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Witness: Professor Baroness Wolf of Dulwich CBE

USE OF THE TRANSCRIPT

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Members present

Baroness Corston (Chairman)
 Baroness Blood
 Lord Farmer
 Baroness Howells of St Davids
 Earl of Kinnoull
 Baroness Morris of Yardley
 Lord Patel
 Baroness Stedman-Scott

Examination of Witness

Professor Baroness Wolf of Dulwich CBE, author of the Wolf review

Q131 The Chairman: Thank you very much for coming today. We really appreciate it. As you are aware, this session is open to the public. A webcast will go out live and, subsequently, will be accessible via the parliamentary website. A verbatim transcript is taken of the evidence and will be put on the parliamentary website. I am sure you know that in a few days' time you will receive a copy of the transcript to check for accuracy and, if you want any corrections made, please let us know as soon as possible. After this session, if you want to amplify or clarify any points, you are perfectly at liberty to write to us to submit supplementary evidence. Could you introduce yourself for the record, and then we can begin the questioning?

Professor Baroness Wolf of Dulwich: I am Professor Baroness Alison Wolf of Dulwich. I am a professor at King's College London, which I think is the relevant point for this session, and have worked quite widely on some of these issues. Thank you for inviting me to be a witness.

The Chairman: Indeed, we are very grateful that we have had your body of work to draw on. You have recently focused on apprenticeships. What would be your vision for a suitable route from the age of 16 for middle attainers—that is people who are unlikely to go on to higher-level apprenticeships at that point in their educational lives?

Professor Baroness Wolf of Dulwich: May I unpack that a little?

The Chairman: Of course you can.

Professor Baroness Wolf of Dulwich: Higher-level apprenticeships, which include the sort that would very often go with doing a degree alongside, are increasingly something you go

into at 18 anyway. That has become a very marked trend in this country. On the one hand, we have had a decline of traditional apprenticeships, but, where they have held on, there has been a strong tendency for employers to take people at 18 anyway, and not 16. Although the Government have been trying very hard to put that into reverse over the last year or so, they are not succeeding, and the most recent statistics show another decline in apprenticeships for 16 and 17 year-olds. Essentially, there is a major question about the future of apprenticeships for 16 year-olds anyway.

On the question of high-attaining versus middle-attaining, some very academically gifted young people will go into very high-status apprenticeships, and I am sure people have said to you often, and it happens to be true, that it is harder to get onto a Rolls-Royce apprenticeship scheme than it is to get into Oxford or Cambridge. It depends how you define it, but that is absolutely accurate and entirely rational behaviour on the part of the young people involved.

There is a large swathe of jobs which traditionally in this country, and continue to be in other countries, have been ones that are best prepared for by a combination of intensive learning on the job and working off the job. The young people employers find most suited to that are often not highly academic; they are mid-level academic. When you talk about a middle attainer—if by that you mean somebody who is doing pretty well in their GCSEs, but does not have a huge taste for highly academic work and would much rather be in an apprenticeship and learning partly on the job and partly off the job—I think that a major priority for this country is to recreate those opportunities for those young people, because they are the least well served by the decline that has taken place in traditional apprenticeships. They are the sort of people who, if you looked in the obituary columns, two generations ago would have ended up as CEOs of companies—not all of them obviously, but there was this route. One needs to be clear about what one means by a middle attainer. To me, a middle attainer is that sort of person, and that is a middle academic attainer.

One of the things that we have been incredibly slow to do is develop this demanding vocational technical route from 16 to 18. We have fiddled around for ages while destroying traditional apprenticeships. I am modestly optimistic at the moment that the Government are finally getting a hold of this. If I am allowed to pat myself on the back slightly at this point, the fact that we now have study programmes post-16, which means that you must have a coherent programme of study of some sort, is a first step, and that came out of my

review. There is now a move, which in principle I support strongly, to develop a number of clear pathways that are quite general and aim at groups of occupations, and from which it would be quite easy to move into an apprenticeship, but which are also designed to provide an in-depth and coherent 16 to 18 full-time programme clearly oriented towards a set of occupations, and allowing for the possibility for going onwards. I think that is our best bet at this point. In the next five years, we are not suddenly going to get huge numbers of high-quality apprenticeships opening up for 16 year-olds. I wish we were, but I think it is going to be slow to do. It is going to run up against the fact that many parents are nervous. It is not only employers who are nervous about taking young people at 16. I think many 16 year-olds and their families are nervous about making what feels like a final choice.

To end with another anecdote, I was talking last week to an FE principal, whom I admire greatly, whose son wanted to go into an apprenticeship at 16—and has gone into a very good apprenticeship at 18—and the family conversation was classic. It was, “I really think it would be a good idea to get your A-levels first”, or, “I really think it would be a good idea to get some more general education and general qualifications under your belt first”.

My hunch is that is the way we will go, although I hope there will still be some employers who are willing to take on 16 year-olds who are really clear and know where they are going, and they want to start now. My hunch is that the age of 18 will be the main entry point for apprenticeships. I am sorry—that is a very long answer to an apparently simple question.

The Chairman: It was a very useful introduction and, indeed, in my own family we had the same discussion with our 16 year-old. It did end with them leaving school, but it ended well, fortunately.

Baroness Blood: May I could ask you to drill a little deeper? We hear a lot about traineeships today as part of apprenticeship provision. Are they simply a diversion for lower achievers?

Professor Baroness Wolf of Dulwich: Bluntly, I think they are, to be honest. There is a real tension there. There were two things behind it. First, it was a way of offering something to young people who clearly were not going to get on to an apprenticeship. Bluntly, they tend to be young people who are not achieving well, for one reason or another. The idea was to give them some really useful stuff—English, maths and work experience. My view is that it muddies the water to see them as a pre-apprenticeship, because the reality is that, for many apprenticeships, employers want somebody who can come in without going via a traineeship first. Traineeships allow for two things. They allow employers to offer serious

work experience to people they might then want to employ, without having to sign up to a full apprenticeship programme. They also allow young people who have really messed up to get something which then may or may not lead them back into full-time education, or may or may not lead to a job, or may or may not lead to an apprenticeship.

Seeing an apprenticeship as something to which you progress via traineeships is deeply misleading and not the way to think about it. Apprenticeships are, and should be, demanding. That is what they always were. That is what they are when they are successful. The idea that the modal apprentice is somebody who has done a traineeship first seems neither true nor helpful, bluntly.

Baroness Stedman-Scott: Professor, I take your point about traineeships not being designated as a pre-apprenticeship, but for those young people you have talked about, where they have not made the right progress in an educational establishment, and therefore are not in a condition to make a good transition from education to work, could you see a more robust, well-managed traineeship, with very clear objectives, with the young person being coached well, as a fundamental part of their development?

Professor Baroness Wolf of Dulwich: I would like to. I have to say, this is the area of education about which I have the least that is useful to say. I have to make that clear because there is in every society—every society struggles with this—a group of young people who, by the age of 15, 16 or 17 have multiple problems for a variety of reasons. By the time they are 25 or 30, a good number of them will have sorted themselves out, but the reality is that at that point they and most formal education structures do not like each other. It would be a very good idea to do that. I feel incredibly strongly that, for young people such as that, a chunk of time outside educational institutions in workplaces is incredibly useful.

There have been a number of excellent schemes. The problem has always been how you grow them. You end up with wonderful exemplar programmes and it seems to be extraordinarily difficult to turn that into something that is more national. My hunch is that it ought to be possible. This is one of the areas where I think financial incentives might be important. We are told constantly that it does not matter and employers do not want money and employers do not want this or that. That is true up to a point, but if you are being asked to do something quite high-risk, I wonder whether one reason it does not grow very much is that the group of people who feel an incredible social conscience, after a couple of years, may feel they have done their bit; and, secondly, that group is perhaps not that big.

The Chairman: Baroness Morris?

Baroness Morris of Yardley: My question has been covered in a previous answer.

Q132 Lord Patel: My question is still chasing the apprenticeship issue, but on the funding side. As I understand it, you were not too keen on the old outcomes-based funding?

Professor Baroness Wolf of Dulwich: I totally was not. I was not keen in advance and it was even worse than I feared.

Lord Patel: So you proposed a levy system?

Professor Baroness Wolf of Dulwich: Yes.

Lord Patel: What does the Government have to do to make the levy system work effectively? What about some of the criticisms that have been made about the levy system, of which I am sure you are aware?

Professor Baroness Wolf of Dulwich: There are always criticisms of any system. Nothing in this world is perfect. I have changed my mind about the levy system because, after all, if you go back to the 1960s and 1970s, we had a perfectly good apprenticeship system and the industrial training boards, which operated on a levy, were not a great success. The main point about the training boards is they took a levy, gave it to a bureaucracy and the bureaucracy then doled it out, which is pretty much how it still works in the construction industry.

There are two reasons I became convinced about the levy. Obviously, it was not only me. I would love to say that I said, “Have a levy”, and the Government said, ‘Of course’”, but it was not like that.

Lord Patel: That is how I thought it happened.

Professor Baroness Wolf of Dulwich: One of the blunt and basic reasons why I argued for a levy—and why, in the end, the Government went for one—is the simple fact there was no money. However, that is not the main reason I became convinced. The point about a levy is that when people have some skin in the game, they also pay some attention to what is going on.

One of the things that happened under the previous system—and this still exists and is what almost all apprenticeships still are—was that employers became completely detached from it. At its worst, a private provider would come in—I have had them describe doing this to me; this is not me imputing things—and say, “I see you have some nice new employees there. We could turn them into apprentices and give them a bit of training. It will not cost

you anything. You don't need to have anything to do with it. They don't need to go off the job. You don't need to change their work patterns. Absolutely nothing. Sign here on the dotted line. We will come in and do a few things and we will do all the paperwork", and that is it. Unfortunately, that has been a very widespread pattern.

An apprenticeship in which the employer is not involved is not an apprenticeship. It is completely different. An apprenticeship is about employers developing the skills and the human capital of a young person, who at the beginning of an apprenticeship is not worth very much to them and is a dead weight, but at the end of an apprenticeship is a really valuable employee.

Essentially, we had two things. We had a huge number of apprenticeships that were not really apprenticeships, in which the employers were not involved. Again, if you contrast this with Rolls-Royce or Network Rail, the difference was total. You also had a large number of people who, if they did not absolutely have to develop their own apprentices, were very unwilling to because, first, it would cost them money; and, secondly, more to the point, if they did it, somebody else would poach. The main reason that I personally concluded that an apprenticeship levy was the way back in is that it means that employers are all involved, because it is their own money and they are worried about what is being done, and they cannot feel they are the only mug. If they have an apprentice, other people are helping to pay for it, so you go back to where we used to be, which was a mutually supportive equilibrium, and you recreate it. I could not see any other way of doing that other than a levy. As I said, I would love to believe that the Chancellor read my arguments and was deeply convinced. I do not suppose he was, but I do think the levy was the right answer.

Lord Patel: Will it end up favouring larger employers?

Professor Baroness Wolf of Dulwich: I think they made a mistake. I do not understand why it is being paid only by larger employers. That is not normal. If you look at other countries which have apprenticeship taxes, it is a proportion of payroll and applies to everyone. If only the larger employers are paying, the larger employers will definitely be the ones who want to get the benefits. I think it is a real issue that they have done this. I do not understand why. Maybe somebody said, "We must be nice to the smaller employers". I do not have a clue.

I also want to say that the levy on its own will not do it. It has to be the levy plus all the other institutions. The problem we have in this country is that we are trying to recreate quite

complex institutions, not in the sense of bricks and mortar, but in ways of doing things, which previous Governments in the 1980s and 1990s quite explicitly set out to destroy.

Lord Farmer: I will come to this point about the levy on larger employers and your proposal to include all employers. It seems that when you are an SME, it is more difficult to have an apprenticeship scheme. I am suggesting that. What is your answer to the Government on SMEs? Why should they have a levy? How would it work? How do you see them having an apprenticeship scheme?

Professor Baroness Wolf of Dulwich: If you look at most other countries, and if you look back at our history—again thinking about apprentices in my family, my own cousins—SMEs are the major employers of apprentices. If it is really difficult, it is because we have made it difficult. Your average SME is a very good place to be an apprentice because you get used properly.

When you look at the German system, which is the most studied of all, because it has been the most successful and stable, you find that a very large number of small businesses benefit from their apprentices. They do not get much out of the kid when they first join, but by half way through they are beginning to get a net benefit. Again, in France, which I know much more about, it is very easy as an SME to take on an apprentice. Basically, the two of you trot down to the town hall and sign a single piece of paper. You each have three months in which to pull out. As an employer you have to do a certain amount, but not an awful lot. You have to use them properly and fill in a diary, but you do not have to do all sorts of complex on-the-job quasi-educational assessments, because there is a well-structured set of off-the-job training that is specific to your trade, and then the employers are involved in assessment.

It is all about recreating a system that is quite practical and straightforward. You are absolutely right that the current paperwork for an SME to take on an apprentice looks horrendous. The biggest challenge is how we get past that and get back to a system in which what we are asking of small employers is what they can do—often much better than large employers—and not asking them to do the sorts of things for which they would need a large, well-staffed HR department.

Q133 Baroness Stedman-Scott: Professor, will the Government's current approach to apprenticeships means that they will meet their 3 million target of new apprenticeships without compromising quality? If not, what changes would you make?

Professor Baroness Wolf of Dulwich: I think the target is a big mistake. I am really worried about the target, and everything I see about it makes me more worried. If you put a target inside a government department, everybody starts running around like headless chickens, trying to think of ways of meeting it, rather than concentrating on building the thing in hand. Thank you for giving me the opportunity to say this again, because I feel very strongly about it. What worries me is that they will meet the target, although I think they will find it very hard to do. It is an enormous target. If you were going to have that size of apprenticeship programme in steady state, as opposed to rushing around turning everything that moves into an apprenticeship and then pulling back again, you would end up in a situation where almost every young person in the country became an apprentice, and that is not what the labour market needs, and not what we can afford either.

I do not know whether anybody here has, but I have not heard a single reasoned explanation for the figure of 3 million. The idea that it would be good to have even more than the previous Government, when we know that a large number of the apprenticeships should never have been called that, is extraordinary. What is worse is, I think there is a genuine reform movement going on within this Government and, apart from this target, I think a great deal of what they are doing is absolutely right. It is extremely unlikely that they will make 3 million. It is quite likely that if they continue to go on and on about it, it will distort everything else. They will get a large number, but the price will be the quality of what we are getting.

I am not alone in this. It is not only a concern of academics. I know it is also a concern of a large number of the employer organisations. It seems to me deeply misconceived. They are not budgeting for it. I do not know the details but the levy can go only so far. They have said they will put money in. They have said they will fund the SMEs. If you look at the spend per apprentice in the last five years, it was a level at which you could afford to do large numbers of only the very low-quality, short apprenticeships. I find it hard to believe that in the current fiscal climate there is the money, never mind anything else, to meet that target and still have high quality.

The Chairman: I am the daughter of somebody who did a five-year apprenticeship. A couple of weeks ago, we did a focus group with some young people about their experiences on leaving school. I was very shocked to hear them talking to us about apprenticeships they had done, all of the same duration: a six-week apprenticeship wrapping vegetables; a six-week

apprenticeship putting flowers in bunches; sweeping a stable floor; and working in a fish and chip shop. That seems to demean the word “apprenticeship”. Is this kind of thing becoming more and more common?

Professor Baroness Wolf of Dulwich: It has become more and more common. Other apprenticeships that shock me equally, although I suppose they do less harm in the long term, are the ones where, essentially, you turn somebody who has been employed for a long time into an apprentice to put a qualification on them and add them to the numbers. A very large proportion of the large number of apprenticeships that were totted up over the last 10 years—and I do not want to say it was only the coalition Government, although they went for rapid growth—has been of that sort.

I have to say that I think a large number of people in government had no idea. When the Chancellor and the Prime Minister stood up and boasted about the number of apprenticeships they had created, I do not think they had any idea, but some people in government did know, and that is really worrying.

One of the problems is that anything involving a Russell group university, such as the one I work in, tends to hit the headlines, whereas stuff to do with vocational education and apprenticeships does not. It is not as though nobody knew and nobody was trying to write about it. There were radio programmes and a couple of good TV programmes. I used to rabbit on about it whenever I was given the opportunity. However, it did not really percolate down to people unless they actually had somebody in their own family who was doing it. I completely agree. I was utterly shocked. I had parents who both did serious apprenticeships. I had cousins who did serious apprenticeships. These are not apprenticeships, and they are not apprenticeships from the point of view of major employers today either. That is not what BAE Systems is doing.

I think it is really bad. One reason I worry about the target undermining reform is that “apprenticeship” is a term which still has respectability, resonance and status. That is very important, because I do not think everybody should be doing an academic university degree. There is a limited number of things that is good for and it is not the best way to learn a lot of things. What worries me is that we still have this high-status term, and I am not sure how much more life it has in it if we mess it up again.

Earl of Kinnoull: A few minutes ago you referred to the process for an SME to take on apprenticeships and said it was very, very complex and the paperwork was horrific. I have

two questions. The first is, could that be cheaply and easily addressed? Secondly, if we went to France and Germany, would we see the same complexity for taking on apprentices?

Professor Baroness Wolf of Dulwich: I cannot talk for Germany, although I very much doubt it given how many SMEs are involved, so obviously it is much more bedded down. In France, you would not. In France, the paperwork for the employer and apprentice is extremely simple and the off-the-job educational element is quite separate, although it is interesting that the employer, as is proposed here, can decide where their tax money goes. One thing that is quite interesting is that we tend to think of France as a very centralised and statist country. It is and it is not, is the answer. There is a huge number of old, not-for-profit, charitable, third-sector institutions operating within this. For example, in the apprenticeship field, there are lots of institutions that were set up originally by groups of employers, which are still the recognised apprenticeship training centres, although are now under the state umbrella, in the sense that they are inspected and there are general education components they have to follow. The only thing the employer has to do is say, “I want my apprentice to go to one of these approved institutions” and then—I do not mean they literally take the money down and put it through the front door—that means that institution gets some money because an apprentice has been enrolled in it. From the point of the view of the employer it is very, very simple.

Our system is so complicated because of this outcomes-based, numbers-based funding system we have created, in which you basically have a contract between Government and a provider of training to deliver apprenticeships, instead of this being organic, as happens when an employer says, “I really would like to take on an apprentice, I feel I should, I feel it would be useful”. One should not forget that a good apprentice is great. They are quite cheap and really good by the time they have worked with you for a while. Instead of this organic growth, we have a top-down “put in your orders” system and, “We will only pay you on delivery”, and that is what takes the paperwork.

Q134 Baroness Stedman-Scott: My question about quality is something we have been discussing. You have heard about the examples of the fish and chip shop, et cetera. I can see people going to sell apprenticeships and almost begging those employers to take people. Should we be looking at how apprenticeships are sold and trying to drive some of the quality needed into that process?

Professor Baroness Wolf of Dulwich: We have to change the whole funding system. The problem if we do that is that we will go for organic growth, which is why I worry about the target. I would like to see the numbers go down quite sharply in the first place. What you have to try to convince employers, and that is the hard part, particularly with the small employers—you can do it only by demonstration—is that there is a new system which is not so onerous. You have probably heard that there are all sorts of new frameworks being developed which, clearly, are more demanding and better in content. You could not have a set of standards for wrapping up fish and chips, for example. The problem will be to get the employers to sign up to do this and do the on-the-job bit of it, and do it willingly and realistically. For that, you have to start quite slowly because you have to demonstrate to them that it is true that when you say it is not going to be an absolute nightmare, it really is not.

There is a slight chicken and egg issue. I do not know any way around this. A quality apprenticeship, to a degree, has to develop. They all used to be there. Some of them still are there. People still know what it is to be an apprentice in some areas. A lot of small employers know what it was like when they were an apprentice, but what they see now is that the whole system is different, and I think it will be quite hard work.

Wearing one of my other hats, I am a governor of a mathematics school for 16 to 18 year-olds that King's sponsors. We walk a budgetary tightrope, like any state-funded institution, and, like everybody else, we are worried about what the 16 to 19 settlement will be. We would love to take on an apprentice. That is partly due to a social conscience but, to be honest, it is also a cost consideration. There are a lot of areas where we feel we could use somebody. We could work things out so they could go to college for so many days a week. It would be really nice to have a high-quality, motivated person around—a classic apprentice. However, we are like any other small employer. We are not going to do it until we are sure that the paperwork is not going to be the way it is at the moment.

Q135 Baroness Morris of Yardley: This is a bit of an odd question, but what you have just said leads me into it. On the whole, I do not think things used to be better years ago, so I am glad we do not live in the past as far as education is concerned. However, the one area where I wish we lived in the past is apprenticeships. I always think that is because I do not know enough about it. If I were to ask you a different question, as though we were interviewing you 40 years ago, in the 1960s, when I was a young person, and we were talking

about changing the apprenticeship model—those of us who are of that age can look back to that period and remember when it was a matter of great pride to get an apprenticeship that led to a job—from that point of view, what would you want to change? Does that make sense?

Professor Baroness Wolf of Dulwich: It makes a lot of sense. What made it difficult to take on an apprentice at that time and which made the numbers go down in the 1970s—this is probably the point at which I lose half of you—was that apprenticeship wages had become very high. One has to accept that for an employer to take on an apprentice, it must not cost them so much that they decide it is not worth it, for somebody who is not there half the time.

If I had been sitting here then, I suppose I would have said a couple of things. I would have said that you needed to make the process of applying for apprenticeships much more transparent, because it was very non-transparent. I would probably have made myself deeply unpopular by saying that you needed to worry about apprenticeship wages. By the way, they still are the highest in Europe, and that is not a cause for celebration because it is a real problem. Truthfully, I probably would not have said that there was that much wrong with it. I would have said, “It is actually working quite well, leave it alone”.

Baroness Morris of Yardley: That is my feeling. I want to move on to further education. You have already talked about the problem of funding for 16 to 18 year-olds, and you have written about the disparity of funding between the sectors and the fact that we know they are suffering from a funding crisis that is going to get worse, not better. You also make the point, quite rightly, that they have a huge budget between them and they spend an awful lot of money on the nation’s behalf. Could you say a little about that? We know that has gone wrong, but what would you want the Government to do about that? Also, given that, to some extent, the money follows what you do, what would you do about the FE’s contribution to the apprenticeship programme, because it is a bit muddled at the moment and we do not have clarity on both those points?

Professor Baroness Wolf of Dulwich: To answer the second bit first, I would be quite dramatic. I am normally very pro-markets and pro-competition, and quite keen on the private sector and all the rest of it, but I think in this sector it has been a bad development. This is not an area in which we should be encouraging large numbers of small, new, for-profit providers of training and education. Clearly, it has been bad. This is an area where you

need established institutions which are also large enough to cope if demand goes up in one area and down in another from year to year. They must be known to employers and there for the duration, so you know that if you go away for five years and come back, they will not have vanished or changed ownership three times.

The French solved this by taking traditional, occupationally sponsored institutions and bringing them within the system, but they do not have anything where you can set up as a training provider and get a contract and then next year you sell it on, and all the rest of it. Unless you are a company that is large enough to be running your own approved training workshop, or you have a group of companies which has set up a firmly based group training association, I would put apprenticeship training in the colleges. That is where it should be. That is where it was traditionally. Some of the best colleges I know are firmly rooted in their communities and are doing apprenticeship training. In my view, part of the apprenticeship training reform should be that you make it very demanding, and college-based when off the job, unless you are a large employer, such as Siemens or BAE Systems, where you can do your own. Otherwise, the colleges should very clearly be the places where apprenticeship training takes place. As I have said, in many cases they still are, but I would stop all these hundreds and thousands of small providers coming in and coming out. It does not work. It does not have the stability and you cannot control quality that way. It would make much clearer what one of the major purposes of FE colleges was.

Baroness Morris of Yardley: Would they recruit them or the employer recruit them?

Professor Baroness Wolf of Dulwich: The employer would recruit them and then they would send them to the college—yes, exactly. As I have said, if you go to places where it is all still working quite well—there are still manufacturing companies in this country—such as towns which still have a strong manufacturing sector, but it is not one huge company, that is still going on. That is the first thing I would do.

The other aspect of further education, and it is a real puzzle to me in a way, is that if you look at most FE colleges, they tend to have very good relationships with their local MP and often very good relationships with local government, yet they are consistently invisible at national level. I guess it is partly because most members of our elite have never been educated in them or, if they have, it has been a very specialist sixth-form college, which is a largely academic environment, and they do not see it. Most people have no conception of how big they are. They have no conception of what proportion of 16 to 19 year-olds are

being educated in them. Quite often, if they are in the news, it is as likely to be because somebody is criticising them as anything else. It is a real worry and I do not know quite what one can do about it. It is a puzzle and a worry. They are an absolutely central part of our ability to educate the whole 16 to 19 cohort, let alone adults and people returning, companies that want upgrading, and all of this.

Two things have happened. First of all, there were the apprenticeship and adult skills reforms which, quite intentionally, set out to create what people seem to have convinced themselves was a competitive and effective market, even though it was not, and so you had this growth of lots of private providers. There were also two funding streams which, in a way, came not quite like flash floods, but colleges have them and, therefore, were busy coping with those and did not do very much else.

The first was the enormous increase in 16 to 19 participation. Until 10 to 15 years ago, a lot of 16 year-olds left school and found jobs. That is not the case now and we have become like the rest of the developed world in that, essentially, people do not get jobs at 16. They might get an apprenticeship, if they are very lucky, but they do not get jobs. There was huge growth. Although some schools set up sixth forms, most of that growth was catered for by colleges, coping somehow. They just kept coping.

The other thing that happened was an enormous growth at the lower end in English as a second language, basic literacy and basic numeracy. That became an enormous part of colleges' budgets. I think it was also distorting. Instead of being places that were primarily technical colleges, they became places for non-academic 16 and 17 year-olds and for doing very low-level, basic education, plus English as a second language.

Baroness Morris of Yardley: The old YOP schemes.

Professor Baroness Wolf of Dulwich: Those are not institutions that figure on the radar of people thinking about the economy as a whole. It was a combination of things.

Baroness Morris of Yardley: So, in terms of the money?

Professor Baroness Wolf of Dulwich: I suspect the adult money will become more limited, again because it is obvious. I have no idea what is going on down the street, but my hunch would be that this will not be a protected part of the budget. I think 16 to 19 is a real problem. It is the one place that will be squeezed, and you get caught in a vicious circle. If you are way less well-funded than other parts of the system, and you do not have 11 to 16 money to send across to your 16 to 19 provision, the risk is that you get caught in this

downward spiral, which is one reason why, for all sorts of reasons, if I were BIS dictator for a day and could get the Treasury on board, I would say, “Apprenticeship training goes to the colleges”.

Q136 Baroness Blood: You have partly answered this. I know you have previously criticised the relationship between employers, training providers and apprentices. What changes would you like to see to make this work?

Professor Baroness Wolf of Dulwich: There are two things, one of which is coming and the other which needs to be taken more seriously. A good apprenticeship system is one in which the employers are making a genuine contribution, but also getting a genuine return because they are getting skilled employees at the end, and, as a precondition for that, one in which they are deeply involved. The way you do this is through the funding system where they have to put some money in as well as getting some benefit back. The traditional way was you paid for the bit on the job and somebody else paid for the other stuff. I have said this again and again: we have to get the employers much more involved in the endpoint assessment. I do not mean day in, day out—employers have businesses to run. That is as true if you are running something that is part of local government as it is if you are running a small for-profit printers.

If I look at systems that are good and stay up to date, they are all systems in which the final accreditation of the apprentice is, to a very large extent, in employers’ hands. That is not about it being credible to employers or about quality control; it is about their involvement in looking at what is going on and what is happening. To jump around the map, I cannot think of a good apprenticeship system in which employers are not the majority part of that final assessment process.

Q137 Baroness Howells of St Davids: In your July 2015 report, you said there could be, “a return to the employer-apprentice contract as central and defining”. Could you outline how this could be reflected in policy and developed to be effective?

Professor Baroness Wolf of Dulwich: The employer-apprentice contract?

Baroness Howells of St Davids: Yes.

Professor Baroness Wolf of Dulwich: I think you have to start with it. I do not know if anybody else here drives down through France during the summer. It is the kind of thing the UK middle class tends to do. If you ever do it, have a look and you will quite often see a sign that says “apprentice wanted” in the window of a bar. It used to be much less formal here.

Although actually, I have my parents' articles up in the attic, so it was formal. The point is that the contract is central and everything else follows from it. If you take on an apprentice, the employer and the apprentice go and sign that contract. Without that, there is no apprenticeship and, until that is signed, nothing else in the process starts. Chairman, I do not know if that was true of the five-year apprenticeship in your family, but it was certainly true for my parents: they signed articles with an employer. That was the point.

That is not how it works at the moment. But if you put that contract in the centre and say, "Nothing else happens until you have done that", it is not a miracle but, in my view, it is the foundation stone or the keeper of the ark. The point is that it is really simple. It does not require lots of things. Basically, it says, "I, the employer, will take you on as an apprentice. It is understood..." and the terms will probably be state mandated, "I have three months to think better of it. You have three months to think better of it. We are both going to sign this and take it down". If this was a country under Roman law, a notary would stamp it. Here in the UK, because we do things simply, you would both sign it.

That seems the most fundamental point about a working system. The point about an apprentice is that they have an employer. It is not that they are a fully paid employee; it is that they have an employer who is their employer. Does that answer the question?

Baroness Howells of St Davids: Yes. I have a more specific question, having read your papers. How do you think black children fare in the apprenticeship system?

Professor Baroness Wolf of Dulwich: They do not fail as badly as some white working-class children. It is hard to say that is good news. In a sense, I think the answer for both is quite similar. One is generalising wildly here and there are lots of phenomenal successes. If you went to King's medical school and looked at the first-year intake, you would find it was quite heavily black but also terribly heavily female. I have said before that there are groups of young people, particularly in their mid-teens, for whom, for a variety of reasons, a school environment is not a great one.

There are hundreds of reasons why children fail in school, and I honestly do not know about them all, so I shall zero in on one where I think there is an issue. Whether you find it easy to find an alternative route depends to a large extent on where you live. Oddly enough, part of the problem is that this is not the usual question about the dynamic within schools. It is also about whether you live in an environment where the sort of work-based opportunities—the sort of jobs which lead through skills—are easy to get.

In this area, one of the interesting things is that the worst place in the country for apprenticeships is here in London. These have remained much more real in smaller and mid-sized towns than they have in the cities. It is terribly uneven. For the white working class, there are the blackspots of the old Durham minefields, the Newcastle suburbs and so on. One needs to unpack it. This is only an answer on the part that I know.

This is a problem in a different way with Asian kids, with mothers and fathers breathing down their necks, “You will be a lawyer. You will be a doctor”. There are groups of young people who are particularly well-suited to a non-classroom-based environment—I say “academic” but what I mean is a particular form of academic, because an apprenticeship is quite academic in some ways—and for whom sitting in a classroom doing conventionally academic subjects, particularly when they are in their mid to late teens, is not a good thing.

My suspicion is—and I would have to track this—that there is a sizeable subgroup of black teenagers who are particularly likely to find that form of education unattractive and not be well suited to it. They are disproportionately in the wrong places for finding alternative routes. I cannot prove any of that, but I am pretty sure the argument is right for the white working-class kids. Knowing what I know about where our apprenticeships are, and how bad London is, it seems to me that it is probably part of the answer for black teenagers too. I throw that out as a hypothesis.

Q138 Earl of Kinnoull: Perhaps we could turn to data. We have taken quite a lot of evidence on data, and it seems to be an area where there is scope for making things better. You have commented that there are gaps in the adult skills data. Can you tell us what those gaps are?

Professor Baroness Wolf of Dulwich: There are huge things you cannot find out. Some of you have alluded to the report that I wrote earlier this year, *Heading for the Precipice*. Thanks to the Gatsby Charitable Foundation, which is wonderful, I had a part-time research assistant, who spent months assembling numbers, including on how many people were funded from the adult skills budget to do what. Given the data requirements—the paperwork is endless—you would think this would be an easy question to answer. If you ask anybody who is a provider, they will talk about spreadsheets from hell, but they do not tell you anything. It was impossible to find out how many people were doing what sort of programme leading to what sort of qualification.

Let me give a non-vocational example. Under the adult skills budget, I tried to find out how many adults had done a maths GCSE during that whole period. You could not find out. There

are places where the numbers stop in 2011. There is what one thinks of as a mainstream further education budget for things being put on in further education colleges which are for adults walking through the door who want to be accountancy technicians or something. Can you find out how many there are? Can you find out how many are getting that qualification from private providers? Forget it. There is a vast array of outcomes, on which you get funded, which include, “This qualification is at this level and involves this number of learning hours and falls under this framework”, but you cannot actually find out what they are doing. How would I change it? You would probably have to tear the whole thing up and start again, unfortunately, and get some basic information about what people do where, which are the two things you cannot find out. The other thing you cannot find out is the number of people; you can find out only how many qualifications were taken. You cannot find out how many people did one, two or three. All you can find out is that this many qualifications were taken and this many qualifications were successfully completed.

Earl of Kinnoull: Has someone written down somewhere what data we should be collecting from an academic’s point of view?

Professor Baroness Wolf of Dulwich: No. It is always quite hard to know. Truthfully, if you started with school data as a model, you would not go far wrong. You can find out very quickly not only how many French GCSEs were taken but how many people took them. It is not that easy, but you can if suddenly you are allowed to demand things from the analysts. You can do it. The school data seem to work fine; it is the adult skills data which seem to be crazy. That is because their primary purpose is to pay people. That is what they exist for. They exist to allow the funding agency to make payments.

Q139 Lord Farmer: I would like to ask what you think might be good data to collect. As this Committee is about social mobility, should we be collecting data about what these pupils’ parents did, or some other socioeconomic data of parents’ income as a proxy for that?

Professor Baroness Wolf of Dulwich: One can overdo the data. You collect the data, but what do you do with them? We have some really good, big national databases—including longitudinal studies and the Labour Force Survey—which allow us to look at the broad social parameters and whether there are links between people’s parents. You have to collect a certain amount of family background data for people under 18 because you need to know if they are eligible for bursaries and free school meals. Personally, I am not that keen on collecting data for the sake of it. The reality is that most of the time there is nothing useful

you can do with them, except find out what people have found out already, which is that, on the whole, the kids who at 18 are failing academically do not come, for the most part, from advantaged professional families. Truthfully, I would collect less data, not more.

Lord Farmer: I think time is up. Thank you very much. There is one last question. In one sentence, what is your one key suggestion for a change that this Committee could recommend to improve upward mobility, employment outcomes and opportunities for school leavers?

Professor Baroness Wolf of Dulwich: It would be to lengthen the amount of time in your lifetime in which you can cash in your entitlements. We focus enormously, all the time, on 16 to 18 or 16 to 19, but people have a lifetime ahead of them. One of the things that we know about many young people who are not doing that great a job at 16 to 19, is that they pull themselves together later, and they come back if they are able. At the moment, an awful lot of things you can do are tied to your age group. This is true for higher education as well, where we have this desperate drop-off in part-time students and adult returners. I would like us to move gradually towards thinking in terms of lifetime entitlements, which does not mean you can go to university 16 times, or that you can do 16 apprenticeships, but that we think of it as an individual entitlement that you can have when you want, rather than, effectively, having to cash it in when you are 17.

The Chairman: Professor Baroness Wolf, thank you very much. All I can say is that the young people of this country are very lucky to have such a passionate and knowledgeable advocate.

Professor Baroness Wolf of Dulwich: Thank you very much. Thank you for making my day.