

Education Committee

Oral evidence: [Accountability Hearings](#), HC 341

Wednesday 16 May 2018

Ordered by the House of Commons to be published on 16 May 2018.

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Members present: Robert Halfon (Chair); Lucy Allan; Emma Hardy; Trudy Harrison; Ian Mearns; Lucy Powell.

Questions 801 - 957

Witnesses

I: Claudia Harris, Chief Executive, Careers & Enterprise Company, and Christine Hodgson, Chair, Careers & Enterprise Company.



Examination of Witnesses

Claudia Harris and Christine Hodgson gave evidence.

Q801 Chair: Good morning and thank you very much for coming today. For the benefit of the tape, could you kindly please introduce yourselves and your positions?

Christine Hodgson: Thank you very much. My name is Christine Hodgson. I am the chairman of the Careers & Enterprise Company.

Claudia Harris: Good morning. Claudia Harris, chief executive of the Careers & Enterprise Company.

Q802 Chair: Your published accounts for the year ending March 2017 show a DfE grant of £19.5 million, of which you have only spent £14.7 million. As I understand it, you did not have to give £4.8 million back. Why has there been underspending and has there been an underspend again to March 2018?

Christine Hodgson: Could you repeat the numbers and which years you are talking about?

Chair: Your published accounts for the year ending March 2017 show a DfE grant of £19.5 million, of which you have spent £14.7 million. You did not have to give £4.8 million back; you were allowed to roll that forward. Has there been underspending and have you had an underspend again to March 2018? Because the accounts will not be published until November this year.

Claudia Harris: We are anticipating this year's spend, to the end of 2018, to be £19 million, so in line with the grant we discussed with the DfE upfront. Our previous two years' spending were around £6 million in the first year and ramping up to around £15 million in the second year. We essentially spend in line with what is required to deliver the outcomes that we have agreed with the Department.

Q803 Chair: Why has there been underspending?

Christine Hodgson: It is to do with timing—timing in terms of money that we can get out, whether it is to the LEPs or the beneficiaries of the investment fund. It is purely a timing thing.

Q804 Chair: You have published nine research reports since 2017. How have these been funded? Have they cost any money? Are you going to publish anything in 2018?

Claudia Harris: A few of the research reports we publish underpin the way that we make allocation decisions with our money. The first research report we published in 2015 was the "Cold Spots" report, where we worked out which areas of the country were the areas of greatest need around careers and enterprise requirements so that we could focus our money in those areas. We ran that report internally. It was something our own team did. Over the couple of years following, we did a few other



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reports that did the same sort of thing. They essentially lay out the state of the—

Q805 **Chair:** How are those reports funded?

Claudia Harris: They are funded through the grant we receive, but some of them are done by our own teams.

Q806 **Chair:** How much did the nine reports cost?

Claudia Harris: Which reports?

Chair: You published nine research reports.

Claudia Harris: Nine research reports: it will depend on which report. For example, "Understanding the Careers Cold Spots 2016" and the "State of the Nation 2017" reports are reports that we have run internally, using data that we collect. Some of the more specialised "What Works" reports—for example, "What Works in Careers and Enterprise"—we will commission external organisations that are more expert than us to do.

Christine Hodgson: Over the three-year period, we have spent £900,000 on research.

Q807 **Chair:** So £900,000 on research: that is money not going to the frontline. Why do you need to spend money on that when you could have think tanks outside do these things or universities or the DfE? Why?

Claudia Harris: Let me answer that. The research plays three roles for us. One is that we want to make sure that where we put the money to work is focused on need. That is quite a big aim of everything we do. It is part of our strategy.

Q808 **Chair:** The DfE has done a lot of work on that. There is the Sutton Trust, which does a lot of work on need. Why do you need to spend £900,000, money that could be spent on frontline careers advice in schools, on being a think tank, which is not your role?

Claudia Harris: There are three things that we do. One is to allocate the money effectively. Another is that we ask employers to do lots of activities in schools and we need to help them and the schools understand what the most high impact things to do are. The third thing is that we have to evaluate all our work. We evaluate the impact of the investment fund and the Enterprise Adviser Network. What I would say exactly to your point is that a lot of the research that we use, probably the majority of it, is work conducted by other people. For example, we cite the Gatsby Foundation's research, the Education and Employers Taskforce—

Q809 **Chair:** I know, but it is still nearly £1 million on research reports. No one is objecting to the money, but to how it is spent. It should be spent on the frontline. There are lots of other organisations that could do this



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research for very little money and which already do it.

Claudia Harris: We often do work with those organisations. We do commission other organisations. However, making sure that we are spending in the areas of need, that people doing the activities have the biggest impact and also in particular that we do evaluations properly is really important, to make sure that once we have spent the money, we know what the impact has been and we can improve it. For the big think pieces we largely do go to the Gatsby Foundation, the Education and Employers Taskforce—

Q810 **Chair:** How much do you plan to spend on these kinds of reports in future?

Claudia Harris: Our plan would be to continue to do those three types of work: understanding where the need is, understanding what works in the areas that we particularly focus on—

Q811 **Chair:** How much will you spending on future reports over the next year or two years?

Claudia Harris: Let me come back to you with our budgeted plan.

Q812 **Chair:** You must have an idea.

Christine Hodgson: I think it would be of a similar magnitude.

Claudia Harris: That is over three years—

Christine Hodgson: That number was over three years, yes.

Claudia Harris: So I guess one-third of that—

Q813 **Chair:** So another £1 million on publishing reports over the next three years?

Claudia Harris: That would be our plan, yes.

Q814 **Chair:** You do not think that money would be better spent on the frontline?

Christine Hodgson: As Claudia said, we do work with partners. We have worked with the Education Endowment Foundation—

Q815 **Chair:** That is fine, but you are still spending that money when you could be doing that and not spending the money, but putting it on the frontline.

Christine Hodgson: Yes, but as Claudia alluded to, even if you look back to the original cold spots analysis, nobody else had pulled that information together. That report did inform where we started to place our greatest focus. I think it was an essential piece of work for us to do.

Q816 **Chair:** Looking at your reports and so on, I see you list the names of the LEPs and other careers companies that you give moneys to, but not



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necessarily the amounts, nor do you put in much in the way of impact assessment. Why is that? Also, am I right to say that you do not publish your board minutes?

Claudia Harris: We have published impact assessments. There are a couple. One was on the first couple of years of the Enterprise Adviser Network and I can talk about what that says. We are just about to publish the impact assessment on the investment fund. We do publish those.

Q817 **Chair:** What do the impact assessments contain?

Claudia Harris: As an example, the Enterprise Adviser Network was assessed for the first two years. The assessment found that the level of employer engagement in the schools and colleges we work with had gone up in line with what we had anticipated in the goal of the programme. We had a 50% increase in employer engagement. It also looked at whether we were engaging new employers or just employers that had done this previously and it found that we were engaging new 3,500 employers. It also checked whether schools were comfortable with their network and we found that 80% of schools found this to be an effective programme and 50% saw it as a CPD development opportunity because of the engagement with employers. We checked that the employers we worked with were having positive impact—

Q818 **Chair:** Do you publish these results?

Claudia Harris: Yes. They are on our website.

Q819 **Chair:** Do you publish your board minutes?

Claudia Harris: That is part of what the money is spent on, doing that sort of evaluation, exactly for that reason.

Chair: Do you publish your board minutes?

Christine Hodgson: We do not publish board minutes.

Q820 **Chair:** Why not?

Christine Hodgson: We are an independent organisation. All our activities are transparent and so—

Q821 **Chair:** Given that you get money from the Government, surely you should publish board minutes. What is the harm in it?

Christine Hodgson: We could certainly take that away and look at it. All of our activity is published, everything is shared with a huge group, the network that we work with, whether that is our own ambassador network, whether it is the head teacher group, whether it is the employer group, so there is full transparency on everything we are doing.

Q822 **Chair:** The annual report does not say a huge amount in terms of how the individual funding you get from the DfE is given out and what projects it is spent on. Why is that?



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Claudia Harris: There is no particular reason for it. It may be that it would be a sensible thing for us to consider next time. We can talk to you about how the funding breaks down if that would be helpful.

Q823 **Chair:** Why do you not publish it so people can see what the money is being spent on?

Christine Hodgson: We will look at that. There is absolutely nothing, no reason not to do that.

Claudia Harris: Our accounts are published.

Q824 **Chair:** In your 2017 report, you say you, "surpassed the target of supporting more than 250,000 young people through the first investment fund six months ahead of schedule". What does "supporting" mean in practice? What does it mean to count a young person towards this figure?

Claudia Harris: This is another example of one of the pieces of research that we funded out of our £900,000. This related to the first investment fund that we put out in 2015. We ran the cold spot analysis. We then asked people to bid and we put money out to organisations, 75% of it into these cold spot areas of need. Then we tracked from each organisation how many young people they were working with. For example, Ahead Partnership is working with several thousand young people; WorldSkills is working with 700 young people.

Those numbers are sent by an independent evaluator and from each organisation we are collecting that data and tracking that they are on track in terms of the numbers of young people that we are supporting. What has happened in this case is that some of the programmes have been so successful and have been so embedded that they have managed to reach out to more young people. We were expecting to help 250,000, but have actually helped 380,000, which we are really pleased about.

Q825 **Chair:** We have done a survey, thanks to the Teacher Tapp by Laura McInerney, about the Careers & Enterprise Company. It had 2,500 people respond from all over the place. That is quite a good response rate. Our question was, "Does your school use the Careers & Enterprise Company?" and 67% said, "No, I don't think so," and 24% said, "No, I am certain we don't." Another question was, "Regardless of whether your school uses the Careers & Enterprise Company, what is your view of its overall effectiveness?" and 88% said they do not know enough about the Careers & Enterprise Company. There are other parts to the survey, but in essence those two are the key parts. Could you comment on that?

Claudia Harris: Absolutely. We looked at that data as well. What we saw in it was that, as you say, about 9% of teachers say that they do use the Careers & Enterprise Company. We thought that was not an unreasonable number because our activities are aimed at head teachers and often the careers leader in the school. If you are surveying all teachers in schools and 9% of them say that they use the Careers & Enterprise Company,



there are two reasons why we think that is not a bad response. One is that is all teachers, so it is not just people who are focused on careers. The second is that we often are not forward-leading with our brand in schools. Schools might be working with our enterprise co-ordinator and might not know that the person is from the Careers & Enterprise Company. We do not push that very hard.

Schools also may be working with funded programmes and they never talk about the Careers & Enterprise Company. If they are doing the work with WorldSkills, Future First or any of these organisations, the Ahead Partnership, they probably would not know it was us. Of those 9%, the survey showed that 77% of them thought our services were effective, so that is almost 80%. Again, we thought that was quite a positive read.

Q826 **Chair:** Still a huge number, over 90%, are either not sure or they do not think they know.

Claudia Harris: Brand awareness could be improved.

Q827 **Chair:** Given that you have been around for three years, that figure is very high.

Claudia Harris: Absolutely, and we read it. We love looking at data and our take away from it was that we do need to think about brand awareness. It would be interesting to know how it breaks down for different types of teacher. It would also be interesting to know whether that would go up if the questions in any particular area looked at the particular programmes that we fund. I do think there is a learning around brand awareness. We were encouraged about the effectiveness number.

Christine Hodgson: Claudia might want to talk about the Compass tool. We have a Compass tool that schools can use to baseline where they are against the Gatsby benchmarks. What has impressed us is how many schools are completing it. Within a very short period, in the last six months, the number of schools completing it is nearly 2,300 and rising, so there is an appetite for schools to look at what they are doing against the Gatsby benchmarks.

Q828 **Chair:** Before I pass to my colleague, Emma, one of your founding principles—Nicky Morgan made the speech when she was Secretary of State for Education to establish you—was to set up a digital passport. That has not happened. You spent money on research on it in the very beginning, but now it has fallen by the wayside. Given that this was a fundamental part of your organisation, what has gone wrong?

Christine Hodgson: I can answer that. When we were set up, Nicky Morgan asked us to do three things. She said to first of all create the network of enterprise advisers. The second thing was to launch an investment fund that could scale up activities that were proven to have a good business and school engagement. Third was to set up the passport. In that first year, what we did was obviously all about setting up the company, getting the LEPs on board—



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Q829 **Chair:** We know the history. What has happened?

Christine Hodgson: In the second year we did some research around the passport—

Chair: We know all that. What has happened?

Christine Hodgson: When we get to the third year, last summer, when we were discussing whether we could have the funding to do the implementation with the Department, obviously priorities had changed. As you can see from the careers strategy, there was not the funding for us to do that. The funding has been paused. We would still love to do the passport. We still think it is a superb idea and that it would give young people—

Q830 **Chair:** Given the significant amounts of money you do get—you have chosen to spend £1 million of your money on research reports—could you not have chosen to spend your money to carry on doing what you were founded to do, even though the Department had not given you that particular fund?

Christine Hodgson: Our money was all allocated and agreed with the Department on very specific activities, so we did not have—

Q831 **Chair:** A moment ago you said you were an independent company, an independent organisation.

Christine Hodgson: We are independent, but at the moment the majority of our funding is from Government. As you know, we get the match funding from the LEPs and from the beneficiaries of our fund and we get some pro bono support, but our objectives and our grant letters are very much around delivering certain levels of activity.

Q832 **Chair:** Who is that has put the kibosh on it? Is it the Government that has put the kibosh on it, saying there is no more digital passport?

Christine Hodgson: It is fair to say that project is paused at the moment and we certainly hope that it will be restarted.

Q833 **Chair:** You cannot use your existing funds to develop it yourselves?

Christine Hodgson: Not at the moment.

Q834 **Emma Hardy:** When you were established, you were allocated £5 million to support innovation in careers guidance. What projects has this money been spent on?

Claudia Harris: Is this about the employer engagement fund, the £5 million? I think that is what it is.

Christine Hodgson: The original fund.

Claudia Harris: Yes. We were asked to invest £5 million in employer engagement activities to help more young people have exposure to the world of work. This was following research that young people who have



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multiple engagements with the world of work are significantly less likely to be NEETs and are likely to earn more than those who do not. That first £5 million was invested in 38 projects. We focused 75% of it in the cold spots, the areas of need. We picked proven projects that had a track record because we wanted to support people who had been doing lots of work in this area, but maybe had not had funding. This is the work that has now helped 350,000 young people get encounters with the world of work. There are 3,500 new businesses working with it.

To give you some examples of the kinds of impact that is having, 7,000 young people in the Ahead Partnership were surveyed and 90% of them felt that those activities were making them more confident about their employability skills and their career decision-making; 500 children from WorldSkills were surveyed and I think about 80% of those felt that they now knew more about apprenticeships. It is having real impacts and outcomes for young people.

Q835 Emma Hardy: Earlier this year, I supported National Careers Week, their launch, and they are a fantastic organisation, which operates on a minimal budget. None of the people who work for them are paid, they just have some sponsorship. Through National Careers Week, they organise daily drop-in workshops, careers fairs, employer visits and they do free educational resources. Their website has had over 235,000 hits. They run on minimal funding and have high impact, a proven track record, yet they get no money whatsoever from you. They have repeatedly applied for funding, but have been turned down each time, which to me makes no sense for an organisation that works so well and so effectively. Why do you keep turning down groups like National Careers Week, who are so successful?

Claudia Harris: We also think National Careers Week is amazing and we have been very supportive of them in terms of—

Q836 Emma Hardy: Not financially.

Claudia Harris: We have given them some money this year. I can come back to you with the exact details. We would like to do something more with them. We have talked about how we could do something more. To explain the funding that they applied for, and it is worth explaining, the way the £5 million fund works, we only fund things that run activities with young people at a particular value for money. What we are specifically paying for are activities with young people, and none of what National Careers Week does—which is amazing and which we absolutely do support—is about raising awareness of careers, which is needed in this space.

However, we have very strict rules about that money, that it has to pay for incremental activities of young people. The cost varies. Some of them are ThinkForward, which are more expensive. The problem has been that National Careers Week has not fitted within that. We do know that that is



not ideal and we have spoken to them about how we might be able to give them money in other ways. We would like to support them.

Q837 Emma Hardy: They do work directly with young people. I know, because I attended some of their events. They worked with women and they were talking to girls about having careers in STEM, the Why Me project, which I went down to and supported. They go into schools and they talk to people in schools. They take employers into schools. They do work directly with young people.

Claudia Harris: It did not meet the criteria about the scale of that impact and how many incremental activities it was. We can come back to you with the details because it was one that I did look at in detail. When projects that we instinctively would like to fund do not get funded, we do look at them quite carefully. The problem is that it is quite difficult for us. We have to have a fair process for how we allocate that money. What we would like to do, and we have spoken to National Careers Week about it, is find a way of giving them other sorts of support. We generally do not sponsor things, but sponsorship could be another way of doing it. We are in conversation and we did give them some money this year. I can share details of that with you.

We share your view that they are amazing. They all work, as you say—teachers, volunteers—and in fact Stephen is on our head teachers advisory group. He is brilliant and his social media is amazing. We share your enthusiasm 100%. I understand why you are asking the question and we are looking at ways that we can be supportive.

Q838 Emma Hardy: I hope you can understand the frustration from this side, spending a lot of money on research, but not giving any money to an organisation that is so effective and is doing so much for children and young people in my area, Hull, and around the country. I would like you to take that away and look at ways that you could provide National Careers Week with at least some funding, not even the £900,000—I do not think they would even want that much—but definitely some funding.

Claudia Harris: I absolutely understand and we have been having those conversations. In the Hull area, just to give you a flavour of the £5 million, Greenpower Education Trust—I do not know whether that is an organisation that you are familiar with—did a big race round KCOM Stadium in your area. That was one of the big projects we did fund with the £5 million fund and which a lot of schools in that area were part of. I do take your point and I will look at that.

Q839 Chair: Emma's point is a very important one, because grassroots organisations doing incredible work on the ground miss out, while you are filtering and brokering money between you and Local Enterprise Partnerships, who are then handing out money, where the best way to help careers is through successful organisations, like National Careers Week, that are on the frontline.



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Claudia Harris: Can I respond to that and can I explain how we do spend our money? I do think it is exactly as you say. Over the last three years, we have given £15 million to grassroots organisations that have proven programmes, that have bootstrapped along in years when there has not been so much Government funding. We have backed them and we have helped them.

Q840 **Chair:** Is that money directly to them or is it through LEPs?

Claudia Harris: Direct to them.

Christine Hodgson: Direct.

Claudia Harris: To give you a flavour, we are 10 times oversubscribed for that money. It is a very difficult process. In our first fund, we had £5 million and we had applications worth £50 million. We have to run a process to decide how we allocate that money. We also find that lots of organisations that we would like to give money to we cannot, because we do not have quite enough, but we do now fund 100 programmes that are all grassroots. To give you some examples—they will be organisations that you will be familiar with—WorldSkills and their amazing skills ambassadors going into schools and bringing apprenticeships to life, which is an amazing programme; Future First, which helps schools to identify their alumni, bringing them back into schools, we fund them.

Q841 **Chair:** Those are all very large organisations. They are very good and it is good that they are getting money, but they are large organisations.

Claudia Harris: The reason we fund 100 is because a lot of them are very small, local organisations. When we started doing the work we thought that there would be, say, 10 big ones that would be the obvious ones to fund. A lot of people said, "This is a very fragmented area, why don't you consolidate?" but in any given area, we also get local engagement about who people want to fund. As a result, it often is very small organisations that do get funded locally and often they are ex-Connexions service. In Merseyside, Career Connect is one of the ones we funded. There are former EBPs in local areas. There are lots of very small grassroots organisations. I can't give you the exact number, but I imagine about half our money goes into much smaller local organisations.

Q842 **Trudy Harrison:** I am going to touch on the £900,000 that has been spent on research. To me, it would seem like a fairly simple project to understand where the highest levels of youth unemployment are and those would be the target areas and the measure of your success would be whether that youth unemployment had improved. Do you have any evidence of that, because you have been operating for three years now? I would hope that would start to show.

Claudia Harris: It is a great question. On that cold spots work, which we did do in-house, that was just a matter of us getting administrative data. It was quite complicated, just because the data is not organised in the same units, Local Enterprise Partnerships versus local authorities, but it



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was done in-house. This is what we look at and what we have seen over the last three years is that the cold spots are warming up.

Q843 Trudy Harrison: What is a cold spot?

Claudia Harris: A cold spot is an area of the country where the five or six indicators that we look at as prioritisation indicators for this are particularly poor. We look at where there is deprivation, because we know that deprivation is correlated with this. We look at school results, the GCSE outcomes. We look at apprenticeship starts. We look at how many young people take STEM A-levels and how many women take STEM A-levels. We look at NEETs outcomes and we look at what employers say about young people entering the world of work. Then we just look at which areas of the country are particularly poor on those indicators and then we focus our money there. For example, Tees Valley, Black Country, Cornwall have all taken large chunks of our money because of those areas being areas that are cold. We monitor that and what you are seeing is that over the last few years, the number of cold spots is going down, so the indicators are improving.

Q844 Trudy Harrison: If we take NEETs as an easy-to-understand example, how has the number of NEETs reduced in the areas where you have been working?

Claudia Harris: Let me come back to you. I can have a look at that, at exactly what the numbers are.

Chair: You should know the answers to that. That is a pretty simple question.

Claudia Harris: I will come back to you. Honestly, I do not know. What we do know is that overall—

Q845 Trudy Harrison: Surely that is the most simple measure of your success, whether youth unemployment and young people not in education or training have reduced as an outcome of your work. If you do not know that off the top of your head, that concerns me.

Claudia Harris: Let me explain. Because we have only been going for three years, a lot of what we have been focusing on is those intermediate measures that show you that you are going in the right direction to the outcomes, because the young people that we are helping largely will have left education at this stage. Therefore we have focused on, are we getting more interventions in schools for these young people and do the young people say that these interventions are improving their experiences? To understand the outcomes from a young person perspective—we talk about this a lot with our director of research—while the cold spots are improving, what we cannot prove is that is due to our impact. The way that you have to do the work to prove that is to look at an individual level at the young people we are helping and at what their outcomes are. We already have a resource that schools use to track their careers activities. From next year, we are going to start looking at that at a young person



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level. Once you do that, you can make an absolute connection between what you are doing with that young person and what the outcomes are. We are just building towards being able to do that. That is quite a big chunky thing to do, but it is what we are going to do and we will be able to see it. That will come online as those young people are moving out of education. We do agree with that and we will be looking at it.

Trudy Harrison: That sounds like an awful lot of jobs for the boys for what we think is a simple outcome, but I do look forward to you writing to us on that matter.

Q846 **Lucy Allan:** I am very pleased that question has just been raised and you have explained it to us. I totally understand the context, but in any organisation you are going to be measuring impact and outcomes on the people you are trying to help, so measures like progression to employment presumably are something you have, so you do know if the young people you have helped have ended up in employment. Is that right?

Claudia Harris: The way that we work with young people, exactly as we were discussing earlier, is that we fund a lot of organisations that do work with young people and going forward we are going to track it at a young person level.

Q847 **Lucy Allan:** So at the moment, over the last three years, where you have engaged with young people through third parties, you have not followed to see if that young person has gone into employment or not? It should be quite easy. I would not expect you to be able to link the NEETs overall to your work, but the actual individual young people must be capable of being assessed quite easily, because there cannot be that many young people that you cannot collect the data on them.

Christine Hodgson: As Claudia said, what we have not done at the moment is track down to individuals, so we cannot say at the moment that an individual has had these employer encounters and it has resulted in this outcome. What we know from research done by Dr Anthony Mann is that young people who have four or more encounters with the world of work are five times less likely on average to be NEET and on average they will earn up to 22% more. We do know that employment encounters work, so we have been focusing—

Q848 **Lucy Allan:** How do you measure the quality of those employer encounters? Just having an employer encounter—I can have somebody in my office doing not very much for a week or they can have a fantastic week where they are doing all sorts of things in Parliament. The quality of encounters must be more important than quantity.

Claudia Harris: Shall I answer that?

Christine Hodgson: Yes.



Claudia Harris: There are two things on that. One is that what the Anthony Mann research shows is that what matters is that you have multiple engagements, because it is if they see one person and it does not have much of an impact, then they see a second person and it does have a connection for them, then they see a third person and think, "That is a job that I would like to do." His research has pointed to the importance of having multiple encounters.

As for the quality of those encounters, that is one of the reasons that we put a lot of work into assessment of the investment fund projects that we choose. We choose people who have proven track records and then we do look, exactly as you say, at what the impacts on young people are. That is where we get that data on the Ahead Partnership having some amazing results. WorldSkills, Your Life, we track that. What we are looking at is the individuals: are they having positive impacts and are those results being reported back to us? We do look at that.

Q849 **Lucy Allan:** One other question on that. Do you agree that young people's perceptions of the careers advice that they receive is a good indicator of your success?

Claudia Harris: I think what it is a good indicator of is that there has been a long time in this space where young people did not have great career support. What would be a good indicator of our success would be whether, over the time that we are operating, we see improvements in that.

Q850 **Lucy Allan:** At the moment, obviously that is an area of concern?

Claudia Harris: It is an area of concern. A lot of young people are not getting the support. If I just take you back a couple of years, before we started there was no clarity on who in England was getting what support about careers at all. If you wanted to know what a good career was—the Gatsby benchmarks have been a breakthrough in that respect—there was not any consensus on what career support looked like. The Gatsby benchmarks have been very helpful, but what you did not have was clarity on who was getting what support.

What we have created is a tool where schools can identify how they are doing against these Gatsby benchmarks, which were developed by John Holman, and we can now start to track progress. Our "State of the Nation 2017" report basically lays out how many schools are delivering against the Gatsby benchmarks. We have now had 2,300 or 2,400—it goes up every couple of weeks—schools and colleges filling this in and we can now track progress from that over time. That will be a crucial indicator of whether or not things are improving.

Q851 **Chair:** I think the frustration of the Committee is that there seems to be a huge focus from you on inputs rather than what happens at the end. In my previous role, when I discussed these things with you, you said to me, "We are going to do all this," and that was a year ago. Now you are



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saying, "We are going to all this and it will happen next year." I still cannot understand why you do not do proper measurements of the outcomes. You could easily ask the schools, for example, what has happened in those areas. I think that is why the Committee is frustrated because we do not know. You may have been doing a huge amount of good, but no one knows whether you are or not.

Claudia Harris: We do look at that. Again—

Q852 **Chair:** You have just said to both my colleagues that you do not—

Claudia Harris: No, no, because there are just—

Chair: And that it is going to happen possibly in the future, once you have done X, Y and Z.

Claudia Harris: We think that whether or not young people feel that they are more aware of their career options and their choices, whether they feel better prepared for work and understand more about apprenticeships, is an important outcome and we are measuring those things.

Q853 **Chair:** Give us the figures, then.

Claudia Harris: If you take, for example, the Ahead Partnership, which is an organisation that we have supported repeatedly in our funds, 92% of young people felt that the employability activities with employers had developed their awareness of career choices and options and 93%—7,000 young people were surveyed—felt the employability activities helped them to be better prepared for work. The Black Country Consortium, 72% of young people felt that they—

Chair: That is not an outcome. That is what Lucy was saying. Somebody could have a wonderful time, a great time in her office for a week, but whether that person gets a job at the end, that is the crucial thing.

Q854 **Lucy Powell:** One of the problems, if I may say, that is coming to light here is that you are not quite sure what you are for. Are you a delivery organisation, of which there is already the National Careers Service, or are you more like the Education Endowment Foundation, which is there to support best practice and take it to that next level? Would you agree with that?

Claudia Harris: We have been set up as an organisation that is an umbrella to support the many brilliant organisations that are operating in this space to more effectively meet the needs of schools and corral the efforts of employers. We are not delivery. When we were set up originally, we were set up to try to improve employer engagement in schools because it is very patchy at the moment, but we know it has a big impact. We also know there are lots of good organisations doing it, but they were not being supported to deliver it effectively, so we are the umbrella to help them to do that through co-ordination and funding.

Q855 **Lucy Powell:** That was my understanding of what you should be doing,



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but I am not sure that is what you are describing and I am not sure it is what your activities necessarily show. Your budget went from £6 million, which I think would be the right sort of ballpark for that type of strategic organisation, to now being near enough £19 million and you have the Enterprise Adviser Network around the country, which seems to be a sort of delivery arm for specific work. That is why I think there is this sense that this has become a kind of over-bloated quango that is not doing either of these jobs particularly well.

Claudia Harris: Would you like to know how we spend the money, because that might help to explain things?

Q856 **Lucy Powell:** It would perhaps be better if you were just a bit more transparent about how you spend the money so that you would not have to come to this Committee and explain it.

Claudia Harris: We are very happy to be transparent. If you have felt that we have not been, I apologise for that, because there is no reason at all not to be.

Of that £19 million, a large portion goes straight into funding grassroots activities. A lot of the money goes into that. Over the last three years, 50% of our total budget has gone into that. The other big portion of our spend is on co-ordination. We fund 125 co-ordinators across the country. I do not know if any of you have met Denis Heaney in your areas, but hopefully some of you will have met some of our co-ordinators—

Q857 **Lucy Powell:** The feedback on those is not great and I think you probably know that. Somebody has been in touch with the Committee and described these co-ordinators as a woeful waste of public money, someone working in a LEP in another part of the country.

Claudia Harris: An individual may have been in touch with you—

Lucy Powell: A senior person.

Claudia Harris: But in the research that we conducted, 80% of schools said that they thought this was effective and 80% of our employers want to continue working with us. We do have to look at what the research comes back with and we always want to improve on it.

The way that we spend this money is that the majority of it goes into either the funding of grassroots activities or co-ordination, which helps schools to deliver against the Gatsby benchmarks. If you look at how you are doing against the Gatsby benchmarks, you do your audit through your Compass tool and then you connect to either local grassroots organisations or local employers—the FSB has been amazing, the chambers have been amazing, the CBI has been amazing—you connect to those employers, these incredible organisations, small and large, and you get them connected on.

Q858 **Lucy Powell:** Can I suggest, though, that for a £19 million a year budget the impact is just not there? It is the fact that people do not



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know what you are doing, that there is a very mixed picture in terms of what is happening on the ground, that you cannot even come to this Committee and explain the impact of what you are doing. That may be because what you should be focusing more on is evaluation and impact assessment of all these various pots that you are putting money into so that others can go and deliver those to scale. Surely that would be the model I would have thought you were supposed to be doing and therefore you would have very clear evaluations of impact on every single thing that you are doing and would be able to provide scale to that, more like the Education Endowment Foundation does.

Christine Hodgson: Could I comment on what you say about not knowing what we are doing? The network is so important. When we first started out, we were told that it was a blizzard, that there were lots of employers with Tigger-ish enthusiasm wanting to go into schools. We heard the schools' angle, where some schools said, "We have not seen an employer for years," and you had other schools who said, "I get 20 emails a week from the Tigger-ish, enthusiastic employers and I do not know what to do with them, so I press delete." What we were asked to do was to try to co-ordinate that effort to make it easier for businesses to give and easier for schools to receive.

What we are starting to see—for all the negative feedback, we get plenty of positive feedback—is that there is now some semblance of order. We were encouraged to start with the LEPs. We went out to 39 LEPs to say, "Do you want to partner with us and co-fund with us?" Thirty-nine came back and said yes. We went out to numerous employers to say, "Do you want to work with us to go into schools together, through this co-ordinator network"—

Q859 **Lucy Powell:** What proportion of your expenditure, your budget, is on that type of activity?

Christine Hodgson: Out of £19 million, the funding of the network is just over £6 million. That is co-funded so then we stretch that. For that £6 million, there is matching. Salary costs are co-funded with the LEPs. We effectively gain a regional network because of the fact that the LEPs have offices and resources, which we call upon. Then we are stretching the business resources, because we are not asking the businesses for money; what we are asking the businesses to do is, "Please come and help and bring your"—

Q860 **Lucy Powell:** That is a very different model from supporting myriad grassroots organisations.

Christine Hodgson: No, that is one—

Q861 **Lucy Powell:** I know that is one, but can I suggest that maybe for an organisation that is so young, it feels to me like the Government is giving you these extra things to deliver for it and you are not in a position to do that properly because you do not have the experience and the central knowhow to know how to do it? A network maybe a laudable



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thing, but how much is an enterprise network adviser paid?

Claudia Harris: £50,000.

Christine Hodgson: The enterprise advisers are volunteers. The 2,000 that are operating in schools today are all volunteers from business giving—

Q862 **Lucy Powell:** What is the £6 million spent on?

Christine Hodgson: The enterprise co-ordinator, which is the co-funded co-ordinator who sits in the middle of a cluster of 20 schools, is paid on average about £50,000, including on-costs.

Claudia Harris: So £50,000, including on-costs, is what we advise for that role and Local Enterprise Partnerships then choose the number.

Lucy Powell: That is maybe what a primary head is paid, that sort of salary. Can you justify to me, just while we are on salary costs, why you have a chief marketing officer on £100,000-plus, you have adverts out at the moment for a director of education on £100,000-plus, a head of research on £60,000 to £80,000?

Claudia Harris: Those numbers are not right, actually. I can give you the correct numbers.¹

Q863 **Lucy Powell:** I have the adverts here.

Claudia Harris: £100,000 for a director of education?

Lucy Powell: Yes.

Claudia Harris: That is—

Q864 **Lucy Powell:** A head of research, £60,000 to £70,000; the director of education, £80,000 to £100,000. That is obviously more than any of us in this room earn, not that we mind.

Claudia Harris: All our roles are benchmarked against the Department for Education. We are very careful on salary costs. We can come back to you, in fact, if you want, with detail on salaries, because that is something we are extremely careful about.

Q865 **Lucy Powell:** They sound like enormous salaries to me for the organisation that you are, compared to other people who work in this space.

¹ The Careers and Enterprise Company subsequently submitted the following information:

- The Careers & Enterprise Company do not have anyone in their employment in the role of 'Chief Marketing Officer'. The role does not exist.
- The Director of Education post is advertised at £70 – 80k. The position is on the Careers & Enterprise Company's website and can be found [here](#)
- The Head of Research post is advertised at £60 – 70k. The position is on the Careers & Enterprise Company's website and can be found [here](#)]



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Claudia Harris: We can come back to you on this. We benchmark salaries against the Department for Education and we are very careful about it.

Q866 **Lucy Powell:** So that must be a very, very senior civil service grade that you are looking at for this size of organisation.

Claudia Harris: We look at exactly what the equivalents are and then we benchmark it carefully.

Q867 **Lucy Powell:** Maybe the equivalent should be those that work in the National Careers Service and careers advisers and those who work in schools and elsewhere, rather than—

Claudia Harris: We benchmark both against the Department and also against social sector organisations. We are very careful about that. We would not be paying our director of education £100,000—

Q868 **Lucy Powell:** Those sorts of salaries I am sure would be astounding to most of the people that you are dealing with in schools and elsewhere, because a primary head would be on £50,000 to £55,000 on average, I would think.

Claudia Harris: Enterprise co-ordinators, these are the 120 people we have working across the country. It was a big decision how much we should invest in these people, what should the salaries for these people be and—

Q869 **Lucy Powell:** Who? The co-ordinators?

Claudia Harris: The co-ordinators. We have 120 of them and as Christine says, a lot of our money goes on these people.

Q870 **Lucy Powell:** Not a lot of your money. Less than a third of your money goes to that programme.

Claudia Harris: It is a sizeable chunk. The reason that we decided to invest in their salaries and to make those aspirational roles is because we wanted the people who are working with schools to be of the highest quality.

Q871 **Lucy Powell:** Nice job, if you can get it. Sounds great. Can I just come back to some of the questions we are asking about impact and oversight and so on? Do you think that Ofsted should be looking at what you are doing? Do you think you should be held accountable in the same way that other people who operate in the space are?

Claudia Harris: We do conduct independent evaluations and we would be very open to people looking at the work that we do. As we have said—I can see we have not managed to convey it—we do a lot of evaluation in terms of what the impacts have been.

Q872 **Lucy Powell:** I think the reason you are not able to convey it is you are not able to tell us what that impact is. That is what you need to look at,



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because I do not think you can convey what your purpose is and therefore what your impact is. I might suggest that is because you have been asked to do way too many extra things than what was the original purpose of your organisation.

Claudia Harris: I will have one more go at it. We were asked to help improve employer engagement in schools. In three years, our network is now working with 2,000 out of 3,500 mainstream secondaries and among our network schools, employer engagement has gone up by 50%.

Q873 **Lucy Powell:** But that work does not form most of your expenditure?

Claudia Harris: The other chunk of money has gone into an investment fund that has helped 380,000 young people be supported by grassroots organisations delivering 380,000 encounters with the world of work, and those young people are reporting at 90% levels improvements in their understanding and confidence going into the world of work.

Q874 **Lucy Powell:** Yes, but as we have already described, there is no quality assessment of that, is there?

Claudia Harris: Which is why we are asking young people and why we evaluate impact.

Q875 **Lucy Powell:** Yes, but I think the fact that you could not answer a question about what impact it has had on employability and so on is—

Claudia Harris: As I say, young people do feel more confident.

Lucy Powell: Yes. Anyway, I will come back to you later.

Q876 **Ian Mearns:** I must admit some frustration about this. In a previous life, I was chair of an organisation called Tyneside Careers, which provided independent advice and guidance for a cohort of about 10,000 youngsters across the four Tyneside local authority areas. I cannot help feeling that we were a lot more strategic in our thinking and planning than what I am hearing as evidence before this Committee this morning. When we measure outcomes, it should be that a positive outcome is a job with prospects of progression, a training place or apprenticeship, or a permanent place in full-time education. That is an outcome.

I am not convinced that anything I have heard this morning is telling me what the outcomes for the young people that you are engaging with are. An engagement with a young person is called an “encounter”, I believe. An encounter means what? To me, it does not mean an outcome. It means that they have had some sort of interaction with someone—a volunteer, quite possibly—yet I do not know how well and how appropriately volunteers are recruited and trained and monitored. I do not know how that happens. I am not getting anything about that.

You are rolling out the careers hubs piloted by Gatsby and both you and they are producing guides for schools on implementing the benchmarks. Why are you and Gatsby both producing guides on how to implement the



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benchmarks? Is that not completely wasteful or are the guides that you are producing different from the guides that they are producing? Are there some inconsistencies between the two? Why is that happening?

Claudia Harris: As you say, we are rolling out the Gatsby pilot that was piloted in the north-east and it has been very successful. They have looked at some of the outcomes from young people and I am sure we could also give you some more detail on that. We know that the career strategy has set very high expectations now in terms of what schools need to do, so schools now need to deliver against the Gatsby benchmarks, which we think is very valuable and is an excellent piece of work. They need to have a careers leader in place in September and they need to deliver an encounter a year for all young people. That is a lot for schools to do, and I think both us and the Gatsby Foundation are very keen to make sure that we are providing the support to help those schools make that progress.

The guidance that we have created on the Gatsby benchmarks was created last year and it is a way for schools to deliver this. We wanted to share that again with schools so that they would know how they could get going on it, because we want to help schools deliver against this really ambitious, but I think quite exciting, programme.

Christine Hodgson: Can I pick up on your point about encounters that you mentioned initially? Of course, ultimately, what we are trying to do is improve the employer engagement with schools, because the evidence shows that those encounters lead to positive outcomes. At the moment, less than three years since we were in operation, we are focused on making sure that young people get meaningful, inspiring and relevant encounters. We hope that will then improve their career readiness, increase their confidence and show them the relevance of education. Some of these young people do not realise the relevance of education. Hopefully, all that will ultimately lead to better destinations.

Of course, it is not just about counting the number of encounters and then just hoping. It is about trying to shine a light on the really good business and school engagement that happens and trying to amplify that and take it also to some of the cold spots, where previously there was none of this sort of activity. It is not that the encounter in itself is an end. The evidence shows that is a very useful means to then get a positive final destination.

Q877 **Ian Mearns:** You did say that employer engagement was up by 50%, but 50% from what?

Claudia Harris: From a low base. That is exactly the challenge, it is from a really low base, so we are at the beginning of a journey on this, but we can now measure it.

Q878 **Ian Mearns:** The thing is you did mention that the number of NEETs in the north-east had gone down. What evidence is that based on?



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Claudia Harris: That is evidence that we have from the Gatsby work that was done on that, so we can share that with you.

Q879 **Ian Mearns:** That might be a one-off, if that is a year-on-year thing. From my perspective, I would need to see sustained evidence over a period of years.

Claudia Harris: We do absolutely agree with that. I think what you see us doing here is trying to put in place the foundations in our schools of the activities that the best evidence suggests will lead to these outcomes. We think that to get over 2,000 schools trying to deliver against these benchmarks is a really positive step forward in that respect.

Q880 **Ian Mearns:** Could you provide us with a regional breakdown of where the 2,000 schools are, please?

Claudia Harris: Yes, of course.

Christine Hodgson: Also, Ian, can we pick up one of the other points? Claudia, perhaps you could talk to it. Ian asked the question about the training that we do for our enterprise co-ordinators and enterprise advisers, because that is obviously key.

Claudia Harris: Yes. There are different kinds of volunteer and some of the volunteers work with the grassroots organisations. One of the things that we look at is how they work with their volunteers when we are making the assessment. Our enterprise advisers are recruited through the Local Enterprise Partnership. They work very closely with the co-ordinators. These co-ordinators are trained. The co-ordinators are paid professionals at £50,000 a year and we bring them together every quarter for national training and then they work very closely to train up the enterprise advisers at a local level. We then bring those enterprise advisers together and we have an annual conference that we invite them to come to and there is a detailed road map in terms of all of that.

Q881 **Ian Mearns:** How many encounters are we expecting an individual volunteer to engage in?

Claudia Harris: The role is not to deliver the encounters, and again we had a lot of debate about this. Their role is to unlock the relationships locally. What we find is that lots of schools will be operating in an area where there is a lot of local industry, but they will not have good networks into that local industry, whether it is New Anglia and the huge offshore wind industry—

Q882 **Chair:** To clarify, what do you define as an encounter?

Claudia Harris: It is an exposure between a young person and an employer.

Q883 **Chair:** Could that just be in an assembly?

Claudia Harris: It could be assembly.



Q884 **Chair:** Could it be one-to-one as well?

Claudia Harris: It could range. When you look at our investment fund, we fund both light-touch activities and also things that cost up to £1,000 a year.

Q885 **Chair:** If they have one assembly once a year, do you class that as a success? Do you class that as an encounter?

Claudia Harris: That is what the minimum requirement is.

Chair: Do you class it—yes or no—as an encounter, if an employer comes to an assembly?

Claudia Harris: That is what is defined as an encounter. That is what the Gatsby minimum is, but we absolutely want young people to have more than that. I think it is worth saying that even to get to that minimum we are a long way off.

Q886 **Chair:** When you are saying you have all these encounters, they can be pretty minimal? It is not a great measure of quality.

Claudia Harris: No, but we can give you all the details. As I said, the research—

Q887 **Chair:** Does an assembly really class as a meaningful encounter?

Claudia Harris: Because of the way the research works, we have multiple different engagements and it has this big impact. Of the things that we fund, we do fund things that are much more intensive. They are typically much more expensive, so mentoring is about £200 per young person. Mentoring for young people who come from more difficult backgrounds can be up to £1,000 per young person.

Q888 **Lucy Allan:** I want to move on to the careers leader's role, if you could perhaps tell us a little bit about how you envisage that working and how it works, but also how effective it is and how important it is to be part of the senior management team and whether there is sufficient funding for it. I am a little bit sceptical that, as a voluntary role, a teacher is going to be able to take this on. Your views on that?

Claudia Harris: Yes. The careers leader's role has been advocated for by many organisations over the last years, so Teach First, the CBI, and the role, exactly as you say, either has to report into the senior leadership team or be on the senior leadership team. It is a senior role in the school.

Q889 **Lucy Allan:** So an existing member of the senior leadership would add it to their portfolio of activities?

Claudia Harris: Different schools would do it in different ways.

Q890 **Lucy Allan:** They would promote a teacher who is not senior leadership or it could be either?



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Claudia Harris: It could be either. What we have put out is guidance around what that role needs to be like. It needs to either report into or be on the senior leadership team and then it needs to have the capabilities of leading the programme of career support. They are in charge of delivering the Gatsby benchmarks and essentially orchestrating that programme of support to young people. We think it is a real breakthrough that that role sits within the schools and college system, because having that embedded at the heart of a school is so powerful. That person will then make sure that that full programme of support is brought to bear in the school.

Q891 **Lucy Allan:** Is this currently happening?

Claudia Harris: Some schools do it and some do not. Obviously, schools that are doing it are delighted that this is something that is now going to be supported and celebrated, and training is going to be made available. Schools that are not doing it are going to look to ways to do it.

Q892 **Lucy Allan:** In terms of the training for that post?

Claudia Harris: The Government has made training bursaries available for 500 schools and we have just run a process to identify a set of training providers who can deliver this training. People have bid to be providers of this training and we are now going through that application process. We will then have a set of training providers that we are willing to pay for the bursaries, then schools can also choose either those training providers or others. We will have quality assurance around those training providers.

Q893 **Lucy Allan:** Are schools providing the cost of training out of their own budget?

Claudia Harris: For 500 schools there is a bursary, where the bursary will cover both the training and also the backfill for the days that the teacher is off doing the training.

Q894 **Lucy Allan:** In the schools where they are not taking this on board, they are not doing it, why is that, do you think?

Claudia Harris: I think it is for a variety of different reasons. It would be to do with priorities. Sometimes it is just that a school is not clear on what best practice looks like. We learnt with the Compass tool, where 2,000 schools are now using that to diagnose performance against the benchmarks, that just knowing what best practice looks like is very helpful for schools. I think this may well be the same.

Q895 **Lucy Allan:** You do not think there is any resistance to the idea and they just find it is too difficult to take on yet another important role? It is a vital role in every school, but to have that alongside other responsibilities is a lot.

Claudia Harris: We have a head teachers group we bring together. It is chaired by Carl Ward, who is the president of ASCL, and has been



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incredibly supportive and helpful. They all came together yesterday, so we had one head teacher from every Local Enterprise Partnership in the country and we take their feedback on what they are doing. They give us very tough, very detailed feedback. They are very enthusiastic about this role. Of course, the people who come to our group are going to be people who are enthusiastic about this work, but they are very enthusiastic about this role and I think that people have received the strategy very positively.

Q896 Lucy Allan: Over the last three years—to move on to something else that has come up today—in terms of your accountability and to whom you report and who is controlling this, I am getting more and more concerned that there is nobody looking at what you are doing. We have had a very thorough session today and I think the comments from my colleagues have been absolutely excellent in terms of their examination of what is going on. Who else is performing a scrutiny role of your activities?

Christine Hodgson: I will take that. We have a grant letter from the Department for Education, which we are held accountable for. We were with Anne Milton last week or the week before, going through the dashboard of our activity and where we are on progress, so we are very much held to account by the Department for Education. Of course, then we have an independent board as well and we hold regular governance meetings and that board also holds the executive team to account.

Q897 Lucy Allan: Is the Department for Education just friendly meetings or are there specific expectations and deadlines, timetables, things that you should be achieving in the pipeline and then feedback where you have not met the requirements?

Christine Hodgson: Absolute total scrutiny.

Q898 Trudy Harrison: How do you take on board the views of young people when designing your strategy and provision?

Claudia Harris: We have young people as part of the way that we do business as usual, so we have apprenticeships, apprentices in our office, we bring people in regularly to do work experience, work placement. Personally, I spend a lot of time in schools myself, talking to young people, and I often ask them, "If you were me, what would you be doing in this situation?" which can be very insightful and very helpful. When we look at the impact we are having and how young people are responding to it, that is one of the things we are quite thoughtful about in terms of what our next stage iteration of work is going to be.

Q899 Trudy Harrison: What are they telling you?

Claudia Harris: This is where we look at the sorts of response. Recently, we did a piece of work with WorldSkills where we looked at how young people see the world of work. What that found was exactly the point that your colleague was making, where many people do not feel they were



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getting great careers advice. I can get you big fat data, but what they do like best is employer engagement. That is what they had the most of. That was encouraging in terms of what we were doing. That was a piece of work that also looked at how young people were thinking about their own career options and what their aspirations were. One of the things it pointed to was that young women and men have quite different career aspirations, but it also showed that young women who have more role models, it raised their aspirations, so that is quite helpful in terms of thinking about some of the things that we might do in the future.

Q900 Trudy Harrison: When they were explaining that their careers advice had been poor, did they also give an indication of what good careers advice would lead to? I suspect that would be a job for the training, all the things that you cannot comment on how successful you have been in improving. Therefore, how are you taking on young people's perspectives with your strategy to deliver, presumably, their own outcomes?

Christine Hodgson: The best feedback that I personally get from young people is when I go into schools and speak to them. I will never go into a school and speak without taking one of the apprentices. My day job is I am the chairman of Capgemini, the technology and services business in the UK. I always take with me the apprentices and they absolutely connect with young people. When I hold a women's business event, I invite schoolchildren from about 10 schools within London for them to come and meet the people we employ to try to demystify the world of work and try to excite them, and just those interactions.

In fact, some of those young people who have been to those events have now become employees. I know first-hand the power of just helping young people, helping to explain to them what a career in technology looks like. I think what we are doing is just replicated many times over through these employer encounters across the country.

Q901 Ian Mearns: Beyond working across all the Gatsby benchmarks, how will the new career hubs differ from the company's existing work?

Claudia Harris: That is the key difference. The hubs are focused on a full delivery across all of the Gatsby benchmarks, whereas the work that we have been doing to date has been focused on employer engagement. We are going to have special trained careers hubs leads who are trained across all the Gatsby benchmarks.

The other thing is that with the careers leader role, many of the schools and hubs will get the bursaries for the careers leader training, so that will also allow us to test the impact of that training in those hubs in terms of what then happens around Gatsby delivery, following what we learned from the north-east.

Q902 Ian Mearns: I think we have already touched on this, but I am a bit concerned as to why there are no personal outcomes data available



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from the pilot careers hubs.

Claudia Harris: The pilot careers hubs, we can get from Gatsby the best data on that.

Q903 **Ian Mearns:** Will that give us data about outcomes for young people in terms of those who are still NEET, those who are in training, those who are in an apprenticeship, those who are in a full-time job?

Claudia Harris: As we say, the thing that we are at the moment focused on is around employability skills. Do we help them feel more confident, do they feel they have the employability skills? I think we hear that you want to see at a student level the jobs, and that is in the pipeline.

Q904 **Ian Mearns:** To me, that is nothing but essential. How can we properly gauge what outcomes the money that is being invested in this programme is delivering unless we know that there are tangible benefits for the young people who are engaged in these programmes?

Claudia Harris: At the moment, we do look at the cold spots warming up and we do take real comfort from the fact that they are getting warmer. We can share that data with you, which is a lot of the outcomes that you are talking about. It is just not linked at the individual level, but they are warming up.

Ian Mearns: It is not rocket science. It is about 20 years since I was chair of the careers company in Tyneside and technology was not as advanced as it is now, but we had outcomes data for 10,000 youngsters in each cohort. We knew where they were.

Q905 **Lucy Powell:** On that point, I think this is again where we are getting into the difficulty about what you are and the lack of clarity about that. If you are not a delivery organisation, which I do not think you are, that data would not necessarily be the data that you were judging yourselves against. If you looked at something like the Educational Endowment Foundation, a lot of what they invest in turns out to be not very good ideas, and that is just as important a part of learning as investing in things that are the right ideas. You should be looking at a rigorous evaluation of the programmes that you are investing in, as to whether they are good or not, and then looking at whether you can scale those up.

Claudia Harris: I could not agree more with that.

Q906 **Lucy Powell:** I do not think that is what you are explaining to us here or that that is clear enough in terms of what you are doing.

Claudia Harris: We really welcome that comment. In fact, that earlier question about what the research is that we spend the money on is exactly in that space.

Q907 **Lucy Powell:** Yes, but you did not answer that question with that, if I may. Your research documents do look more like think-tank pieces and so on. I was just having a look while we were talking, because of the



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answer to Lucy's earlier question about your board. Obviously, the board is a really important part of this. Alongside the two of you, you have four other members of the board who all look like perfectly decent, well-meaning people. What you do not have on that board—I think this is often the challenge; we see it time and time again on this Committee—is a person or people who can really drill down on the data, who are coming at this from an evaluation point of view, who have been involved in other public sector organisations like this, whether it be Nesta, the EEF, the Early Intervention Foundation, whose entire remit is about evaluation and data. I would suggest, if I may, that you look at strengthening that on your board and within your organisation.

Claudia Harris: Just on the EEF, we are doing that, so we do have evaluations under way with the EEF right now and we have invested in our latest fund to evaluate some of our programmes. The EEF also has been part of the group that helped us in the first fund to choose which projects would go through. We absolutely agree with you about the EEF and we do spend time on that.

Christine Hodgson: EEF, Impetus-PEF, UKCS—because that was still in operation then—they were all part of an expert team that helped us go through all those applications for the initial fund. We are very mindful. Obviously, they have many scars from many years of investing in things.

Q908 **Lucy Powell:** Yes. It is not so much them helping you go through the individual programmes; it is that model. It is about making a bigger impact than what you are yourselves funding. I think maybe by the time you come forward to this Committee next, can I suggest that you do take a bit of time to take stock on what your strategy is? If it is about supporting good practice, then analysing that good practice so that that good practice can be scaled up, you need to say that in a very different way from what you said today. I do not think that is looking at who is on your board, the types of jobs you are advertising; it is what you are doing.

Christine Hodgson: We are. With the EEF, we are doing—

Lucy Powell: Sorry, I think also it is probably better that your demeanour is not constantly like, "We are doing it," because you are not. You are not able to explain that to us and all the feedback we have had from other people and so on is not great, so maybe just take that on board a little bit rather than saying, "We are doing it," because you are not. You are not able to come here and explain it in that way.

Q909 **Chair:** When you said, for example, your research report is all about the outcomes, I am just looking at it here, "Understanding the role of the careers leader". That is nothing about outcomes, how to support careers and enterprise activities in schools, nothing about the outcomes, moments of choice. It goes on and on. These are just think-tank reports that any organisation could do.

To clarify, you have said that you are going to begin this work on output



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and destination data, but you have not given any timeline or details. What is the specific timeline when we will know the destination data of all the organisations that you work with in the schools?

Claudia Harris: Absolutely. From next September, 2019, that is our goal for launching the student level tracking to understand where young people go.

Q910 **Chair:** From September 2019? That is a long way away. You will have been in there five years by then, is that right?

Claudia Harris: That is when we plan to launch it, because we are piloting it now.

Q911 **Chair:** So we will not know anything until 2020?

Claudia Harris: That will take time to come through.

Chair: It is now 2018 and you have been in for three years.

Q912 **Emma Hardy:** I just want to come in quickly, going back to careers leaders. You mention that you are supporting 500 schools. Do you have plans to offer financial support to all schools and what made you choose the 500 schools you did? What were the criteria for picking those schools and where are they?

Claudia Harris: The 500 bursaries is an allocation made by the Department for Education as part of the career strategy. We have offered those to schools. Part of them are going to be in the careers hubs, to make sure we can test how the careers hubs work, and part of them will not be in the careers hubs. Schools can apply to us to have those careers bursaries. They simply have to have gone through various things on a list and show that they are engaged to apply for bursaries.

Q913 **Emma Hardy:** So it is not 500 schools? How many schools, then, have the money, the bursary?

Claudia Harris: It is 500 schools. It will be. We started the process last week. The schools can now apply for the bursaries and we will be allocating them on that basis.

Q914 **Emma Hardy:** If it is something that schools have to proactively do, that probably explains why not a lot of schools have done it. How have you communicated to all schools that this money is available and that it is something that they can apply for and make use of?

Claudia Harris: Sorry, can you explain the question?

Q915 **Emma Hardy:** You are saying that the 500 schools have to apply for this money, so the schools have to be proactive in applying for it?

Christine Hodgson: Yes, it has only just been made available.

Q916 **Emma Hardy:** What I am saying is, how can we broaden this? How can you make all the other schools aware that this money is available and



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that they can apply for it?

Claudia Harris: It is a great question and we are reaching out to schools to let them know that this is now open and to let them know that they should and could be applying for it.

Q917 **Emma Hardy:** What we would be interested in is, where are these 500 schools? What type of children are attending these 500 schools? Are we just offering bursaries and money for careers advice to schools that are in prosperous areas where the children might not need it, or are these 500 schools in the areas of greatest need where the children do need it? What evaluation has been done on these 500 schools and how targeted is this support?

Claudia Harris: A portion of the funding will go to the hubs and the hubs will be chosen based on the level of engagement and the level of need, then a portion will go outside the hubs, so that schools that have a lot of energy for this can also apply for the bursaries, even if they are not in a hub area.

Q918 **Emma Hardy:** I do not want to speak for everyone on the Committee, but I think what we would quite like is that there is targeted support in the areas where it is needed the most. Are there plans to look at the most deprived areas around the country and offer the schools in those areas, "Here is the money to do this careers advice. Here is the bursary."?

Claudia Harris: That is the approach we are taking with the hubs and then a portion of the money is also available outside the hubs. I can come back to you on how the money outside the hubs is allocated. I think what we are doing with that is making an allocation available in every part of the country.

Q919 **Ian Mearns:** Can I quickly ask, in terms of your entire remit given to you by the DfE, what is the age group that you are meant to be looking at in terms of the maximum? Up to 19?

Claudia Harris: Yes, 12 to 18, so the equivalent to secondary.

Q920 **Ian Mearns:** How much will be going in further education colleges?

Claudia Harris: We are pleased to be working with 40% of further education colleges—140 of the further education colleges—and as you will know, some further education colleges operate more like sixth forms and some operate in a very different way. The Gatsby benchmarks, which we are doing a lot of work with at the moment, were built for schools, so at the moment we are working with ASE and others to deliver a Gatsby benchmark for the colleges, which will come online from September.

Q921 **Chair:** How many colleges did you say you were working with?

Claudia Harris: One hundred and forty have signed up to our network.

Q922 **Chair:** What does that mean in practice?



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Claudia Harris: It means that they signed up to work with our enterprise co-ordinators for the same offer that we have for schools at the moment, but as you all know, some colleges have a very different structure. They have many people working in this space, whereas a school might not even have one person.

Q923 **Chair:** How many do you have activity in? You say they have signed up, but what does that mean? How many of them have real CEC activity inside the college?

Claudia Harris: I can give you the exact number: 140 now say they want to work with us, they will be connected into the network and we can tell you exactly the depth of all the different activities.

Q924 **Chair:** The Government Careers Strategy has allocated another £5 million to you specifically to help the disadvantaged. There is not a lot of information from you about how you are targeting your work to the most disadvantaged, particularly in relation to your revamped position. From what we see, you have only committed to spending half of the new £5 million for the disadvantaged or on disadvantaged pupils. There is no detail about how that £2.5 million will be targeted, beyond the fact that you have this virtual wallet piloted in opportunity areas.

Claudia Harris: The way we have focused on the disadvantaged from the very start of the organisation has been this focus on the cold spots. We have tried to make sure that our money goes into the areas of the country that need it the most. We also have been working very closely in the opportunity areas, making sure that we double down there. The £5 million fund will be focused on the disadvantaged and we will be working with the board on the way that we are going to define that.

Q925 **Chair:** It is the other half, so the £2.5 million we can work out that you are spending specifically on the disadvantaged. The other half is directed towards innovation and personal careers guidance. That is not specifically directed towards the disadvantaged.

Claudia Harris: What we have done is take the £5 million and split it, exactly as you say, between employer engagement and personal guidance.

Q926 **Chair:** That is for everyone, which I am not objecting to the money, but it is not specifically for the disadvantaged. The Government gave you £5 million for the disadvantaged. You are spending £2.5 million for the disadvantaged, but not giving the details on it, and the other £2.5 million is being spent on general personal careers guidance.

Claudia Harris: The details on the fund will come out very soon. We are just going to launch that fund in the next few weeks. Let me come back to you on personal guidance. I think we are quite specific that it is spent on the disadvantaged, but I will come back to you and double-check.

Chair: This is the problem with the transparency issue, that you are not



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clear in how the money is spent on individual projects. You do not publish board minutes. From what we have seen, £2.5 million is not being spent specifically on the disadvantaged, even though the Government have given you a total of £5 million to do that.

Q927 Ian Mearns: An observation as well—it would be remiss of me not to do this: it seems to me that you have basically accepted the Government’s methodology on picking where the opportunity areas would be for your investment as well, and there is not an opportunity area in the north-east of England.

Claudia Harris: The cold spots was our independent view of where to invest our money. That is what has driven our money allocation so far.

Christine Hodgson: That was done before the opportunity area.

Claudia Harris: That was part of the original research. We are also working with the Government opportunity areas, that is true, and we know that there is not one in the north-east, but we do invest based on our cold spots. That is where our investment fund has been focused.

Christine Hodgson: As you know, we were not part of the assessment of what should be the opportunity areas. They were chosen because of the lower social mobility.

Q928 Ian Mearns: I am just surprised. There is some contention about why the opportunity areas have been put where they are, and to follow up the Government’s methodology on that and start investing in those areas automatically seems from my perspective a bit strange.

Claudia Harris: As I say, we did start with the cold spots, I think.

Q929 Chair: Just to clarify what Ian has said, you, the Careers & Enterprise Company, have said that careers hubs should be established in areas of need, but you have also stated in the tendering process information that this will factor into less than 30% of the decision-making process. You used different measures, which you have just set out—the opportunity and cold spots. Can you explain that, please?

Claudia Harris: Why only 30% is around need? Is that the question?

Chair: Yes, because that is what is stated in your tendering.

Claudia Harris: The reason for that is that we want to invest the money in the hubs, which are essentially a pilot that we hope will ultimately be scaled up in areas where there is also energy, enthusiasm and leadership locally. We work very carefully to make sure—

Q930 Chair: But you are using funds to help the disadvantaged. Why is that only 30% of your tendering process? It should be the majority.

Claudia Harris: The hubs are not specifically the strategy focused on the disadvantaged. The hub is about proving a model that works and we wanted to make sure it is focused in areas of need, but also—



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Q931 **Chair:** If you wanted to make sure of that, why is it only 30% of the tender?

Claudia Harris: Because we also want to make sure it is in areas where there is a huge amount of energy. There are simply areas of the country that are really engaged in this and making huge strides.

Q932 **Chair:** Why not make it 60% to help the socially disadvantaged? Why make it 30%? Who decided that figure?

Claudia Harris: I think it was a judgment call.

Q933 **Chair:** From whom? From your board?

Claudia Harris: That would be our decision, our judgment call.

Q934 **Chair:** Why? Surely helping the socially disadvantaged should be the whole purpose of what you are doing. You are not just a job centre. You are there to make sure that the most disadvantaged can climb that ladder of opportunity, yet it is only 30% of your tendering process.

Claudia Harris: Like I said, our judgment was that it is really important to also go to where the energy is locally and to help those people who are doing brilliant work locally and putting loads of their energy and leadership in.

Q935 **Chair:** Why not make it at least 50%?

Claudia Harris: We could have done that.

Chair: Again, this is the sort of thing that I just find incomprehensible, how these decisions are made and why they are made. Trudy.

Q936 **Trudy Harrison:** I am keen to understand more about these cold spots. You outlined a kind of methodology of how you would define a cold spot. Is there a list of the coldest cold spots and the warmest hot spots?

Claudia Harris: There is.

Q937 **Trudy Harrison:** What area does that cover? Is it a borough, a county, a school?

Claudia Harris: We have it at the Local Enterprise Partnership level and then we also have it at a local authority level. That is the level we have it at. We also have it at school level. You just do not have all the indicators at the school level because some of them are not collected at school level.

Q938 **Trudy Harrison:** That is all schools in Britain?

Claudia Harris: Yes.

Christine Hodgson: In England, secondary.

Q939 **Trudy Harrison:** All schools in England have been identified on the cold spot chart as to how cool they are?



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Claudia Harris: That is right. We do not publish the data on schools because we do not want to be seen to be punishing schools, but at the LEP level that data is available so that they can then prioritise the coldest schools in their work.

Q940 **Trudy Harrison:** Would you be willing to share that list with us?

Claudia Harris: Yes.

Christine Hodgson: It is published.

Claudia Harris: The local authority and the LEP is all published and we can supply the schools' data to you.

Q941 **Lucy Powell:** Hopefully there is one in the north-east. I am sure there is, one of your cold spots.

Claudia Harris: There is.

Q942 **Lucy Powell:** Getting back to the £5 million fund for social justice and the disadvantaged, that is about to go out to tender, so you must have done pretty much all the work on that now. Without giving away that tendering process too much, can you explain what you are going to do with that and what process you have embarked on to come up with it, given what you have just been asked by the Chair?

Claudia Harris: The employer engagement part of it will go out to programmes that do proven employer engagement activities in areas of need, and the way that we allocate the fund—

Q943 **Lucy Powell:** That will be your cold spots, will it?

Claudia Harris: It will likely be our cold spots. The way that we allocate the funding based on what we have piloted in the opportunity areas is that we now give money to the schools essentially to choose what they want. Schools end up with their portion of our funding and of the things that got through our process, they have proven are safe, schools can then choose what they want from that list. We find that increases engagement and support from schools.

Q944 **Lucy Powell:** For half this money, schools in cold spots or whatever can bid to buy in one of your proven programmes?

Claudia Harris: Yes.

Q945 **Lucy Powell:** It is not just the same schools that are very good at getting grants and getting the—

Claudia Harris: No, we engage with those schools, exactly.

Q946 **Lucy Powell:** You are going to actively encourage? The other half of that money, where is that going?

Claudia Harris: That has gone on personal guidance.



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Q947 **Lucy Powell:** What is the process for that one?

Claudia Harris: On personal guidance, we are looking for examples of world-class personal guidance that we can support, which we can evaluate and that we can then derive lessons for practice.

Q948 **Lucy Powell:** In cold spot areas?

Claudia Harris: That has not been supported enough. I need to come back to you on the areas that this personal guidance is focused on.

Q949 **Lucy Powell:** But the disadvantaged?

Claudia Harris: Yes. I need to come back to you on that, because I need to check where it has been allocated to.

Q950 **Lucy Powell:** Has that already been allocated?

Claudia Harris: That is in train.

Q951 **Lucy Powell:** That tendering process has started and is being allocated. Just to confirm, how much of that is going to disadvantaged areas?

Claudia Harris: That is what I have to confirm back to you and we will come back to the Committee on that.

Q952 **Lucy Powell:** Why do you have to confirm that when this is a disadvantaged pot?

Claudia Harris: No, I just cannot remember. We had a lot of debate about it and I want to give you the accurate data on it. I apologise for not having that.

Q953 **Lucy Powell:** Surely the answer is 100%?

Claudia Harris: I want to remember how we have allocated and what we have defined it to be. I apologise. I need to go back and check that.

Q954 **Lucy Powell:** You cannot be confident that the other half of the disadvantaged pot is going to the disadvantaged?

Claudia Harris: I am pretty sure it is. I just do not want to give you something that is not true. I need to check it.

Q955 **Lucy Powell:** Do you not think this is a pretty important thing to know, as a CEO?

Christine Hodgson: Lucy, everything that we do has always had the lens of the disadvantaged, and this is a part that is geared to that, so all Claudia is—

Q956 **Lucy Powell:** It is not just geared to it. It is for that. It is a £5 million pot for disadvantaged careers promotion.

Claudia Harris: We will come back to you. I am sure that it is, but I just want to get my facts straight on that one.



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Q957 Chair: Thank you for coming today. You can understand from all parties on this Committee there is clear frustration with some of the work you do. I know clearly there are many good things that the Careers & Enterprise Company is doing, but there is a feeling of a lack of transparency in terms of your board minutes and listing individual projects. There are concerns about spending amounting to £2 million on research papers, which is taxpayers' money. You have a giant and confusing structure, which I think Lucy has highlighted. You have advertisements for very high-paid positions, yet you said they were not, and then Lucy read you the advertisement. You still do not have proper destination data and you said it will not come until 2020. That is where our frustration is, while recognising that clearly there are a lot of good things that you are doing on the ground. I hope that when we see you again we can resolve some of these issues constructively.

Claudia Harris: We appreciate the engagement. We have listened carefully and we really hope to try to reassure you in our next encounter. We hope we can come and talk to you again about the things you have raised.

Christine Hodgson: We would love to work with you in each of your areas very specifically.

Chair: Thank you.