



HOUSE OF LORDS

Revised transcript of evidence taken before

The Select Committee on Social Mobility

Inquiry on

SOCIAL MOBILITY

Evidence Session No. 1

Heard in Public

Questions 1 - 10

WEDNESDAY 8 JULY 2015

11.05 am

Witnesses: Juliet Chua, Peter Clark, Andrew Battarbee and Oliver Newton

USE OF THE TRANSCRIPT

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

Members present

Baroness Corston (Chairman)
 Baroness Berridge
 Baroness Blood
 Lord Farmer
 Lord Holmes of Richmond
 Baroness Howells of St Davids
 Lord Patel
 Baroness Sharp of Guildford
 Baroness Stedman-Scott
 Baroness Tyler of Enfield

Examination of Witnesses

Juliet Chua, Director Post-16 and Disadvantage Group, Department for Education, **Peter Clark**, Head of Participation and Careers Unit, Department for Education, **Andrew Battarbee**, Deputy Director, Vocational Education Strategy, Department for Business, Innovation and Skills, and **Oliver Newton**, Head of the Apprenticeship Growth, Strategy and Legislation Team, Department for Education and Department for Business, Innovation and Skills

Q1 The Chairman: Welcome, everybody, to this first evidence session of the Select Committee on Social Mobility. I just remind everybody that this session is being broadcast today and also remind Members, if they do ask a question where they have any possible interest, to declare it before asking the question. I would like to ask the witnesses to introduce themselves. I apologise that the size of the room is such that you do seem a little far away, but can we start with Peter Clark?

Peter Clark: Hello. My name is Peter Clark and I jointly head the Participation and Careers Unit at the Department for Education.

Juliet Chua: Good morning. I am Juliet Chua. I am the director responsible for Post-16 and Disadvantage at the Department for Education.

Oliver Newton: Good morning. I am Oliver Newton. I head the Apprenticeship Growth, Strategy and Legislation Team and I report into the Department for Education and the Department for Business.

Andrew Battarbee: Good morning. My name is Andrew Battarbee. I am Deputy Director for Vocational Education at the Department for Business, Innovation and Skills.

Q2 The Chairman: Thank you very much. You probably do know that we are very interested in the group of young people called the missing middle, those who are not on what we call the royal route to A-levels and higher education but are not classified as not in employment, education or training. It looks as though they could constitute 40% to 50% of our 16 to 19 year-olds, so what assessment has the Government made of this group of people?

Juliet Chua: The Government's aim is that all young people should reach their potential and we have high expectations for the outcome of the whole cohort. We would not recognise the term "missing middle" or a "royal route". Our reforms have sought to raise standards and participation for the cohort as a whole and to address quality and improve outcomes for all young people.

We have seen a sharp increase in the numbers of young people who are staying on in education and training post-16. That has increased over the last 10 years but most recently, with the raising of the participation age, we are seeing that 91% of 16 to 17 year-olds are now in college or training. That is positive because we know that participation post-16 sets you up critically for progression into higher skills, higher education and lifetime employment. There are a number of routes through for young people as they think about what they want to do post-16 and a feature of the system is it does accommodate choice for the young person. If I am 16, I can choose a number of routes. I can go into an apprenticeship or, if I am not quite ready for that, a traineeship or I can stay on in college or school. If I am staying on in college or school, I will move on to a study programme and that programme will be either the A-level route, as you describe, or else it will be a vocational route.

When you describe the missing middle, we would not recognise that as a homogeneous group. We would say that there is a different programme available, depending on a young person's prior attainment and their interests, providing a route either straight into employment at 18 or into a higher skills level or on to higher education. Would it be useful for me to talk through some specific examples of the sorts of things young people are doing at this age?

The Chairman: Yes.

Juliet Chua: Alison Wolf did a major review for the Department for Education in this area and that laid the groundwork, as we implemented her report in full, for addressing the quality and particularly the purpose of what young people are doing if they stay on to do vocational education in college or school. If I am a young person, I could be doing level 3,

such as through a Technical Level, and that means a qualification that sets me up for moving into a specialised role in an occupation or a sector—for example, a tech level in design engineering or mechatronics. Alternatively, I might be doing a level 3 in what we describe as applied general qualifications. Those sorts of qualifications are endorsed by universities, so they can be combined with A-levels and take you into higher education or towards a specific sector. There is a group of young people who will be at level 2 and they may be doing some element of GCSE retakes, acquiring the critical maths and English. Alongside that they will be doing a technical certificate, which is a qualification that will make them ready for a specific sector, a path into employment at that point, or to move up towards a Technical Level later.

The Chairman: Well, that is a very rosy picture. It certainly does not accord with some of the very young people that I know. How many of these young people are there on each level?

Juliet Chua: We capture data around participation and highest study aim. If I work through the cohort as a whole: 415,000 young people aged 16 are doing A-levels or level 3 equivalents. That is 66% of the cohort. If you break that down by A-levels, the A-level track is 50% and then a further 15% are on the level 3 qualifications I described—the applied general qualifications, tech levels or other vocational qualifications. A further 16% of the cohort is on level 2 qualifications - 6% on level 1, 3% on other courses, and 3% on apprenticeships. Then there is 3%, which is the lowest numbers we have recorded, in terms of 16 year olds who are not in education, employment or training.

The Chairman: What are the employment outcomes for the 16 to 24 year-old cohort?

Juliet Chua: We use a number of different sources for looking at the way in which young people are moving into employment. We look at the Labour Force Survey data and we increasingly look at wage returns and destinations data to understand the way in which young people are moving from their choices at 16 into different routes from 18 and onwards. I will invite my colleague from BIS to say a little bit more about the 18-plus age group destinations, but I will start with the younger age group.

It is worth saying that for the cohort overall, 16 to 24 year-olds, 13% are not in education, employment or training. That is a similar rate to pre-recession, but it is still too high. We know that we want to go much further to bear down on young people who are not in any form of training or employment in this age group. You have received written evidence from my colleagues at DWP who have also provided further information in terms of their support and work with the long-term unemployed of this age group.

Clearly, the Labour Force Survey data give us a picture of where young people are. As I say, we are putting increasing emphasis on destinations data and wage returns. You asked about the comparison between the missing middle and other students. Wage returns data tell us quite a lot—and there is further to develop in this area—about the comparison between different routes. For example, students who do A-levels with STEM get very high returns. The average return on an apprenticeship compared to other forms of qualifications at the same level is higher. The Government's commitment in terms of moving young people into fewer low-quality FE courses and more into apprenticeships is borne out by our desire to grow the apprenticeships programme.

Perhaps I can say a little bit about destinations data, as I know that that is a critical piece for us in terms of work we want to use to inform young people's choices but also to understand exactly the way in which young people are moving through the system and being confident that those routes are delivering quality. In DfE we put emphasis on destinations both after key stage 4 and at key stage 5. This is experimental data. We are still improving them, filling in gaps through the Small Business, Enterprise and Employment Act that was agreed just before the election. That gives us a basis to do further data matching, so we will be able to understand the cohort right across the age range. In DfE, for the key stage 5 data we are already beginning to see a picture of the employment outcomes for young people as they emerge after key stage 5.

The Chairman: Thank you. I think we had better move on. Baroness Blood wanted to ask something. We are tied for time. We have to finish at noon, so I have to keep things moving.

Juliet Chua: Of course.

Baroness Blood: Research has shown that those who get A-levels and move on into employment do very well and those who get level 3 do very well, but there are some young people not capable of either of those. Is there any work being done around those in view of the report that came out yesterday, *Seriously Awkward*, by the Children's Society, where they name a lot of children who are falling through the cracks in the system?

Juliet Chua: Absolutely. As I say, the Government are committed to raising outcomes for all young people with all levels of prior attainment as they move through this age phase. The reforms that we have done, both at key stage 4 and beyond, are about increasing attainment for young people as they move through. We know that increased attainment pre-16 is the strongest determinant of progression on to level 3 and beyond, so the work we

have done to strengthen the core curriculum and the core requirements for young people at the younger age group will feed through to increased attainment later.

We are committed to as many young people who are capable of getting to level 3 as possible getting there, but I recognise absolutely what you are saying. There is a group of young people who are not at level 3. We need to make sure that we are delivering for them and we have done a number of things to ensure that. We have implemented the SEN reforms, which provide additional support. We have also used the pupil premium to provide additional support for disadvantaged pupils, both in terms of additional funding and accountability around those outcomes. Then we have strengthened the accountability regime for providers to ensure that it captures outcomes both for level 3 students and for those who are at level 2 and below. So providers are now held to account for outcomes for the whole cohort.

Andrew Battarbee: Perhaps I could pick this up on behalf of BIS as well, because we take over this group when they reach age 18 and 19 and move out of the compulsory education system. The Prime Minister has set an ambition that it should be the norm that young people gravitate to university or to an apprenticeship. For people who are not ready to do that and perhaps will not be ready to do that, it is very important to focus on their learning outcomes. There is value in getting level 3 at an older age after A-levels, but there is also value in getting a qualification at level 2 or getting some basic English and maths qualifications. That is where a great deal of our funding goes, basically on helping the most vulnerable economically and educationally. We also run a community learning programme, which is targeted at bite-size learning and at helping some of those with difficult problems: mental health, for example. It is an important part of the adult education landscape.

Q3 Baroness Stedman-Scott: I should say that until recently I was the chief executive of Tomorrow's People, which is no longer the case. I am an ambassador for it and the governor of an academy school in Bexhill, so I am just declaring that. I am interested to know what the Government's national strategy is to improve upward social mobility, including skill levels and outcomes for school leavers, particularly in what we are calling the missing middle. What plans do the Government have to improve those outcomes for disadvantaged groups within the 16 to 24 cohort?

Juliet Chua: As I said, the strongest determinant for young people's success in adult life is their prior attainment as they come through, so the Government's strategy for improving

social mobility and raising outcomes for this group focuses on both our reform programme for schools and then our reform programme for 16-plus into the skills system.

Pre-16, our focus has been on strong, rigorous core standards and general education for all pupils, including the disadvantaged. Indeed, I would emphasise the importance of high expectation for all pupils, particularly the disadvantaged, as part of that. There have been three strands. First, strengthening the core curriculum, so the shift towards the EBacc as a requirement for all pupils to move towards that core academic general education to set them up well post-16. Second, clear accountability for progress for the whole cohort, so the shift towards the use of measures such as the Progress 8 measure, which stops thinking just about those at the threshold and means that schools will be incentivised and recognised for the work that they do with all pupils. Finally, the work to address structurally where we think pupils are being left behind, so intervention with coasting schools as a way of trying to raise performance and increase outcomes for the whole cohort. I would also point to the reforms specifically to support disadvantaged pupils, so the introduction of the pupil premium as a mechanism for funding following the learner who is disadvantaged as well as support through the SEN reforms.

Post-16, our strategy builds on Alison Wolf's report and addresses both quality and rigour. We have further to go in this area because we know that it is critical to have clear routes through for all young people. As you pointed out, the A-level route is well understood. Alison Wolf challenged the Government to address the long-standing issue of the quality of vocational qualifications and we have done a lot to filter out some qualifications that had no value to young people. She identified 350,000 young people who were not doing qualifications that were recognised by employers. We have now reduced the number of qualifications to 700 and those are clearly endorsed by employers and universities, so they lead on to a path upwards in terms of social mobility.

I would also point to the emphasis on English and maths as part of the post-16 story because it is critical that young people have English and maths. We know that it is what employers value and sift by for recruitment, so we have strengthened the requirements around that.

Baroness Stedman-Scott: Thank you. If I could just ask another question, which revolves around those young people who teachers know are going to need a lot of help, encouragement and guidance to take advantage of these opportunities. The pupil premium

is there for just those purposes. What do you do to check or to measure that it is being used for that purpose?

Juliet Chua: The pupil premium works in two ways. There is the funding, which goes alongside a young person who has received free school meals at any point in the last six years. Then there is the accountability, which essentially holds schools to account for raising the attainment of pupil premium pupils. They report on that through their website and then Ofsted looks very closely at the progress being made by those pupils. The third strand has been our investment in strengthening the use by schools of evidence of what works best, what are the types of interventions that really make a difference. The NAO's recent report on the pupil premium strongly recognised the progress that has been made in the way that schools are engaging with and thinking about what works best for each individual pupil to raise their attainment. There is further to go, but it is an area where we have seen some progress.

Baroness Berridge: I have a supplementary question, partly on vision and partly on data. In terms of the vision within the question to improve upward social mobility, that is quite easy to understand if you are talking about people getting a degree, say in law, and then they progress in the profession and by about their mid-30s you can see that social mobility. What do you understand by social mobility for this cohort in addition to their salary cheque? In terms of the data, do you break down the data? We had some evidence about the fact that in rural areas there are particular issues, which surprised us. Do you break down the data that you have for this cohort regionally? Also, this cohort will be much greater in the number of black and minority ethnic students. The BME community is very young. Do you break it down as well across the different categories?

Juliet Chua: I will respond in two halves. On your question about social mobility for the non A-level track, as you describe it, the Government are clear that what we want to see is young people being able to progress up to higher skill levels and that the qualifications and the skills and experience they receive set them up well for future employability. This is so that as you move post-16 you have the most choice about the route that you want to pursue and then you acquire, 16 to 19, a programme of study that sets you up well to be able to move into the career of your choice and progress to higher skill levels.

We often talk about social mobility in the context of a disadvantaged pupil becoming a High Court judge. I think we would clearly expect and want to see an equivalent degree of status

around the progress of an individual apprentice moving up to higher skill levels. There are some nice examples of apprentices moving through and reaching very senior roles in their organisations—and that has to be their equivalent of high-status social mobility.

Oliver Newton: Indeed, there is a nice statistic that one in five companies in England has a board member who was a former apprentice, so there is a lot of experience right at the top of organisations to make sure that the apprenticeship route works.

Juliet Chua: On your second question about what data we look at, we obviously have participation, attainment and destinations data for this cohort and that is broken down in a number of different ways, including different regions. The destinations data are still experimental and there are a number of unknowns. If you look particularly at key stage 5, 17% of the cohort is still not fully identified. Once we match that with DWP and HMRC data, we will have a much richer picture to be able to fill in gaps and give the sort of analysis that will give us a clear picture for the whole cohort moving through. Participation and attainment data cover the cohort as a whole and you can break them down in lots of different ways to identify different types of performance for different groups.

Baroness Sharp of Guildford: Just very quickly, I must declare a number of interests first. I am a patron of the 157 Group. I am an honorary fellow of the City and Guilds Institute. I am also an honorary fellow of Birkbeck and I chaired a NIACE Commission on Colleges in their Communities a couple of years ago—actually four years ago now. Time passes very quickly. We know that only 6% of the 16 to 18-year group go into apprenticeships. Of those who go in, many only have a level 2. The total number of apprenticeships of those over 19 going into apprenticeships is what? We move up to a total population of about 12% of people who do apprenticeships in the end and many of them are only at level 2. We know that many of those at level 2 end up in jobs that, if we look at the hourglass economy, are the relatively low-level jobs with relatively low pay. Many of them are outsourced—care assistants and that sort of thing. Who is responsible for training in those circumstances if they are working for, let us say, a subcontractor to a hospital or something like that? Who is responsible for pursuing their training?

Oliver Newton: Within apprenticeships there is a range of training providers involved. Colleges often act as the training provider. The majority of training is done by private training providers. The employer has the opportunity to work with the apprentice and choose the right training provider.

Baroness Sharp of Guildford: If they have finished their apprenticeship, so they have a level 2 apprenticeship and they are working but we want to see pathways, who is responsible? If there is a subcontractor, is it the subcontractor? What if they are self-employed? Many of them are in the zero-hours culture and this sort of thing. They are self-employed. Who is responsible for training in these circumstances?

Juliet Chua: Just to clarify the question, do you mean once they have completed the apprenticeship?

Baroness Sharp of Guildford: We are talking about young people in their early 20s, say, who have completed an apprenticeship at level 2. We know that a level 2 qualification does not lead you anywhere very far. You need to move on from that and it is very important that they do move on. How do we know that they are moving on?

Andrew Battarbee: Shall I have a go at this, because I think it probably falls more within BIS's responsibility? One should be clear that there is value, both in terms of wage and probability of being in employment, in having a qualification at level 2, but certainly one does not want that to be a ceiling for any individual. So far as BIS is concerned, we do invest our funding in the adult cohort at those with the lowest skills needs, so focusing primarily on basic English and maths and on level 2. We also provide full funding for young people up to the age of 24 wanting to take a level 3 qualification for the first time and that is an entitlement those young people currently have.

If people want to do some retraining, we would also co-fund young people to do a level 3 qualification. For those who are older, aged 24 and above, what we now do is make loans available on HE-style terms. There is cost-sharing between the Government and the individual as both are beneficiaries from this. That is the choice that BIS has made in the spending climate of recent years. We are expecting that there will be around £300 million taken up on such loans. This is generally for non-apprenticeship provision. It is for training at a high level.

Baroness Howells of St Davids: Juliet, these disadvantaged groups that you are talking about, in my day they were called SEN children. What part does the careers office play in the skills that these people try out?

Juliet Chua: I think that there are a number of different forms of disadvantage that can impact a young person's attainment.

Baroness Howells of St Davids: Just the careers officers.

Juliet Chua: Just for careers officers. We know that for young people having good information and independent and objective advice is important to help them shape their choices as they move into post-16 education and training. Schools and colleges have a statutory responsibility to provide that service to all pupils, including pupils with SEN, so the responsibility sits with the school or college. They will draw in a range of other bodies and organisations to support them to fulfil that duty. There are different profiles of using employers to come in, but there are some specific schemes in addition that help give young people with SEN direct experience of the labour market. Supported internships is a very positive scheme for that group. For the older age group, 18 to 24 year-olds, the National Careers Service is a service available for all 19-plus year-olds and to unemployed 18 year olds and that provides a series of different types of support—a helpline, a website—and is co-located in Jobcentre Plus, so also works with young people who come through from Jobcentre Plus.

Baroness Howells of St Davids: You know that we set up supplementary schools for black children in the days when they were being classed religiously as SEN. One of the things we found the careers office never did is set out the careers and where they lead financially. Let us take something as simple as gardening. If you say, “If you become a gardener”—you know, all the steps. They do nothing like that. We found that the motivator was the earnings after the apprenticeships and I wonder if that is being dealt with.

Juliet Chua: Absolutely.

Baroness Howells of St Davids: How?

Juliet Chua: Good information about future wage returns and information about what a career involves will help inform a young person’s choice. I think that you are seeing UKCES later on this morning. Their Labour Market Information for All provides detailed information about different returns and that has been picked up and used and turned into some great, interesting websites that engage young people to look at different paths that they can take. I would recommend that the Committee look at a range of different websites like iCould or Plotr. These are all cutting the information in different ways and engaging young people as a result.

Q4 Lord Patel: Mine is a quick question and I am sure you will have a quick answer. It relates to skills funding and, in particular, non-apprenticeship adult skill funding. The Skills Funding Agency suggests that there will be a 24% reduction in funding. There is also likely to be

further reduction through the spending review. The spending review and the reduction in funding clearly will have an effect. What do you think the effect will be on colleges of further education and individuals, both 16 to 19 year-olds and 19 to 24 year-olds? What do you think might be the worst-case scenario? What do you think might be least-worst-case scenario? What do you think might be the real scenario?

Andrew Battarbee: Shall I kick off with that one? First of all, it is probably important to say that the 24% figure in the allocation set for 2015-16 represents the largest reduction in agency funding for any single provider and the decision was taken to cap reductions at that point. The funding reduction overall going into the 2015-16 financial year was 11%. I think it is quite important to see this in the context of how funding has changed over the past five years.

Lord Patel: No, wait. You do not agree with the level of funding of 24% but you agree that there is a reduction?

Andrew Battarbee: Absolutely.

Lord Patel: Let us leave that aside and go to the effect it will have rather than explaining to me why we got to that level of funding.

Andrew Battarbee: Okay, fine. It is very much for colleges to respond to these funding changes. What we have done is reduce the funding in ways that reflect the priorities that the Government have set. Over the past five years we have more than doubled the funding that we put into apprenticeships.

Lord Patel: Would you agree that you are not answering my question, which is what effect it will have on 16 to 19-year olds, 19 to 24 year-olds and the colleges for further education?

Juliet Chua: Can I come in?

Lord Patel: Yes.

Juliet Chua: I think it is important to differentiate between pre-19 and post-19 funding. We have been clear that 16 to 19 funding has not been affected, so for 16 to 19 learners in the 2015/16 academic year there are no reductions. What Andrew is talking about is the older age group.

In the context of tackling the deficit, the Government have had to take some difficult decisions. This is clearly tough for colleges and we are seeing some very good examples of colleges grappling with difficult financial decisions, but this is also because we are prioritising apprenticeships in the way that the budget is being used. Given what we know about the

returns to apprenticeships, we do want to grow the programme overall. Colleges can also participate and grow their provision to work with employers to support apprenticeships.

Q5 Baroness Berridge: Proposed changes to the child poverty measurement were announced last week. Was there an assessment of any potential impact on social mobility prior to the announcement?

Juliet Chua: The announcement talked about the commitment to bring forward legislation to change the way that we measure child poverty to tackle the root causes. It clearly introduces one of those two strands: an increased focus on educational attainment. The detail of that legislation is going to come forward shortly. I can come back to you with a note about impact assessment. I do not have that information with me today.

Q6 Lord Holmes of Richmond: Good morning. Thank you for coming to see us today. How is labour market information used to make predictions about the labour market and the skills that young people will need in the future?

Juliet Chua: We know that young people, providers, employers and the Government all benefit from good labour market information. It helps inform choice. It helps shape provision, make providers more employer-responsive and inform the design of rigorous, good-quality qualifications. The Government's role has been twofold. One has been to increase employer involvement directly in the design of qualifications and the accreditation and endorsement of them. Employers are best placed to know what they need in terms of the types of skills and requirements of their sectors and occupations. The trailblazer process for apprenticeships is a nice example of where employers essentially picked up the pen and are using what they know about their skills gaps and what they need in terms of their occupational profiles to design the standards for the future.

The second strand is about increasing data in the system overall and you will be talking to UKCES shortly. In DfE we have also been increasing the provision of open data about the provision that is available post-16. This enables developers to come forward and pick up that data and use it in different ways to engage young people.

Peter Clark: It might also be worth mentioning that the National Careers Service also holds local information provided by Local Enterprise Partnerships about the current employment patterns and likely future changes in those localities as another element in the mix.

Q7 Baroness Tyler of Enfield: I declare an interest as co-chair of the All-Party Group on Social Mobility. My question is about qualifications in the labour market. It has already been

touched on when you talked about Government's response to Alison Wolf's report. Could you say precisely how the Government take labour market information into account when they are making decisions about changes to qualifications and, indeed, the assessment framework to ensure that those qualifications are relevant to the labour market?

Juliet Chua: I have described our response to Alison Wolf's report in terms of the way that we now recognise qualifications in the performance tables, which is our principal way for holding colleges and schools to account. We only include qualifications in those tables if they have received direct employer or university endorsement, so they have been identified as being directly relevant and having value to those employers. That filtered out large numbers of qualifications that previously had limited, negative or negligible labour-market value. The apprenticeship trailblazer process is another example where essentially we are directly asking employers to play a role in the design of the qualification framework using their knowledge of the labour market.

Baroness Tyler of Enfield: Could I just follow that quickly? I am interested to know precisely how what you have said happens at regional and local level. We have already had quite a lot of evidence to say how different labour markets are in different parts of the country. We have this issue of the hollowing out of the labour market or the hourglass economy but, at local and regional level, how does that process you describe take place?

Juliet Chua: I will pass to my colleague in BIS to say a little bit more about this, but I would start by saying that the Government welcome the way in which local areas and the devolved city regions are thinking hard about the way in which they use local labour market information to shape their thinking on employment and skills. There are a lot of examples where areas are supplementing national labour market information with local labour market information; doing individual studies; looking at and tracking destinations of individual pupils with certain types of qualifications as they move locally; and thinking about skills gaps and seeking to influence the provision that is available in a place. That is certainly beginning to inform the way in which providers are shaping the offer.

Andrew Battarbee: It is important to say that, for the qualifications as such, they are generally a national product or a national framework so that if you are studying to be a plumber in Manchester, say, you are getting a qualification that will make you mobile throughout the country—indeed, possibly on an EU and wider basis.

In terms of the course mix, what we want to do is, so far as possible, allow providers to respond to what their communities and local labour markets are saying is needed rather than having some sort of central prescription of that coming from a funding agency. The devolution deals in Manchester and other cities commit government to looking at how the adult skills budget supports learning in a way that is co-commissioned between the Government and local government. Outside of those we already make sure that skills-funding allocations take account, for example, of what Local Enterprise Partnerships are saying about what is needed and where shortages are.

Q8 Baroness Sharp of Guildford: Can I question you a little bit about the apprenticeship programme and the ambition to create 3 million apprenticeships? Given that only 6% at the moment of apprentices are taken at 16 to 18 and yet there are many applications from young people of this age who want now to go into apprenticeships, what are the Government doing to encourage or help these young people get into apprenticeships and to encourage companies to take on more apprenticeships in this way? What are the plans for creating pathways? To what extent are you planning that apprenticeships, both at the 16 to 18 level and above, should be level 3 apprenticeships, which many regard as being the appropriate level to end an apprenticeship, rather than just the level 2 apprenticeships where the majority of apprenticeships at the moment do finish?

Juliet Chua: Perhaps I can say a little bit about the way in which we are growing the apprenticeship programme overall to meet the Government's commitment for the 3 million and then talk specifically about what that might mean for the younger age group. Our strategy for meeting the 3 million is essentially to grow provision across a number of strands. We want to continue the employer reforms we have started. We know that giving employers greater control over the development of apprenticeships and standards means that they will be relevant to their needs. We want to encourage existing employers to offer more apprenticeships and draw new employers into the programme— having the right standards, the right product, is a critical building block of that.

The second is that the public sector needs to pull its weight, so we are bringing forward legislation that will create targets for public bodies to do more to offer apprenticeships. We will continue to ask and to support large employers to do more and also support small employers through our Apprenticeship Grant for Employers, which provides additional

support. We will expand higher and degree-level apprenticeships and we are going to continue to increase quality.

At the heart of all of this is a commitment that an apprentice has a job. When we talk about the younger age group it is important that this is about employers offering jobs to the younger age group and we provide a number of things that support that. One is that we fully fund the training of the 16 to 18 year-old age group through their apprenticeship. We also provide additional funding, incentive funding, to employers who employ the younger age group. We have also put in place the traineeship programme, which provides a stronger pathway in. It has been going for a year.

Baroness Sharp of Guildford: Yes, I know about it.

Juliet Chua: For those young people who want to do an apprenticeship but maybe are not quite ready and may have applied and not been successful, the traineeship provides a route in.

Baroness Sharp of Guildford: Can I just question you a little bit more about small and medium-sized enterprises? One of the problems that you have with your employer ownership pilots at the moment is that it is fine for the large companies but many of the small companies feel rather excluded from it—yet if you want to expand the number of apprenticeships it is vital that you get the small and medium-sized companies in. How are you going to be doing that?

Oliver Newton: You are absolutely right; it is really important that we get small companies involved. One of the most powerful messages we find is employers talking to other employers. Around 79% of employers involved in the programme would recommend it and harnessing that is an important part of this. The challenge then is getting people to offer their first apprenticeship, because once they are involved they tend to be very positive about it. The apprenticeship grant for employers is a grant of £1,500 specifically for smaller businesses, so with 50 or fewer employees, and that is designed to do exactly that. It has supported about 150,000 apprenticeship starts over the last three years and we think that has had some very powerful effects in terms of getting people to offer those first apprenticeships.

Baroness Sharp of Guildford: Does that apply to the 19-plus apprenticeships as well as the 16 to 18 apprenticeships?

Oliver Newton: Yes, the apprenticeship grant for employers is for apprentices aged 16-24.

Baroness Berridge: Again, with the university route and Department for Education and BIS, you have fast-track Civil Service entry. Do your departments themselves offer apprenticeships?

Oliver Newton: They do. We have an apprentice in my team at the moment who helped prepare my briefing for today and has been very successful. One of the nice things is that the apprentices are able to apply, without having had a degree of course, for the fast-stream entry. They would end up earlier, effectively, in their career on the same graduate programme, having graduated from their apprenticeship but without having a university degree.

Baroness Berridge: Is that across government departments? Are you looking for the likes of DfID and others to recruit more apprentices?

Oliver Newton: Absolutely, yes. We are doing some work bilaterally with each of the departments now to think about their plans for supporting apprenticeship growth within their departments, within their non-departmental public bodies and then broader in terms of procurement and other routes.

Q9 Baroness Blood: Given that you have just told us all these exciting things for employers who take on apprentices, why is the uptake so low? What does the Government intend to do to try to raise that?

Juliet Chua: We start by talking about apprenticeships, which is obviously a job, as opposed to work experience, which may be alongside a programme of study. We have seen an increase in the proportion of employers who are offering apprenticeships. It has gone from 13% to 15%, which is positive. However, we know that compared internationally to employers in countries with very well-established and highly-regarded apprenticeship schemes, they have a higher proportion of employers. But we also know that employers who have apprenticeships are immensely positive about them. Some 84% of employers will talk about their satisfaction with having apprenticeships and so one of the principal levers for encouraging more employers into the programme is to directly market to them via other employers. We are using our Apprenticeship Ambassador Network and other examples to directly market, to reduce those barriers and the perceptions, and to help sell the business benefits of why an employer would want to take on an apprentice.

Baroness Blood: What in your minds is the difference between an apprenticeship and work experience?

Juliet Chua: There are a number of different forms of work experience. If you think about a younger person in a school, work experience might be contact with an employer: an employer coming into a school and doing an inspirational talk. That is a form of experience of work. That is very different from a work experience placement in the way that either DWP or we would offer e.g. through the traineeships programme. Work experience looks different at different ages but is incredibly important and the evidence bears out that for young people who have had a good work experience it will positively impact.

Baroness Blood: But you do not offer any incentive to an employer for work experience?

Juliet Chua: If we talk about work experience in the context of wider careers and support, we have addressed quite a lot of the concerns that employers had that were barriers to offering work experience. In the last Parliament there were a number of concerns about red tape and bureaucracy that got in the way and we have addressed those. We are using the Careers and Enterprise Company that has been recently established to do more to engage employers locally in offering work experience, both making it easy for them to do so, to work through a local enterprise adviser who will match them up with schools, and also to reach out to those who might previously not have been involved.

Baroness Howells of St Davids: I am going back to the careers again, if I may. You say that the careers information you say is on the internet. I will look it up because I have not. Do you think that there is enough guidance? We are in an age where young people are more concerned about what they will earn. When I said gardening, the careers office could prepare a sheet with the different stages of gardening; in other words where you will work and how much you will earn. Do they do anything like that?

Peter Clark: Perhaps I can say that there is that sort of information available from the National Careers Service, and individual professions will often make that sort of information available about their own routes. I do not know whether gardening particularly does anything like that.¹

Baroness Howells of St Davids: I only use gardening because it is simple.

¹ A range of information on gardening as a career, including potential income in different gardening jobs, can in fact be found on the National Careers Service website. See: <https://nationalcareersservice.direct.gov.uk/advice/planning/jobprofiles/Pages/gardener.aspx>

Peter Clark: Yes. I suppose that there are some professions that might move you through different stages of qualifications. I think that information will be available either from national websites or from some of the professional bodies, for example in engineering.

Juliet Chua: We know that Ofsted has highlighted that the pattern of provision of careers guidance and information in schools has been variable across the country and there is more to do to strengthen it. This is an area that we have seen as a priority for us as a department and the Secretary of State is very committed to seeing further progress in terms of the careers guidance available to all young people across the country. The new Careers and Enterprise Company has been created to sit alongside and support individual schools and colleges in the ways in which they use information and research, the ways in which they work with employers locally and nationally and the range of organisations that provide different types of activities that help open up young people's eyes and give them an aspiration and direct information about routes in. This is an area for us as a department where we are very focused on seeing improvement.

Baroness Blood: You are developing it. Thank you.

Baroness Berridge: These are not separate categories necessarily, are they, careers guidance and work experience placements? Somebody being in the workplace, they pick up a lot of guidance by being there. Is there any way we can try to ensure that work experience placements are allocated to people not just through who they know? I do not know if it operates in this category of people, but talking about the law now, it very much operates through networks, so how can we ensure that work experience placements go to children who do not necessarily have the contacts? Just drawing on the question from Lady Blood, there is no incentive, is there, for employers to take on, and it does take quite a lot to organise a good-quality placement for somebody. If you could expand on that it would be useful.

Juliet Chua: For 16 to 19 year-olds, the programme of study that they will complete in school or college will be made up of their substantive qualifications, their English and maths if they need to continue, and work experience is a requirement. Schools and colleges will be going out and helping support the young person identify work experience that will help both contribute towards what they might be thinking about in terms of their qualification and indeed work experience that is relevant to put them on a path to where they want to go.

That is built into the requirement for all young people as part of their study programmes, not just those who can get sorted out through a personal connection.

As part of fulfilling the requirement to lay on good-quality study programmes, there is a strong incentive on schools and colleges and it is something that Ofsted has looked at closely to make sure that the provision is being made available.

Q10 Baroness Sharp of Guildford: On careers education, as you will know the 2011 Act shifted the responsibility to schools and colleges to provide for their own young people. It is not just Ofsted which has been critical. It is also the CBI and the Commons Select Committee. A lot of people have been very critical of the way in which schools have not been doing what one hoped they would do in terms of opening up career opportunities and, in particular, providing this sort of one-to-one support that is sometimes necessary. How far do you feel this company is going to fill these gaps and provide it? Will it provide it across the whole age group? It is almost as important that the 12 year-old knows about careers education as that the 15 and 16 year-old does—and sometimes it is the 18 year-old who needs it as well.

Juliet Chua: Absolutely. We would absolutely agree with you about the importance of good-quality careers education and guidance all the way through and what you need looks different at different ages. What you need looks different at 13 from what you need at 16 or 18. The company's remit is to cover the age range from 12 to 18 and it has four strands of work that it is going to take forward. The first is to promote and invest in research and development of what good looks like: to promote to schools what works; what best quality information and evidence there is about what high-quality provision looks like. It is going to introduce a network of enterprise advisers who will work through the local enterprise partnerships, so will have strong connections into local employers and work with individual schools in that space. It will sponsor an investment fund, which will essentially promote activities in areas where maybe traditionally there has not been quite so much activity. The fourth strand will be about dissemination of information across the system, so much more about making sure all that good data and research are moved across the system.

Baroness Sharp of Guildford: Are you going to be making sure that they also are employing people who are appropriately qualified to a matrix standard, which is the standard?

Peter Clark: The Careers and Enterprise Company will be very much a championing and facilitating body involved in linking up schools and employers, helping share good practice and so on. We do not envisage that it will operate in providing careers guidance directly to

young people. No doubt its people will need a wide range of skills and will need to be very effective, but that question about the standards for providing guidance will not apply directly.

The Chairman: Thank you very much for coming before us today. It is great to see your passion and commitment to the subject, but, given that the UK Commission on Employment Skills found that only 10% of employers currently employ an apprentice and that we have about half the proportion of young people going into work experience compared with the rest of Europe, you do have an uphill struggle and we wish you all the very best. Thank you very much.