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Witness: Rt Hon Mr Nick Clegg MP

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
Earl of Kinnoull
Lord Patel
Baroness Sharp of Guildford
Baroness Stedman-Scott
Baroness Tyler of Enfield

Examination of Witness

Rt Hon Mr Nick Clegg MP, former Deputy Prime Minister

Q18 The Chairman: Good morning, everybody. Welcome to this second evidence session of the Select Committee on Social Mobility in the transition from school to work. Our witness today is the right honourable Nick Clegg MP. This session is open to the public. A webcast of the session goes out live and is subsequently accessible via the parliamentary website. As Mr Clegg knows, a verbatim transcript will be taken of his evidence and will be put on the parliamentary website. A few days after this evidence session, you will be sent a copy of the transcript to check for accuracy and we would be very grateful if you could advise us of any corrections as soon as possible. If after the session you wish to amplify or clarify any points you make during evidence or have any additional points to make, you are welcome to submit supplementary written evidence to us. Would you like to make a very brief introductory statement?

Mr Clegg: Yes. I do not quite know how very brief I am going to be able to keep it, given my enthusiasm for the subject. If I may just stretch, with your indulgence, Chair, the parameters of “very brief” a little bit to make a few remarks, that may help the Committee in its deliberations, because it is an immensely important and complex subject. I remember my interest in it, other than the obvious interest that we all share in living in a country where people can get ahead regardless of the circumstances of their birth, was initially provoked by a study from the Sutton Trust many years ago now that suggested that a bright but poor child was overtaken in the classroom by about the age of six or seven by a less bright but

more affluent child and thereafter the gap tended to widen. At the time I was quite frustrated by the then Government's tendency to focus everything on a snapshot statistical emphasis on whether someone was marginally above or marginally below an income line, and so when the coalition Government was formed five years ago I made sure that it was in the coalition agreement that it was agreed to be the central social policy of the last Government. A number of things then ensued, which I think are very relevant to your deliberations. We set up a bevy of institutional innovations to maintain institutional focus on this. I led from the Cabinet Office in the centre on the issue. We created the independent Social Mobility and Child Poverty Commission. We created a board to look at the statistical underpinnings of this quite statistically debated area of public policy. We created the Education Endowment Foundation and, most importantly, established a cross-government strategy in April 2011 to set out what our broad-ranging areas of policy intervention would be. There is a problem, which is that almost everything bears on social mobility, from mental health to housing, from higher education to nursery and from parenting skills to what kids do in the summer between going to primary school and secondary school. As a Government or, indeed, as a Select Committee, it is quite difficult to choose the interventions that make the biggest difference.

What we ended up doing was focusing on the following areas. First, we shifted huge amounts of resources and emphasis to early years intervention. Much as we made controversial savings at one end of the educational cycle in higher education, we poured extra resources into expanding the universal pre-school support for all three year-olds and four year-olds; giving two year-olds from the poorest families 15 hours of free pre-school support for the first time; the early years pupil premium, which is starting as of April this year; and the pupil premium itself, a huge innovation that is funnelling a lot of extra money into the education of poorer kids, particularly in primary schools. That was the early years thing. Secondly, we focused on the transition from one stage of life to the next. How do you make a child ready for school? How do you make sure a child then goes from primary school to secondary school successfully? And—the focus of your Committee's deliberations—how do you make sure that a child leaving the education system has sufficient help to find different ways forward? Thirdly and finally, we focused on working with employers, in both the public and the private sector. When I arrived in Whitehall, I was staggered to find that Whitehall internships were still governed by who you knew rather than what you knew. We

focused on clearing that up and making sure that big businesses in particular did more to introduce more meritocratic procedures.

We can perhaps dwell on this in a minute, but quite a lot of that, even in these early days of this Government, is unfortunately starting to be undone, with the funding pressures in education and the air-brushing out of income in poverty and so on. Just to finish, what I would hope you might be able to do in this Committee is to work out what this Government can do to re-establish a long-term approach to social mobility. Thank you.

Q19 The Chairman: Thank you very much. The Social Mobility and Child Poverty Commission found that “our young people leave school unprepared for work”. You have given us some idea of your definition of social mobility and the wellsprings that relate to it, but what factors do you think influence social mobility for school leavers?

Mr Clegg: As I say, all the evidence suggests that what any public authority does at the end of the education cycle is more often than not tackling the patterns of inequality of opportunity rather than dealing with the source of the problem. I think I am right in saying that when the last Government published the social mobility strategy in April 2011 there was a very striking statistic—I do not quite know how they produced this—that suggested that the ability of a two month-old baby is unaffected by the circumstances of their birth, yet within a year or two the circumstances of their birth start very quickly impinging on their ability to express their talents most fully. The emphasis on the early years remains, in my view, by far the most important engine to promote social mobility of any possible intervention one can make.

The Chairman: I think that was why the Government before were so keen on Sure Start.

Q20 Baroness Berridge: What challenges did you face in implementing an overall strategy for social mobility? What consideration was given to what is termed the “missing middle” in that strategy?

Mr Clegg: It was one of the think tanks—Demos or someone—that came up with the phrase “missing middle”. It is just one part of the overall jigsaw of the problem, really. As I say, I strongly suspect that the plight of the missing middle—in other words, those who are neither NEET nor going into higher education and so on—will have taken shape well before they are even thinking about what they might do after they leave school. Let me give you a very specific example where I think there is a real policy challenge right now to address that. At the point of the Budget in March of this year, the Prime Minister and I discussed whether

the coalition Government should take a major initiative to expand pre-school support from where it was already for two year-olds, three year-olds and four year-olds. The Conservatives said they wanted, as they have now agreed, to expand the early years provided to three year-olds and four year-olds of working parents only. In a sense, one would like to give goodies to everybody, but since resources are scarce, using £350 million to only provide an expanded pre-school support offer to families who by definition are in work and therefore better off than those who are not and not bringing it down the age scale to the two year-olds and even one year-olds, where all the evidence shows you can have the most dramatic effect, does not seem to me to be a sensible use of scarce resources. It is quite important that we look carefully at how those early interventions are designed.

Q21 Baroness Blood: Thank you very much, Mr Clegg. Early years is my big forte; I do a lot of work back in Northern Ireland on it. You are quite right about the statistics. My opinion is children are only equal the day they are born; after that, it all goes haywire. The question I would like to ask you is: what exactly has been done to help the most disadvantaged in this cohort?

Mr Clegg: The most dramatic thing was the introduction for the first time ever of an entitlement to first the 20% poorest families and then doubled to the 40% poorest families to provision, supported by the state, of 15 hours of pre-school support to those two year-olds. That had never happened before. The emphasis has always traditionally been on childcare rather than on education—Michael Wilshaw gave a speech on this earlier this week, which was spot on—and it has tended to focus on three year-olds and four year-olds rather than younger children. One of the things we need to start doing is asking ourselves whether we can start earlier, particularly for those families in greatest need. At the moment the new Government's policy is to throw that in reverse by focusing on the better-off families and only three year-olds and four year-olds.

Baroness Blood: Taking your point about the 15 hours of childcare and all that—I accept all that—I work with families who would not access that; they would not go anywhere near it. How do we work with that group of people?

Mr Clegg: This is a huge problem. That is one of the reasons why the take-up of the two year-olds offer appears to be as patchy as it is—you are by definition trying to encourage families who are least inclined to take up the entitlement or even be aware of it to do so. That is a real dilemma and I do not think there is any blanket solution. Some local

authorities, and some childcare and early years settings, I have discovered are much better at reaching out to families in their communities than others. Some work with jobcentres, Sure Start centres, children's centres, schools and other networks—churches and voluntary groups—to get the word out, but there is a real information gap, by definition, when you are trying to encourage families who are in greatest need to take up an entitlement of which they were previously not aware.

Lord Farmer: You say the problems start in the early years, which I can understand, but we as a Committee are studying the transition from school to work. You are going to have disadvantaged people, as you said earlier, at that stage. That is what we are here studying: how we can help them. Talking about early years does not really help us, I do not think. What can be done to help the most disadvantaged at that stage, where they are leaving school and going into work?

Mr Clegg: A range of things. There is the perennial British problem of this almost unspoken snobbery in favour of academic qualifications rather than vocational qualifications, which sets us apart compared to some other competitive economies, particularly in Europe. We need to boost apprenticeships; to support—rather than, as I fear will now happen in the coming years, financially undermine—further education colleges; and to make sure employers have faith in vocational qualifications, which is, thankfully, happening as employers become more involved in the design of those qualifications. This is something that I sought to address through some work I commissioned from Sir Jeremy Heywood, the Cabinet Secretary, a couple of years ago: just as a youngster who is leaving school and going to university has a fairly clear set of choices to make through the UCAS system and so on, a youngster who is leaving school and thinking of pursuing a non-university route is confronted by a spaghetti junction of acronyms, schemes, qualifications and institutions. If we can simplify that dramatically into what I would call a UCAS-style online offer to youngsters such that the choices they make, if they are not going to go to university, are as simply explained to them as they are for youngsters going to university, that would make a dramatic difference.

Lord Holmes of Richmond: On that point, it seems to me, though it would seem burdensome, that it would make sense to put a responsibility on the last institution that somebody was at—be that at the end of their school time, be it at the end of their A-levels at school; whatever it is—until that young person has gone to the next stage, when that

responsibility moves on to that institution, so people do not go into the NEET section, but also to significantly advantage the middle.

Mr Clegg: One of the ulterior motives, if you like, of introducing destination data into the measures by which schools are judged is precisely to give schools an incentive to care about what happens to pupils once they leave school. That is probably a bit of a slow-burn incentive, but what we should see over time is that the more that destination data is used to measure the success or failure of a school, the more parents ask about destination data and the more schools will take an interest in what happens to a youngster after they have left school. That hopefully will make quite a considerable difference. Careers advice is crucial in this. The last Government had a pretty mixed record, frankly. It was right to replace the old, failed Connexions system, but we then allowed two or three fallow years to ensue, when nothing was effectively put in the place of the Connexions network. Now there is really good statutory guidance; there is a duty on schools to provide meaningful information and careers advice and guidance to children from Year 8 onwards. There is a new body that has been established to discharge that duty. Hopefully we can see the careers advice and guidance regime prove to be more effective than it has been in the past.

Earl of Kinnoull: I was very interested in your point that I have noted down as “the school-to-work system is over-complex”. You folded the careers advice into that, which happen to be the two top notes that I wrote before the meeting. I just wondered whether, with all your international experience, you felt there was another country—or maybe more than one country—that had got a very good approach to this area, where, as I think we have all noted in previous sessions, these are issues.

Mr Clegg: My slightly unscientific hunch is that—and you can see this in Scandinavia, in the Netherlands to a slightly different extent and in Germany, although they have got quite profound problems right now—where you have countries that have an established tradition that provides equality of esteem to academic and non-academic forms of education, that is almost a cultural shift that has a dramatic effect on the esteem and aspirations of children. In the blaze of controversy around the reform of higher education, I tried very hard to make sure—and it appears to have been proved to be the case subsequently—that youngsters can go to university regardless of their family background, though I have to say that the latest change, which you may have noticed, from this Government of changing grants to poorer kids into loans is a very dangerous departure from that. Notwithstanding that, as higher

education expands and expands and expands, and does so, hopefully, on an ever more meritocratic basis, the more we can provide the same political focus on how to encourage youngsters to pursue vocational routes in a way that gives them just as much esteem and is recognised just as fully in society—that is probably the biggest breakthrough of all. It is the elusive one. We have been talking about this as a country—it is as old as the hills—but we are still not there.

Baroness Berridge: Just to follow up your comment about the parity of esteem between academic choices and non-academic choices, one of the focuses of the last Government was on the importance of role models—seeing people further down. In the academic stream, you promote a young person from a disadvantaged background who, say, went on to do law and is now a High Court judge. Was anything done under the last Government to promote the role models—that you make a non-academic choice and do an apprenticeship and you end up, say, on the board of directors, or you end up as an MP but you were a firefighter? Was anything done regarding that esteem of role models that was promoted by the last Government?

Mr Clegg: There are a number of schemes that are increasingly aimed at getting into schools and speaking to youngsters, particularly in their early-to-mid teens, when they are still making decisions about their futures. The Speakers for Schools programme was actively backed by the Government and I assume and hope it still is. My wife is very involved in something called Inspiring Women, which is all about getting professional women who have got to the top of their tree through a variety of routes to speak to girls, in particular when they are in their mid-teens. There has been a significant expansion of that. Again, it is a little bit patchy. It is a slightly voluntary area of work. One thing I would emphasise—I say this with some insight from what happens in my neck of the woods in South Yorkshire—is that the more universities become involved in supporting the expansion of apprenticeships and vocational qualifications, the better. I know, for instance, many years ago, when I first spoke to the two universities in Sheffield—the University of Sheffield and Sheffield Hallam University—about this, they appeared slightly nonplussed: “Why should the academic community have anything to do with the expansion of apprenticeships?” Now, if you go to the Advanced Manufacturing Research Centre just outside Rotherham, there is a huge apprenticeship training centre there that is backed by the university. That makes a very dramatic difference. If you can get the HE and FE sectors to be increasingly not

interchangeable but working hand in glove with each other, that will have a very powerful effect.

Q22 Baroness Tyler of Enfield: You acknowledged in your opening statement that social mobility is a complex area and it is often difficult to measure what is happening: it depends what you are measuring and different bits of research tell you rather different things. I wondered which policies you felt were the most successful in helping to improve social mobility for school leavers in your time in government and perhaps which were less successful. I wonder if you could particularly focus on that 11-to-16 age cohort—because we have talked about early years and we have talked a bit about the transition—both in and outside of school.

Mr Clegg: Careers advice and guidance is essential. As I alluded to earlier, it was slightly one or two steps back and one or two steps forward. I will not go into all the gory details, but there was quite a profound disagreement. I feel that careers advice and guidance are an integral part of how you get someone work-ready. Just as much as early years and pre-school support is all about getting a child ready before they even hang up their coat on their first day at primary school, careers advice and guidance in schools seem to me to be essential in order to make sure that youngsters are work-ready. These transitions, by the way, are crucial. All the academic literature shows that kids from more disadvantaged backgrounds, even if they excel at school, sometimes get knocked back by these leaps that you need to make in life. It is one of the reasons why I used some pupil premium money to try to pilot summer schools in the summer between primary school and secondary school for kids from the most disadvantaged backgrounds. There is quite a lot of evidence—it is still emerging—that if a youngster from particularly a disadvantaged background gets to secondary school and already feels familiar with that secondary school, feels comfortable and feels supported during that long summer break, it gives them the head start they otherwise might not have. As I say, there was a bit of a stand-off with respect to careers advice and guidance between people like me who felt it needed to be an integral part of the system and, as I am sure he would admit himself, Michael Gove, who at the time felt that it really did not have any role in how you design an education system. We finally overcame that after a two-year or three-year lacuna and the statutory duty and the guidance that now exist are really pretty good. We just need to make sure that they are properly put into practice. Nicky Morgan has been admirable in her determination to see this through. It is

slightly early days; as I say, we missed a bit of a beat, but hopefully now you will see that that will make a material difference. That is massively important.

Then, as I say—I will not repeat myself—it is about the simplification of the choices. I remember asking an official to put down on a piece of paper for me what the choices are that are available to a 16 year-old, or now a 17 year-old or 18 year-old, who is leaving education or training if they are not going to go to university. It is a blizzard of impenetrable acronyms and institutions. You need a PhD just to be able to interpret them, let alone to make informed choices.

The Chairman: You are certainly right about transitions. The first school for pregnant schoolgirls after the raising of the school leaving age was in my old constituency. I remember once speaking to the head teacher about whether there was one single factor that affected those girls in what eventually happened to them. She said it had nothing, in her view, to do with background; it was that in their heads they did not make the transition from primary school to secondary school, and that that transition was so important.

Q23 Baroness Sharp of Guildford: Picking up on this issue of transitions, the responsibility for skills during the period of the coalition was split, in some senses. The 16 to 18 year-olds were with the Department for Education, but, equally, skills and the training for apprenticeships and so forth were very much the responsibility of BIS. Do you think that the split, which was inherited from the changes made by the Labour Government to accommodate Peter Mandelson—he was given both the universities and the skills brief—inhibited some of the measures that you would like to have seen carried through?

Mr Clegg: My own view—others may differ—is that if the political will is there, it does not really matter which department deals with what. Whitehall, I discovered, is a highly Balkanised place anyway, and it will remain so. However much you change the deckchairs, you are always going to have departments and you are always going to have these slightly baronial rivalries between them. What does make a massive difference is a centrally driven, clearly expressed ambition from the top that all of government need to devote themselves to X or Y or Z aim. We had that in the last coalition Government. It was clearly understood around the Cabinet table that, even though it was very much in a sense my initiative, it was none the less a shared endeavour across the coalition that the principal social policy aim was social mobility. That was a brave thing to do, because social mobility is something where you only really see whether your policies succeed or not over a long time span. You get no

political reward from it, because you cannot prove within a Parliament that you fixed it. It takes a generation to fix some of these deep-seated problems we are talking about here, so you have got to stick with them.

That is why I am, frankly, very disappointed indeed, given that consistency is so important over time in order to really shift the dial on social mobility, by what the Government have done in the space of a few short weeks, whether it is clipping the wings of Alan Milburn's mobility commission; whether it is taking £12 billion away from the working poor and giving tax breaks to property millionaires; or whether it is airbrushing out income poverty as a factor from how we measure these things. What I would regard as more important in Whitehall about what happens to that age group—this comes, perhaps, to you point—is not whether it is this department or that department that is in charge of policies, but whether we are going to have a consistent approach to the resourcing of policy in those areas. In my view, there is just no remote hope for this Government to ring-fence foreign aid, pensions, pensioner benefits, the NHS and now all of defence and then spend hundreds of millions of pounds on tax breaks for people who, frankly, are not very needy, having gone into government with a manifesto commitment to only protect schools spending to keep up with increased numbers, not to keep up with prices. That will have a very detrimental effect on funding for the FE sector, which is under huge pressure already, and will most definitely undermine the pupil premium. I safely predict that, while the pupil premium will be rhetorically protected, what you will see is that the baseline funding on which it is supposed to be an additional slug of money will be steadily eroded. That will have a material effect on social mobility, because we know that these interventions—a properly supported FE sector, to give an alternative route to youngsters going ahead, and the pupil premium—are having an effect on boosting social mobility. It is very sad that they seem to be undermined already at such an early stage.

Baroness Sharp of Guildford: Even under the coalition, the FE sector was cut back more than the schools sector.

Mr Clegg: Yes. That is right. One of the reasons behind the agonisingly controversial and spectacularly unpopular changes to higher education was at the time precisely to make sure that the Treasury did not take a bigger axe to FE. I personally intervened at the time of the comprehensive spending review in 2010 to make sure that baseline funding for schools was protected, because you cannot preach social mobility on the one hand and then take money

away from baseline schools funding. We did protect schools funding and schools funding does need to be protected not only to keep up with the increased numbers of pupils in the schools system but also to keep pace with inflation. If you do not do the latter then it is a real-terms cut.

Baroness Howells of St Davids: Mr Clegg, just looking at me, coming from a grandfather who was enslaved, you would imagine that social mobility has worked in some ways in the Caribbean and places like that. I read your speech to Sutton and I found it was all about class. Do you not see an inherent link between a lack of social mobility and racial inequality—and also for looked-after children? Do you not see that? I have not heard anything about these people with real needs in society. The community itself has tried to help after school and at weekends. I have not seen anything in what I have read about what you have said. Is that a problem for you?

Mr Clegg: It all is. Of course it is. Any form of inter-generational disadvantage has economic aspects, cultural aspects and maybe aspects related to particular communities as well, and it is very complicated. If you look at the measurement of educational achievement, for instance, in the Indian communities in Britain, it is quite different from other communities. There are some quite difficult questions to grapple with. Why do there seem to be different patterns of educational achievement, or perhaps even emphasis on educational aspirations, in some communities as opposed to others? It is a very delicate area to tread, and I am not pretending that I am necessarily well equipped to do so. Is it a facet of all of this? Yes, of course it is. As I said at the outset, almost every aspect of public life in one way or another touches on social mobility, which, to strip the jargon away, is just a simple dream of living in a society where people live out their aspirations and do as well as they can based on their talents and their application rather than who their mum or dad is or where they were born. Of course that has aspects related to the inequality of opportunity across communities in the United Kingdom.

Q24 Baroness Stedman-Scott: From everything you have seen—I know you have visited lots of projects, et cetera—what structural changes could and should be made to government to best serve young people in the transition from school to work?

Mr Clegg: What structural changes in Whitehall?

Baroness Stedman-Scott: To government, yes.

Mr Clegg: As I say, my own view is there is no surrogate for the exercise of leadership from the top. Let me give you a very good example. I think I am right in saying, but I stand to be corrected, that the Prime Minister has signed up to the very good campaign—I have forgotten what it is called now—to end illiteracy by 2025. It just beggars belief that one in five youngsters is still not reaching level 4b at key stage 2, which is the benchmark for literacy, in this day and age. But you have to will the means, not just declare affection for the ends, to do that. What would make the most amount of difference of all would be if the Chancellor and the Prime Minister, instead of taking some of the steps that they are now taking—undermining the funding basis for schools and for FE colleges; redefining how poverty is defined; misplaced use of resources in early years—were to restate that if we really are going to have a country where no one is illiterate by 2025 you have to take some quite big steps to get there. Whitehall, in my experience, responds quite well if there is a very simple and powerfully expressed objective that all the different facets of Whitehall then have to work towards. That is what is lacking at the moment.

Baroness Stedman-Scott: Do you think, then, that if there was a powerful campaign or an objective it could be consistently applied in all spheres of government?

Mr Clegg: Yes, it can be, but you need to stick with it. I will give you another example. I hope it is a useful example. I spent a lot of time in government encouraging different departments across government to understand that the very profound issue related to mental health across British society is not just something for the Department of Health; it is also something for the Department for Education and for the DWP, and how Jobcentre Plus deals with people who have got mental health problems and how teachers recognise youngsters with mental health problems are just as important—if not more so—than what clinicians believe in a mental health trust. You can get there, but you have to plug away at it and you have to be consistent. You have to send out a consistent message of leadership that that is one of the key aims that all departments should pursue.

Q25 Earl of Kinnoull: I wonder if I could focus in on the business side here and in particular the youth contract and the social mobility business compact, which were two things that came in on your watch. Do you think they are successes? How would you improve them today?

Mr Clegg: One bit of the youth contract was not successful. For those who are not familiar, the youth contract was something that we developed and I announced back in 2011 or 2012

when the tail of youth unemployment was still going up before it subsequently came down in the wake of the 2008 crash. The main components of it were threefold. The first was an expansion of apprenticeships for youngsters and a financial incentive to employers to offer those apprenticeships. That has been successful. The second component was a wage subsidy of £1,500—a direct bung to employers. If they had to choose between a younger potential employee and an older potential employee they would be given £1,500 to choose the former. That did not work. That just did not work at all. It did not work probably, with the benefit of hindsight, because if you are employer who is prepared to spend the money and the effort on employing somebody you are not necessarily going to be swayed by a one-off £1,500 bung. The bit that was spectacularly successful was the work experience scheme. I forget the figures. I can get them for you if you like; I am sure the Committee clerk could find them. It was a massive expansion of work experience, which has proved to be a devastatingly successful stepping stone for youngsters who otherwise are sitting at home feeling that they are isolated, sending out lots of CVs, never getting a reply and feeling increasingly demoralised and cut off. Just getting out and spending some time in a work environment, even for a few weeks, had a much more dramatic effect on their subsequent employability and ability to find jobs than I had anticipated at the time. That was successful. The social mobility business compact has been very successful in certain sectors. If you look at some of the services sectors, like accountancy, law and finance—quite a lot of the London-based ones—a lot of big players have now signed up to the social mobility compact. It means that they advertise for work experience and internships on a much more meritocratic basis than was the case in the past. We have a bit of an issue now to spread it into other sectors, to smaller businesses and beyond London. I know that the Social Mobility Foundation, which is an excellent organisation, is doing a lot to do that. It needs to get out of the services sector and out of London.

The Chairman: We will now move on to child poverty. As the widow of the person who established the relative deprivation participation standard, I am very interested in this.

Q26 Baroness Blood: On 1 July, Iain Duncan Smith of DWP announced that the Government were going to bring forward new legislation to remove the existing measures. What impact do you think the recent changes will have to child poverty measures? How will the changes affect the working of the Social Mobility and Child Poverty Commission?

Mr Clegg: It is a very retrograde step. The Government are clipping the wings of Alan Milburn's commission and changing the goalposts because they are embarrassed by the measure that they are bound to fail on in terms of the income aspects of child poverty. The interesting thing is the pendulum has swung completely the other way. I always thought the great flaw of the Labour Government pre-2010 was that they took a very narrow statistical snapshot view of progress, basically saying if you could nudge a few people above a particular income line then all was well, which is self-evidently not the case. You can nudge people above a certain income line through transfers of tax credits and so on, but it does not necessarily mean you are boosting their life chances to then get ahead and fulfil their potential and aspirations. Now we have gone completely to the other extreme, and this Government are seeking to somehow pretend that income poverty has no bearing at all on social mobility. Of course it does. It is ludicrous to pretend otherwise. In government, as you may remember, we had a long and at the end, I am afraid, fruitless debate between the two coalition parties. David Laws, on my behalf, had devised with academics and experts and others three additional measures, on relative poverty, entrenched poverty and life chances of poor children, to add on to the measures that were already there in order to provide a richer statistical picture. We did not get agreement on that and now, of course, all of that has been swept aside. Never mind additional measures; some of the existing measures have been scrapped. If I was the Social Mobility and Child Poverty Commission, I would feel pretty sore that, having been set up to measure progress against a certain set of measurements, I was now being told I was not supposed to aim for measures that help to alleviate income poverty.

Q27 Lord Patel: You clearly, Mr Clegg, have a great passion for the subject of social mobility and you obviously care about it. Also, you must have had some frustrations during your time in government at not being able to move some policies and legislation that may have helped move the whole thing forward. You know that sometimes Select Committees write good reports after inquiries and make recommendations but, when you get the response from the Government, you get a fudged response. But now and again you get one or two recommendations that cannot be fudged. So, what might be the two recommendations you might like to see from us that cannot be fudged and would really change the whole environment about improving upward mobility, employment and opportunities for school leavers?

Mr Clegg: First, there is no getting away from it: if you financially undermine, in the way that this Government are and will, the existing provisions, like the pupil premium, like the early years pupil premium—like the kinds of things we put in place that we know from early evidence are having a positive effect—that will, as night follows day, mean that what modest progress we have made over the last few years will be arrested or thrown into reverse. As I said earlier, it is no good just talking about the ends; you have got to will the means as well. The early years pupil premium and the pupil premium in particular are major financial innovations—£2.5 billion of additional funding on top of a protected schools budget. If you change that edifice financially, I just do not think you have got the means to shift the dial in the schools system. That is point one.

I sense a slight frustration that I keep going back to early years. I know you want the other end, but I am afraid I am adamant in my view that if you do not get the early years right it almost does not matter what you do at the other end because the kids will already be condemned to a particular pathway that it is very difficult to shift them from. I really would urge the Government to rethink the decision they took for purely political purposes. When I discussed this with the Conservatives in coalition I said, “Come on; let us together in the March Budget use this shared will to do more on early years and childcare to build on what we are doing for the poorest families—the two year-old entitlement and so on”. I was told no, the Conservatives wanted to instead spend the £350 million on the less needy families only for three year-olds and four year-olds because it was a good way of trumping Labour Party policy. One-upmanship between the Labour Party and the Conservatives should not usurp good policy. Perhaps that was another good example of where the Conservatives were rather better than I was at politics but worse at policy, and I was better at policy and worse at the politics.

Lord Patel: We will put that down as a recommendation.

Mr Clegg: No, that is all, as they say, history. I would urge you to invite the Government, in addition to what I have said about the core financial settlement for colleges and schools, the pupil premium and so on, also to revisit—they have time to do that—their plans on early years, because it is not a sensible use of very scarce resources.

The Chairman: Mr Clegg, thank you very much. You have enabled us to keep absolutely to time, for which I am very grateful.

Mr Clegg: Sorry I went over at the beginning. My enthusiasm is such that I cannot restrain myself, but good luck.

The Chairman: There is nothing wrong with enthusiasm. Thank you.