an outrage that the sixth-form college from Hull has to put an advert on the roundabout outside the school, which is the only way to get any awareness close to the school. As close as they can get is at the roundabout, everyone knows that—it happens in my town and you can see it all over the country. If you do not alter the underlying drivers of behaviour, conversations will solve absolutely nothing.

Nicky Morgan: The school would be in breach of the statutory guidance—

Q114 Mr Raab: And what is the consequence of that?

Nicky Morgan: The consequence of that is that we would expect them to change their behaviour.

Q115 Mr Raab: Okay, but what is the expectation without a sanction? This is the point: unless there is an incentive or disincentive to breaking the rules, through behavioural economics and everything else, people will just continue to do it.

Nicky Morgan: Well, eventually it will be reflected in the Ofsted inspection and, of course, with the destination data, I suspect it would eventually show up that their young people are not getting as good results as those who had been elsewhere.

Q116 Chair: If you speak to the lead at Ofsted on careers, she will tell you that, if Ofsted is the answer to accountability in careers, you are asking the wrong question. We will move on to accountability in a moment, but Ofsted will see outstanding schools only every seven years for a short inspection in which it tries to do the four main things. Even with the best will in the world—Ofsted is making an effort to try to give greater weight to this—it says that it is not in a position to provide an ongoing assessment of those minutiae. It does not know that people from the FE college are only allowed to come into the school a week after all the young people have made their decisions on what they will do next year.

Nicky Morgan: Ofsted is not the only answer, but it will be a part of the gathering of intelligence.

Q117 Mr Ward: My questions are on that same area of making options known to young people, but focused on apprenticeships. The Association of Colleges reported on a survey of 2,000 children aged 11 to 16 that found that the awareness of apprenticeships was low and that only 17% of boys and 12% of girls were likely to choose that option. We have already heard about the disincentives that exist, but also, quite worryingly, children are actually being discouraged from apprenticeships with disparaging comments, such as, “You are too bright to do an apprenticeship.” What will the new company do and who will make the first phone call or e-mail? Will the company contact the school?

Nicky Morgan: I suspect that it will be a bit of both, actually. We will be recruiting advisers who will review provision and what is going on in the local area. In some areas it will be easier to discover what is working well and what is not happening at all—there will be local intelligence. Apprenticeships is one of the things that I suspect, as I mentioned already, is about getting employers in, many of whom will talk about the apprenticeships that they can offer.

Q118 Mr Ward: For the reasons we already mentioned, a school may be unlikely to phone the company, because it—

Nicky Morgan: I would disagree with that. I know of lots of schools that know that they need to get some business employers in. The question is: where do you turn? The company will offer that opportunity.

Q119 Mr Ward: But in terms of apprenticeships, for the reasons of disincentive that we have discussed, such as wanting to keep students for sixth form, the school may make the phone call, but it may not. Will the company ring all the schools in Bradford, for example, and say, “We exist now and we want to provide you with information”?

Nicky Morgan: There will be an adviser who will look at the local area.

Q120 Mr Ward: Will that be a regional adviser?

Nicky Morgan: That is to be discussed. It is an independent company. Christine and the new chief executive will look at that.

Q121 Mr Ward: So its headquarters will be somewhere and it will have a number of advisers across the country.

Nicky Morgan: The idea is that there will be a number of advisers who will be setting up those links in particular between schools and employers, and it will work, as part of the employer advisory board, with other organisations.

Q122 Mr Ward: How many advisers will that—

Nicky Morgan: That is a matter for the company. It is an independent company, so that it is a matter for Christine and the new chief executive. They have a remit and they will be working out the details.

Q123 Mr Ward: For the Yorkshire region, could there be five, 10, 15 or 20?

Nicky Morgan: David, I cannot speculate, because it very much depends on the company and what is going on. Obviously, there may be some parts of the country where there is a lot more activity, so less need for advisers, but in other parts of the country that may not be the case.

Q124 Chair: Ultimately, if it has got to get money from employers, surely it will just do the stuff that the employers pay them to do.

Nicky Morgan: No, because part of the remit is about looking at the cold-spot areas where there is not sufficient activity and ensuring that that activity is beefed up.

Q125 Chair: They can do that when they have got your money, because that is what you have asked them to do, but once they are reliant not on your money, but on an employer's money, surely they will find that they have to do what the employer wants. An employer may not want to go to a cold spot, which will be quite likely, because that will be why it is a cold spot. It will be employer-led, but we have employers engaging in some areas and absolute cold spots in others. The whole point of public funding would be to go to the cold spots. If you pay extra to get doctors to go where they would not otherwise want to go, the state has a role to play because the market does not work by itself. You are setting the company off in one direction and then you are saying that it is going to have to generate its own money, but I don't understand how it will do that in an area where employers have no history of engagement and no interest.

Nicky Morgan: It is a national company that is able to look right the way across the country, and there will be employers putting money in on a national basis. Again, this is a matter for the company—it is an independent company. It is for the company to decide exactly how it is going to work, but the remit is very clear about identifying areas of the country where there is not sufficient activity and looking at areas where it is working and at what lessons can be learned.

Q126 Chair: Our job is to question you. The remit may or may not be clear—we are not questioning the remit—but the question is whether it is deliverable and credible. We are looking at the mechanics—that is what we do here, obsessively. We look at the mechanics to see what really goes on in schools, as opposed to what they say when you visit them. Likewise, we are trying to look at this company. If it has to get its money from employers, how is that going to allow it to fulfil its remit? As Ronald Reagan once brilliantly said, the first rule of bureaucracy is to protect the bureaucracy. Once you have an organisation that has customers who give them money, it will do what those customers want, because he who pays the piper calls the tune.

Nicky Morgan: I am afraid I disagree. The company, obviously, is independent of the Government. These are national employers right the way across the country. You can't say to me that an employer such as Kingfisher doesn't have interests right the way across the country and isn't looking for a strong labour market.

Q127 Chair: So you are hoping that major national employers with a genuine commitment will put high-level money in to deliver a national vision? That is not unreasonable; I am just—

Nicky Morgan: There are already national employers who have absolutely stated a commitment in many ways. That is the opportunity, and the company has to bring that together.

Q128 Mr Ward: All I want to try to do—I understand your situation—is to solve the problem. It might, but I cannot see how this company will do this. We have 600 or so apprenticeship vacancies in Bradford, an area with one of the highest youth unemployment rates in the country. How will this company do what you say when we cannot even get the local college into the schools?

Nicky Morgan: Presumably, regarding the employers with those 600 vacancies, the schools know that their students will leave the school one day and will be looking for a job or further education. Employers will be going in—again, the schools will be mindful of the statutory guidance and the need to give impartial advice—and saying, “I am X company. You can start with me as a graduate trainee, but you could also start with me as an apprentice. We are recruiting at the ages of 18 and 21, and this is what's on offer.”

Q129 Mr Ward: How long is this going to take to develop?

Nicky Morgan: I am hoping very quickly. Christine is a pretty impressive chairman and is getting on and making very good progress.

Q130 Mr Ward: So within a couple of years you would expect thousands of companies to be active?

Nicky Morgan: I am not going to make predictions—the company is independent—but I think there is a huge appetite. Part of this, obviously, is a response. Employers have said for a number of years that they want more direct contact with schools and that they are looking for students with better employability skills. Again, that is part of the conversation they will have with schools. This mechanism is now in place, and I hope and expect that employers will accept the challenge.

Q131 Mr Ward: We have a National Apprenticeship Service and it cannot get into schools. We have seen the stats on the level of awareness of apprenticeships among young people. Even with an existing national organisation, there is a very low level of awareness. Apprenticeships are a flagship policy, but even with a national organisation dedicated to them, we still have a very low level of awareness of them.

Nicky Morgan: I do not know when that survey was completed. Obviously, the Government are continually talking about apprenticeships, advertising about apprenticeships, making things clear and working with companies, and we have national apprenticeship week. I think the National Apprenticeship Service is one of the organisations involved with the company. Again, this goes back to my point about employers making it clear that apprenticeships are rooted in working for them or working in their sector.

Q132 Mr Ward: More specifically, you have recently said you are passionate about ensuring that young women are inspired to go into sectors that they do not traditionally go into. Will the new company have a specific remit to look at gender?

Nicky Morgan: It hasn't got anything specific about gender, but Christine Hodgson has done a lot of work on inspiring young women to go into careers and different sectors. It is something, as you say, that I am very interested in. To say that the focus is particularly on girls, rather than boys, and certain sectors would not be the right thing for the company to do. It is incumbent on all of us in this area to speak about such opportunities. Tonight I'm speaking at an event entitled "Chicks with Bricks", which is all about getting women into the construction industry. Again, it goes back to that inspiration. When I was at Crossrail recently, a female employee there was leading some of the development, and she goes in and speaks to schools, inspiring young people, and particularly young women, about the careers available in the construction industry.

Q133 Mr Ward: Just linking something else in here: the 80,000 or so engineers that you need. You said it was not really your responsibility to deliver on that—

Nicky Morgan: Did I say that?

Mr Ward: When I asked you a question, you clearly said on a number of occasions that that is something that we will need, but it was not necessarily your responsibility to ensure that. I said to you, “If that doesn’t occur in the next few years and we do not get them, who can we blame for that?” You said that it was not really your responsibility to ensure that the system produces 80,000 engineers.

Nicky Morgan: I think what I said was—

Mr Ward: Will this company have a strategic, targeted view of developing our particular skill needs for the future?

Nicky Morgan: Employers have a particular role to play. Going back to the reason for this being an employer-led company, they have a particular interest. If you are an engineering company and can see that your talent pipeline might be limited because you do not have the right number of people coming through or the right skills, you have an interest in going into schools and colleges and saying, “This is what I need.” That goes back to the point that I think Mr Mearns made. I do not think that we as a Government will mandate work force planning—that we need 100 HGV drivers or 1,000 engineers—but we need to make it clear, going back to the point about labour market information, what the vacancies and the types of jobs that we need are for our growing economy so that that informs other people and helps them to make decisions.

Q134 Ian Mearns: But there is a problem with that approach, Secretary of State, if you look in particular sectors. I will use construction as an individual sector. Over a 40-year period, the construction sector has trained only about 40% of its future work force requirements. That has led us to having significant skills shortages across the country, which has led to big construction companies actively recruiting people from eastern Europe into this country, because we failed to train our own future work force. If a whole sector like that has failed to do that, how can we trust employers to do what needs to be done?

Nicky Morgan: Many employers know that that is not sustainable. Again, that is part of the job of the advisory board and, again, my challenge to the business organisations that have asked for there to be greater links between schools and, talking about employability, the skills that are needed. If employers want to influence those skills and are saying that they cannot recruit at the moment, but that this is what they need in the future, they will now have the opportunity through the company to shape things and to work with schools and colleges on finding their future work force.

Q135 Siobhain McDonagh: I wanted to ask about Ofsted and its inspection of the careers service provided at schools. Are you satisfied that Ofsted’s inspectors have a necessary understanding of career guidance to judge whether a school’s provision is good or not? How important will it be to gather evidence of the quality of careers advice provision by other means or ways, such as surveys, and who will undertake that research?

Nicky Morgan: I understand that Ofsted has been training its inspectors on the issues of careers guidance. That was one of the things that we have talked about. The inspectors are now asked to explore the extent to which a school has developed and implemented a strategy for ensuring that all pupils in years 8 to 13 receive effective careers guidance, as well as the impact of that guidance in helping young people to make informed choices—the whole range of things the inspectors are now receiving particular training on in terms of making that judgment. It goes back to the point about quality, given that it is about identifying that some guidance might be going on. Is it effective enough? That was obviously part of the thematic review that Ofsted undertook. Inspectors will also look at other intelligence and it may be that that needs to be expanded, in terms of looking at careers and at what is going on with school contacts with outside organisations. On surveys, obviously a lot are done in this space, but they are not something that I have thought about specifically.

Q136 Siobhain McDonagh: Should a school's overall Ofsted rating or performance be affected by how good or bad its careers advice is?

Nicky Morgan: It will be a part of that. If I were to say that that was the defining factor, I do not think that would necessarily be fair on a school, but I think it will be a part of a factor in terms of the overall judgment that Ofsted will make.

Q137 Alex Cunningham: Can a school be failed?

Nicky Morgan: Not at the moment, and I am not sure that that's—

Alex Cunningham: Would you like to see them failed?

Q138 Siobhain McDonagh: What if a school has an academic rating of outstanding but its careers service is completely dreadful? Should that—

Nicky Morgan: I am not sure that I would necessarily go for—

Siobhain McDonagh: Not failing, but should it be good rather than outstanding? Adequate rather than—

Nicky Morgan: As I said, that will be a part of it. Again, I am sure you will have Sir Michael Wilshaw in front of you before too long, so perhaps that might be a question to put to him. I would strongly suspect that careers advice is part of a judgment that Ofsted will make about a school.

Siobhain McDonagh: As so many schools have not developed either a clear enough strategy for the provision—

Chair: We have moved on to someone else's area.

Siobhain McDonagh: Oh, I am sorry. I think I have started asking other people's questions.

Q139 Ian Mearns: One thing that we are having a look at, Secretary of State, is that Ofsted has described data on learners' destinations at 16, 17 and 18 as "incomplete, unreliable and not sufficiently up to date". If this is an important accountability tool to measure the success of careers guidance, what are you doing to rectify the poor quality of data and how soon will more reliable information be available? You have talked about the new, improved destinations data.

Nicky Morgan: I think it is getting better, but it is not there yet. I do not think that we accept that it is incomplete or unreliable, because for key stage 4, as I said, the last figures that we had—

Ian Mearns: That is Ofsted's description.

Nicky Morgan: Absolutely, and I would not agree with it, but I agree that we are still in an experimental phase and are collecting a lot of initial data. For key stage 4, the destinations for only 2% of the cohort were not captured. For key stage 5, 28% were not captured in the 2012 publication, but that had gone down to 15% in 2014. One of the clauses in the Small Business, Enterprise and Employment Bill, which is currently going through Parliament, is about permitting linking to HMRC and DWP data, which again is about building up a more comprehensive picture of destinations. We are some way along the road to getting that information. We need to do more, and it is going to become a headline performance measure in 2016.

Q140 Ian Mearns: I am paraphrasing, and there is no golden age, but I remember a time when individual careers service companies had destinations data for youngsters going well beyond 18—up to 21 and 22—and it was probably much more complete in terms of the overall number of youngsters encompassed by the data set. If we could do it 15 or 20 years ago, why can't we do it now?

Nicky Morgan: I think we probably can do it now, and it is probably a question of the data not having been captured for a number of years. Again, it goes back to the point that Caroline Nokes was making about having reliable data. It takes time to gather that data, to know that it is reliable and to build up data for at least a couple of years, so that you begin to build up a picture.

Q141 Ian Mearns: So the lesson is that we do not dismantle things before we have built something to replace them.

Nicky Morgan: There are always things that can be learned after the event. There may have been very good reasons. I do not know enough about the previous data that was collected, but I agree with you that destination data is very important.

Q142 Craig Whittaker: Happy new year to you.

Nicky Morgan: Happy new year.

Craig Whittaker: Secretary of State, I think a lot of people recognise that you have been left a bit of a pig's ear with this policy, and some of us understand how you are trying to make a silk purse from that very same ear. You have said that 12 of the 60 schools checked by Ofsted are getting it right, which is only 20%, and I cannot believe that you believe for one minute that that is acceptable. You have also said that it is right for schools to take the lead and that the role of the new company will be to identify schools that are not doing well. I wonder whether you could tell us how you are going to make that link—how are you going to force the schools that are not doing well to do better? Would not now be the time to have a look at this Committee's recommendation that schools should be obliged to develop and publish a careers plan?

Nicky Morgan: I agree with all your opening remarks. We know that we are not there yet and that improvements are needed, hence the recent announcements. As for identification of areas of the country where there isn't good provision, that is one of the roles of the company. The advisers will go in and make those contacts. They will use employers and all sorts of different ways of getting in to improve things. The young people are at the heart of all of this.

Q143 Craig Whittaker: But if there is no mandation for schools—

Nicky Morgan: There is mandation. The statutory guidance is very clear.

Craig Whittaker: But only 20% of them are getting it right, even by your own admission.

Nicky Morgan: And that is what we have to work on—*[Interruption.]* We have to work on making sure—

Chair: For *Hansard's* sake, could we just wait until the bell finishes tolling?

Q144 Craig Whittaker: Only 20% are getting it right, by your own admission, and that is by being mandated.

Nicky Morgan: The Ofsted report was in 2013 and the new statutory guidance came in April last year. I expect that there will be a further thematic review by Ofsted at some point. I would be very interested to know what is going on, given all the changes that we are seeing. The mandatory element, if you like, is there, and the guidance is clear. You asked about a careers plan.

Q145 Craig Whittaker: Before you move on, let me just clarify this. We already have mandation; it isn't working.

Nicky Morgan: Well, the point is that—

Craig Whittaker: We know from evidence in this Committee that it is not working.

Nicky Morgan: That may be separate evidence, which I have not received.

Q146 Chair: Schools knew from 2010 that this was going to be brought in. The law went through and it was implemented in 2011. We have known for years—it has been four years-plus—that there is something fundamentally not right about the current settlement.

Nicky Morgan: As I said, we have the new guidance that came in in April last year. Since the Ofsted report, we had the *Inspiration Vision Statement* in September 2013. We now have the NCS and the new company being set up. I welcome a review of what is going on to update those areas.

Q147 Craig Whittaker: Let me just tease this out. How are we physically going to get the schools to improve and to be where we need them to be? Instead of being at 20%, we need them to be at least at 80%. Although you have set up the new company, there are no powers to force schools, screaming and shouting, into that 80% region. How do you envisage that what you have implemented so far is going to make that silk purse?

Nicky Morgan: If we go back to the Ofsted inspections and, ultimately, the destination data. As we have heard, we have not had this golden age, and this is not an issue that will be solved in the course of six, 12, or 18 months.

Q148 Craig Whittaker: Do we accept that that is right then—that we have not had a golden age?

Nicky Morgan: If I accepted it, I would not have made the announcement that I made in December. The company—the advisers—will be going in and brokering those links. We will keep going. In my experience, schools want better links, but are not sure where to turn, and likewise with businesses—hence the need for having these better links.

Q149 Craig Whittaker: So we all look forward to the golden age that the changes are going to give.

Nicky Morgan: Well, I would love to think that there is going to be a golden age, but we need to look forward to steady improvements.

Q150 Craig Whittaker: Just give some thoughts, then, to the career plan.

Nicky Morgan: Again, I understand that ASCL was among those that opposed the idea as being too bureaucratic. One of the other issues that I am grappling with as Secretary of State is the work load of teachers and heads. I do not want a plan that is a tick-box exercise. I want action, and I think that we have the accountability regime to see what is going on in schools in terms of people being invited in. It goes back to the whole variety of different inputs that make a difference.

Q151 Ian Mearns: There is a problem there, Secretary of State. You refer to ASCL. I have high respect for and a good relationship with the organisation. Unfortunately, on this issue, its members are part of the problem because the Ofsted data shows us that 80% of secondary schools are not producing a good-quality careers service. I am afraid to say that an awful lot of head teachers in that 80% of schools are members of ASCL.

Nicky Morgan: I am afraid I do not agree. My instinct, regardless of ASCL, is that having a plan or a policy is too— I want to see things happening and being done.

Q152 Chair: I always find a plan is really helpful when I want to make myself do stuff.

Nicky Morgan: I find getting on with things really helpful—having a to-do list and getting on with it.

Chair: Having some idea of what I am going to do, who is going to do it in my organisation and when is not that bureaucratic. It is relatively—

Q153 Ian Mearns: Running in the wrong direction, Secretary of State, is not a great plan.

Nicky Morgan: If everybody had a plan for everything that they want schools to do, I would have even more of a work load problem than we already have.

Q154 Chair: The reason why we recommended it is that, going from first principles, the accountability regime fails to give the incentive to school heads. If you do not accept that, then you have a fundamental problem, because you don't see what the problem is, which might be the issue today. If schools do not have that incentive, you need to find some counterweight to it.

One of the small counterweights—we knew the Government would not like something that could be described as bureaucratic, but they do believe in transparency—was, if you do not have an incentive for them to do it per se, at least to make them account for themselves. Then parents, teachers, the NCS, this new company and anyone else including the LEP, or some bunch of local people who might take an interest in this—it might be an employer's group or the chamber—can see it and go, "Look, you've set down what you're doing, and it's not good enough. Why don't you copy this one over here, because it's working brilliantly?"

If it is not transparent, you cannot even see it. Everyone relied on Ofsted. They said they are not in the best position to do it, but they are trying their best. If there is not something for them to look at and the school does not even have to write down what it is doing, how on earth can they possibly evaluate by coming in and having a chat? If the head teacher is being persuasive that day, they have got away with it. In everything else they are

driving in on the data, but here we haven't got any data, because they do not even have to produce any on what they are doing.

Nicky Morgan: Going back, the ultimate accountability is destinations.

Q155Chair: But that does not work right now. We have quoted Ofsted back to you, and you have said that you do not accept Ofsted, but it is scathing about it. This Committee fully supports destination data, and we congratulate the Government on setting out to do it, but we have said again and again that no one knows yet whether it will work in terms of changing behaviour in schools. What we can say right now is that it doesn't. There is no evidence that the destination data has yet made heads go, "Oh hell, I must prioritise this. I am going to find what the Gatsby foundation said you've got to spend"—at least £50,000 a year, roughly, on careers, if you are a secondary school that wants to deliver to their quality standard. So we have destination data, which is still early days, and we don't know whether it will work. In the meantime, 80% of schools are not doing the right thing.

Nicky Morgan: First, on the 80% from Ofsted, we have come back to this figure a lot, but it is from 2013. That was 18 months ago.

Q156Chair: And you have accepted it. You have no evidence to believe that it is not true.

Nicky Morgan: Absolutely. I accept that it was absolutely the case then. I do not have up-to-date figures—Ofsted have not carried out another thematic review—but I think we have accepted that improvements need to be made, hence all the announcements that we have seen. Destination data is very important. We do not agree that it is incomplete and unreliable. There are more improvements to be made, but key stage 4 at 98% is pretty full, and we carry on, as I said, making those steady improvements that I have already mentioned.

Q157 Alex Cunningham: Secretary of State, you said it was 18 months ago. That is fine. Will you commission an urgent inquiry and ask Ofsted to review and report what has happened over the last six months when you have made your judgments on careers services?

Nicky Morgan: I will certainly discuss it with Sir Michael Wilshaw. I would like time for the changes to the NCS from 1 October and the new company to bed in, but I will look at all evidence and surveys in this area.

Q158 Alex Cunningham: So there will be tremendous value in identifying whether or not the improvement has been made.

Nicky Morgan: Absolutely. There will be tremendous value eventually, but we also need time for the changes. There is no point carrying out a review when changes are still only in their infancy.

Q159 Alex Cunningham: So it could still be about 80%.

Nicky Morgan: As I said, I have no reason to dispute that 80% figure from 2013.

Q160 Alex Cunningham: Can I ask about the role of local authorities? Is there a role or responsibility for local authorities to play a part in this or drive things forward? I think I have just jumped a section.

Chair: You have.

Nicky Morgan: There is a role for local authorities. I think that they have a particular remit to focus on those who are NEET or at risk of becoming NEET, or those who are disengaged from the education system and need to be re-engaged. That is what I have seen, again, locally in my area. Local authorities, like LEPs and other bodies, absolutely have a role in this, because they, again, will be very interested in the work force and the regeneration of the local economy.

Q161 Alex Cunningham: But on the point about responsibility for safety in schools, you are failing in this particular area; do something about it.

Nicky Morgan: Again, it goes back to the point about a breach of the statutory guidance. If it is a local authority school, the local authority will want to be involved in that conversation.

Chair: Just to keep you on your toes, Secretary of State, we will flick back.

Q162 Craig Whittaker: The development of the quality and careers standards for schools was part-funded by Government, so why was it not specifically included or mentioned in either the statutory guidance or the Department's advice?

Nicky Morgan: I am afraid I will have to write to the Committee on that. I obviously was not involved in the development of the statutory guidance. High-quality advice is very important. There are lots of ways for schools to show that they have high-quality advice. We do not want people imposing burdens. For example, it might be that employers cannot come in because they are not quality-assessed, though they might still be absolutely brilliant.

Q163 Craig Whittaker: Okay, I understand that. If you have not been involved in that process, perhaps you could just write to us and let us know why the Government part-funded that process.

Nicky Morgan: I am very happy to ask that question within the Department.

Q164 Chair: The Government's position, which I generally applaud, is not to try to tell schools how they should do something. They can tell them what they want but not tell them how to do it. So you free it up and keep resisting; your predecessor would do that. The whole Department saw that, because it was so easy just to impose another thing that sounds good on schools, and it resisted it all the time.

The whole Committee might not agree with that, but I support that as an approach. I am endlessly chewing this bone, but when you have not got sufficient incentives for the schools to do it, because they are not being measured on outcome—you haven't got one to measure that works—then you have to look at inputs. You have to look at some of that. That is why we felt they should have to write a careers plan, even though it sounds a bit bureaucratic and a bit of burden. At least there would be some transparency; it is a bit of a counterweight. Also, again because they have not got sufficient incentive to do more than just ask the receptionist to do a few hours to cover their backsides, we should insist that they seek to gain this quality in career standards. That has component parts, which means that they will be delivering, even though some of it might be a bit tick-boxy. In order to fulfil the spirit of that, given how dreadful it is in so many schools right now, if every school had to do that, you would get an immeasurable improvement in quality, even if that was not the whole answer. That was why we said it—

Nicky Morgan: I am not sure I agree.

Chair: —and that is why the Department said no.

Nicky Morgan: Well, I think I would agree, then, with the view taken. I do think schools are the right people to make the judgments. I do not want there to be a burden and for them to worry about someone who has not got some sort of quality mark but might offer fantastic inspiration, advice and guidance to young people.

Q165 Chair: Would you go away and think some more about incentives, Secretary of State? If you walk round schools and talk to them, of course they will say that they are interested in the long-term interests of their children. Broadly, as human beings, they are. But look at the hard drivers of their behaviour and what makes them lose a job as a subject teacher, a department head or a head teacher, and you will find it is nowhere this subject.

You look where they prioritise their money and, if they have £50,000 to spend, where they spend it. They don't spend it here for the most part. There are reasons for that in the accountability framework for which you and we collectively are responsible. Blaming them or saying that there is a lack of moral commitment in schools, rather than recognising that we have created a framework that incentivises behaviour that is not in line with what we want, is to misunderstand the drivers. It would be helpful if you could think about that some more. Again, this new body is only going to work if it is in a framework in which schools and employers are incentivised to want to play together.

Nicky Morgan: I go back to the point about Ofsted and the destinations data. I take the point about incentives. I have to say that there is no blame on my side, and I am certainly not as suspecting as you are of the drivers of schools. I think they genuinely are interested in what happens to their young people; they want to get the right advice but often do not know

where to turn. That is what the new company and other bodies will be able to provide. We will look in due course and I am sure there will be review of how that is working.

Q166 Chair: Going back to business, the people who worked in my business were good, committed, decent people, but if I created incentives for them that turned out not to be aligned and parallel with the interests of the company, they would follow the incentives that I had set up for them. There is no point setting up a system of reward and penalties that incentivises behaviour and then blaming the individual for following it. They will follow the incentives they are given.

If you lose your job for not getting five GCSEs at a certain percentage, guess what, you will deliver that. If you are not sacked for failing to do this stuff, you don't find £50,000 for it. That is why 80% of schools do not do it. It is not because employers are not out there. There are lots of things that could be improved, but that is fundamental. If you do not see that as a fundamental problem, our view is that you will keep misdiagnosing.

Nicky Morgan: I think the transparency of where students end up will motivate. What we have put in place is working towards that, but obviously we will see.

Q167 Ian Mearns: The Committee has previously heard evidence that there was a wide variation of support offered by local authorities to targeted groups. Teach First, for instance, said they believed that children from disadvantaged backgrounds were “dangerously under-served” by the current careers provision. With targeted groups—those who are in danger of becoming NEET youngsters from disadvantaged backgrounds—having a significant variety of support around the country, what is your understanding of the current level of provision by local authorities for these groups?

Nicky Morgan: I think that local authorities are absolutely focused on those groups. We are in contact with local authorities and I think they take it very seriously. I have some examples here of various local authorities—East Sussex, Leicestershire, Oxfordshire and I am sure there are many others—where they have put particular programmes in place to target, as you say, those difficult groups. That might be NEETs, those with learning difficulties or those who are at risk of becoming, or who have become, disengaged with the education system.

Q168 Ian Mearns: But there is significant evidence from around the country that, because of the level of local authority cuts that have been imposed—in my region, the average in base budget has been about 37%—it has become increasingly difficult for local authorities to continue doing what they used to do. Therefore, in some places, that provision is starting to deteriorate, or has already. Are you doing anything to combat that?

Nicky Morgan: I think part of it is going to be about the skills funding having been devolved to the LEPs. Many local authorities will be working with their LEPs. It is probably right to say that local authorities might not be doing what they have done in the past, but there has been a huge focus on those who are, or are at risk of being, NEETs and on youth

unemployment. Local authorities have a critical part to play in that, working with other local bodies such as the LEPs, which have a lot of the skills funding.

Q169 Ian Mearns: I go to a lot of meetings in this place and I hear about the responsibilities of LEPs. I know that LEPs are trying very hard in different parts of the country, but they do not have the robust mechanisms to do all of these different duties properly; they really don't. That is the case, by and large, around the country. We are expecting an awful lot from very meagre organisations.

Nicky Morgan: I cannot comment on every LEP in the country, but those I meet take this extremely seriously. They work with other LEPs and pool resources and expertise, but they now have a lot of money that has been devolved from Government for skills funding.

Q170 Ian Mearns: Moving on to the youth contracts, when do you intend to update the guidance that outlines the role of a local authority in supporting the youth contract?

Nicky Morgan: It is not something I have looked at, but I am very happy to write to the Committee about that. It is a time-limited scheme and it is due to come to an end in, I think, 2016.

Q171 Ian Mearns: Will the new company that has been established have any remit to focus on young people at risk of disengagement?

Nicky Morgan: It hasn't got it as a specific part of its remit, but I am very much hoping that, because the particular remit is for 12 to 18-year-olds, it is about getting into schools early enough. A lot of careers advice in the past has been left quite late, often 14-plus, by which point some young people have either made decisions or ruled out certain options for them. It goes back to the point we were talking about earlier about social mobility. It is about getting in there early, at the age of 12—some of the reaction to the announcement I made in December was that we should perhaps be starting in primary schools—with all the options that are out there.

Q172 Ian Mearns: We are not going to go down the road of identifying future teachers in primary schools, as outlined by Charlie Taylor.

Nicky Morgan: People will be thinking about it, maybe. All young people tend to think about what they would like to do, and those options will change a number of times.

To go back to your point about the risk of disengagement, it is about getting in there early. One thing employers can do by being involved is show the relevance of the subjects. For a lot of people who find that they don't enjoy school, understanding why they are studying something and what value it is eventually going to bring in terms of the workplace is important.

Q173 Ian Mearns: I accept that approach, and doing earlier interventions in careers advice and guidance can be very welcome because youngsters are starting to do their GCSE options and so on at the end of key stage 3. The problem with that is that we must not forget about the youngsters who are already in the system who have missed that stage. Are you going to do anything in order to backfill for them?

Nicky Morgan: I think the National Careers Service is. It depends on working and on the advisers talking to the schools. That is one of the points about schools having the freedom and being able to commission and procure the right advice. They will understand those students who are disengaged, or at risk of disengagement, and those who are probably going to be fine and are high-achieving. The National Careers Service obviously has a particular remit on particular priority areas, and again, that is part of why it is very much embedded in the board of the new company.

Q174 Ian Mearns: As my final question, I would ask you, Secretary of State, to revisit the role of the new company, in terms of helping those at risk of becoming disengaged.

Nicky Morgan: It is an independent company. We set it a remit, but there will be flexibilities as it gets working and as the advisers go into schools. It will be for the chairman and the chief executive to see the landscape that they come across and look at what needs to be done. There are other bodies for those who are disengaged, but I would not rule it out.

Q175 Chair: Thank you very much, Secretary of State. My last question is about UTCs. Along with studio schools, they are rather a cuckoo in the nest, in a way, because they start at 14, which is not a normal transition point. If you want UTCs to fill the places, you have somehow got to create awareness among young people and get them to apply in due time. Have you had any representations from the UTC movement about the ability to communicate with pupils and parents in schools?

Nicky Morgan: I have not particularly, but they are an important part of the offer when the new company or the NCS offers advice to young people. It depends on the part of the country, because there are a limited number of UTCs, but I think they are excellent and they are definitely part of the offer.

Chair: Thank you very much indeed for giving evidence to us today.