

Education Committee

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

Tuesday 17 July 2018

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Members present: Robert Halfon (Chair); Michelle Donelan; James Frith; Emma Hardy; Trudy Harrison; Ian Mearns; Lucy Powell; Mr William Wragg

Questions 1206 - 1322

Witness

I: Rt Hon Anne Milton MP, Minister for Apprenticeships and Skills, Department for Education

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witness

Witness: Rt Hon Anne Milton MP.

Q1206 **Chair:** Good morning, Minister.

Anne Milton: Good morning.

Q1207 **Chair:** It is good to see you. You look suitably bronzed in preparation for summer holidays.

Anne Milton: It is doing departmental work in the garden. Makes it go better.

Q1208 **Chair:** Just for the tape, can you introduce yourself and your title, please?

Anne Milton: Yes. My name is Anne Milton. I am the Minister of State for Apprenticeships and Skills.

Q1209 **Chair:** Thank you. In the AOC conference, you commendably said to FE colleges, and I quote, "You want more money. Everyone wants more money. My job is to be your advocate within Government, making the case for why colleges matter. Money is coming in, but I recognise the challenges you face".

The IFS suggests that funding per student in FE is roughly the same in real terms in 2019-20 as it was 30 years ago in 1990-91. They argue that funding per student in FE will be around 13% lower than funding per pupil aged 11 to 16 in secondary schools in 2017-18. The Education Policy Institute says that historically post-16 education, particularly vocational education, has always suffered in relation to academic qualifications and that compared to other countries in the OECD we fund further education much worse.

I know there is the £500 million, which is incredibly welcome and which I know you will probably mention, but given what you said to the AOC, how much extra money do you think further education colleges and sixth form colleges need in order to catch up?

Anne Milton: We are looking at the sustainability of FE. I do not know the precise figures, but they are in that region. FE funding has fallen against other sectors. I have to mention what we are putting in. There was a pot of £726 million made available for FE colleges for restructuring and exceptional financial support, and we continue to do that with £20 million for T level prep and £500 million for T levels when they are all rolled out. We are putting individual pots of money in to improve things. I think there is a total of £19 million going in to support FE teaching.

Underlying that, it is fair to say that FE does struggle. You alluded to, or said, that technical education and vocational education have always struggled to grab the headlines in the way that university education and school education do. It is incumbent on the Minister in this role—and I take it very seriously at all times on all occasions—to point out that if we



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want to have a workforce with the skills that we need, we need to give it the attention it needs.

Q1210 **Chair:** But how much extra should Treasury give in order to catch up? How much are you asking for, extra?

Anne Milton: Those discussions are obviously going on at the moment—how much we need. What is important, if we make a case to Treasury, is that it is backed with good evidence. That sustainability programme on FE across the board is going to inform the figures that we put to Treasury.

Q1211 **Chair:** Would you say, while not being willing to give a figure, which I understand, that you are making the case to the Treasury that FE needs significantly more funding in order to catch up with other parts of our education system?

Anne Milton: Yes, and I make the case constantly that if Government talk about their priorities, then they must back those priorities with money, to be honest. I do not miss any opportunity to point that out. Obviously there is a formal process for bidding for money from Treasury, but it is important for me to point out to other Ministers and other Government Departments at all times the implications of not properly funding this sector. I must not forget, because they are an important group to me, that further education offers people a second, a third and a fourth chance, and if we do not offer them a chance, they will, in effect, become a burden on the state. There is a long-term financial interest—

Q1212 **Chair:** Is Treasury listening? Are you hopeful that Treasury will give the FE sector extra money?

Anne Milton: I am quite good at making my voice quite loud. They must listen. They will listen to all cases, and they have a process for deciding where to put the money, but I am sure this Committee, and you as Chairman, will use your good offices to make sure that that case is also heard in a different direction. It cannot just come from me. It needs to come from Members of this House, and this Committee in particular is an important part of that.

Q1213 **Chair:** If I can move on—we will probably come on to it a little bit later as well—I want to ask you about subcontracting and top-slicing. The DfE recently told *FE Week*, and I quote, “We’ve no concerns on the level of subcontracting fees being paid by providers. Our data shows that approximately 80% of funding goes straight to the front line”, and there is more. If you look at the average, there are significant outliers. If you take four examples, Learndirect is getting a £19 million top-slice, the WKCIC Group is retaining £832,000, Sunderland Council is getting a £742,000 top-slice, and Nissan £594,000.

There is a quote—you may have seen it—from the principal at Bedford College, Ian Pryce, I think, who tweeted that these contractors do not top-slice; it is all their money, and they decide how much to give the sub.



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That is quite an honest tweet, but do you not think that there is something clearly wrong with the amount in management fees that people are getting? This is taxpayers' money. If you give them that money to provide apprenticeships or other forms of education, and they then just hand it over to someone else and get a whole load of money from the taxpayer for doing very little, surely that is wrong and surely the response from the DfE is wrong too.

Anne Milton: My quote would be that there are some issues with subcontracting. Subcontracting has an important role to play. Colleges can end up doing all the work, working with employers, and economies of scale make it the right thing to do. Also, there are bits of a training programme that a particular institution—a college, say—does not undertake themselves. You will have some subcontracting.

However, I do have issues with any money that does not go to the front line. We have restricted the amount of subcontracting so that you can only subcontract once. It is extraordinary that it was allowed to happen that the subcontractor could then go on and subcontract. I watch it very carefully, like you. It is okay to take a reasonable management and administration fee, and in some instances, if a college is doing all the work with the employers, that might be higher.

Q1214 **Chair:** Do you think there should be a limit on the top-slice that should be received by the organisation? Should it be 20%, 30%, 40%, 50%, 60%?

Anne Milton: I hesitate, because how would you assess what that limit should be and for what? You would have to categorise all the different work that the prime contractor did and put a price on that, which would not be that easy because the sector is so variable. I do not know whether it is a limit or that all subcontracted contracts should be looked at—ie look at what percentage the management fee should be and have a level above which you might investigate further.

Q1215 **Chair:** If I am correct, you said you have no concerns that Learndirect retained a £19 million—

Anne Milton: I think that was the departmental line. I did not say that.

Q1216 **Chair:** Okay, the Department. You represent the Department. The Department said there were no concerns that Learndirect retained a £19 million or 34% top-slice.

Anne Milton: I most certainly did not say that.

Q1217 **Chair:** Did the Department?

Anne Milton: I do not know. I am not sure.

Q1218 **Chair:** The fact is—whoever said it—that they retained a 34% top-slice.

Anne Milton: It is not a line I approved.



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Q1219 **Chair:** Right. What I am saying, again, just to make this general point, is that there is something wrong when these organisations are getting so much money from the taxpayer for doing very little.

Anne Milton: Anybody who is getting money for doing very little, that is wrong. We should bear down where we see instances of that. The SFA are the best ones to look at it. As I say, a possible way of dealing with it would be to put a limit above which further investigation is needed as to exactly what the prime contractor is doing for the money they are being paid. I do share your concerns. There are some issues around subcontracting. That is not to say that some subcontracting does not make sense.

Q1220 **Chair:** Apart from the data collection, what research analysis are you or the Department doing in terms of looking at whether or not the top-slicing is providing genuine value for money?

Anne Milton: We started this by talking about the funding going into further education. Whether the funding is tight or not, we of course want to do it, but we therefore need to be very sure that every pound of taxpayers' money that is spent is giving the maximum value of training to young people. We do not want it diverted.

Q1221 **Lucy Powell:** Just briefly on that contracting point, Minister, we may have raised it with you when you were with us before, but we did raise the value for money point with the SFA, and it was clear to us that no one is doing that value for money assessment.

Anne Milton: As I say, looking at the whole sustainability of FE, this is one of the things that we will—it sounds a bit weak to say it—need to look at. We must do that. We must bear down on any unnecessary costs. I do not think that the FE sector is profligate, because it does not have very much money to be profligate with, but subcontracting is one issue. It is quite useful. Some individual Members bring cases to me about subcontracting. It is not just about the money; it is about the delivery as well.

Q1222 **Lucy Powell:** No, sure. I think what we felt when we looked at this during our inquiry was that the colleges are certainly less likely to be top-slicing in this way.

Anne Milton: Correct, yes.

Q1223 **Lucy Powell:** They certainly do provide quite a lot of value for money, but because of the nature of the original procurement process undertaken by your Department, there were a few preferred providers in some cases, as in the case of Learndirect and so on, and in other cases shell companies that were given contracts over and above the smaller providers. We are then told that the smaller providers had to subcontract from the bigger one. Then there is a top-slice going on that no one knows about. There were problems with the original procurement process.

Anne Milton: Some of this predates my time in the Department.



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Lucy Powell: Yes, I know.

Anne Milton: At the very least, you would hope that lessons have been learnt about Learndirect—the size and the lack of scrutiny. Although it can be quite time-consuming, we do need more scrutiny. We need to make sure that people feel free to report things, because you cannot always keep an eye on everything that is going on. I think those lessons will be learnt. Could I put my hand on my heart and say that there are no other instances going on at the moment? Probably not. But we do look at it very closely now because those lessons have been learnt.

Q1224 **Lucy Powell:** Will future contracting processes for non-levy contracts, for example, have a means by which smaller, specialised providers can directly get a contract from the SFA?

Anne Milton: On procurement, once you have awarded the bids—which we have done; that was in my time—if a small contractor, or a contractor, did not get money awarded through that process, then the only way for them to deliver training is to become a subcontractor for an organisation.

Q1225 **Lucy Powell:** Yes, I know. That is what we are saying is a problem.

Anne Milton: Right. At that point, there is a weakness in the system—a potential in the system for losing taxpayers' money.

Lucy Powell: I am talking about before that. Why can the good, small specialised providers not—

Anne Milton: Okay.

Q1226 **Lucy Powell:** The system was set up such that the big people who can employ the lawyers and the bid writers got the bids, and the small, specialised car mechanics in Hull who provide fantastic apprenticeships could not.

Anne Milton: Not entirely the case. I do not like procurements for that reason, because you set the rules and you try, in the rules, to make sure, for instance, that you allow new providers into the market, but you want to make sure that they are not going to go bust in nine months' time. You want to make sure that there is some room for small providers, but if their turnover is very low, again they are at risk. Essentially, when you do a procurement, you are looking at the learners and making sure that the rules are such that you do protect learners. Unfortunately—

Q1227 **Lucy Powell:** Sure. I think we are just saying the view was that that did not work last time.

Anne Milton: In any procurement, the trouble is that there are some good people who do not always get the bids. Maybe they did not do the bid very well. As you rightly say, big organisations—

Q1228 **Lucy Powell:** And there are bad people who do. There are bad companies who do.



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Anne Milton: Correct. The difficulty is that big providers can afford the overhead and they have the expertise to fill out the bids properly. The procurement that was run was designed to make sure that everybody had a fair crack at it. Inevitably, in any procurement, I wish I could look down the list of providers and say, "These people are delivering lots. Let us give it to them". Rules do not allow us to do so. This is out of my—

Q1229 **Chair:** Surely they do.

Anne Milton: No, they do not. This is out of my control. If the Department could just look at each individual case without running rules, without having a set process—for procurement rules in this country, we could blame the EU, possibly, at this stage, because they are very restrictive. We would be challenged on that.

Lucy Powell: I do not think that is what happened in this case. With respect, Minister, I do not agree.

Q1230 **Chair:** Just to go back to the—

Anne Milton: Any individual case—

Lucy Powell: We have raised those.

Chair: Yes. Just going back to the central case of subcontracting, I recognise that you have concerns about it from what you have said.

Anne Milton: I do.

Q1231 **Chair:** Surely, then, you need to take action by having a limit on the amount of top-slice that can be done. The mayoral combined authorities are considering a top-slice limit in terms of the adult education budget.

Anne Milton: They should do.

Q1232 **Chair:** Why not have a percentage limit? That will stop a lot of the abuse that goes on.

Anne Milton: The only thing I say on the reverse of that is that people tend to spend up to the limit, take up to the limit, and in fact in some instances it might not be appropriate because the prime contractor is not doing that much work. It has to be based on what the prime contractor is doing.

Q1233 **Chair:** Maybe you could specify the limit by how much work—

Anne Milton: That is what I am saying. You would need to have a far more detailed, granular interrogation of what the prime contractor is doing to decide what percentage of the main contract they take in their management fee.

Q1234 **Chair:** Just to understand, are you looking at a possible form of this or are you going to leave things as they are?



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Anne Milton: I do not think we can leave things entirely as they are. I am looking at this. For me, when we look at the sustainability—I do not generally like the word, but everybody knows what it means these days—

Chair: I do not think anyone knows what it means, because it has so many different meanings.

Anne Milton: Exactly.

Q1235 **Chair:** Are you reviewing the top-slicing? Are you going to come to conclusions by the end of the year?

Anne Milton: This is not a cop-out, but I review everything constantly. Across the board with skills and apprenticeships, there is nothing I am not reviewing. Subcontracting is in my list of top six issues that I am dealing with.

Q1236 **Chair:** Before I move on to my colleagues, a couple of other issues. In terms of the £1,000 that goes to providers and employers when they employ someone aged 16 to 19, or who has a history of being in care or in SEND, do you ever assess how the providers use that money? Do you assess whether they use that money, or the money in deprived areas, directly to help the apprentice or just keep the money themselves?

Anne Milton: No. It is interesting you should bring that up, because, as you know, we have given £1,000 to care leavers. We do not always look at the impact of the pots of money we give out and whether they do buy additional support and help. Anecdotally, I would say it does, but I do not think there has been an overall look at it, and we must look at that because although the £1,000 for care leavers is welcomed, we have to—I am constantly doing this—look back and say, “Did it make a difference? Is it the right figure?”

Q1237 **Chair:** That is good. That £1,000 for care leavers is a great thing.

Anne Milton: It is a great thing.

Q1238 **Chair:** It is a brilliant initiative, but other money for helping to fund this goes direct to the provider and the employer. What I am trying to understand is whether they are using it to help those apprentices in terms of pastoral care. Do they get it, or is it just ending up in the pockets of the providers?

Anne Milton: My anecdotal experience is that they are doing that additional work—

Q1239 **Chair:** There is no formal survey or analysis of it?

Anne Milton: No, but we must do that. I wondered when we decided to give care leavers £1,000 whether that is the right sort of help that they need to help them through apprenticeships.

Q1240 **Chair:** Finally, last time you came to the Committee—you probably know the question I am going to ask—you mentioned that you would come



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back with some news, possibly, on transport costs for apprentices.

Anne Milton: Yes.

Q1241 **Chair:** Do you have some good news for us today? Are you going to bring in a programme to do what the manifesto said and help disadvantaged persons who do not have transport?

Anne Milton: I know. I very much wish I could make the headlines and announce that.

Q1242 **Chair:** You mentioned that you would come back with some news.

Anne Milton: Yes.

Q1243 **Chair:** I was very excited about seeing you today, because I was looking forward to hearing something positive.

Anne Milton: Fortunately or unfortunately—unfortunately for me, because this has an impact on me—this is in the hands of the Department for Transport. I have met the Minister responsible. They have done their first stage of work. They are doing a second stage of work, and they will report later this year on how best to deliver this. That is what I have been promised.

Q1244 **Chair:** That is very nice to know, but there is nothing to stop the DfE from providing a budget to the Department for Transport to support it. Just to pass it over to the DfT—

Anne Milton: No. Well, if we pass the budget over, there will be less money to spend on something else. That is my problem. We started this, talking about money. It is probably right that it is in the hands of Department for Transport, but I know some local authorities are doing this already. There are some schemes around.

Q1245 **Chair:** When do you think we can make an announcement on it? When will the Government make an announcement?

Anne Milton: I do not know when the Government will make an announcement. I know the Department for Transport are reporting later this year.

Q1246 **Ian Mearns:** I must say, Minister, I am really disappointed in that answer. We already have a situation, under the guardianship of the Department for Transport, where people in rural areas in particular have concessionary travel passes but there are no buses. Unless there is intervention from the Department for Education to make sure students can get to their work placements or their colleges, what will happen is that, if transport does not exist or the costs are prohibitive, most students will not be able to access the work placements or the college tuition that they so desperately need.

Anne Milton: I share your disappointment. I am disappointed that I cannot say more. I can only say—



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Q1247 **Chair:** This has gone on for a year now, since—

Anne Milton: Let me finish.

Chair: Just one second. It has gone on since the 2017 election. Why the previous Secretary of State, the current Secretary of State and you could not just go to the Department for Transport, knock some heads together and say, “We want to implement the manifesto commitment of the election” and just do it—

Anne Milton: Precisely. Chairman, that is precisely—*[Interruption.]* Just let me finish. That is precisely what I have done. I have had a meeting with the Minister responsible and said, “We need to get this sorted”. You are right. In fact, for T levels and industry placements, we are looking at the transport costs and putting money in. We do have to address it—you are absolutely right—but we have to take the money from somewhere. We have to decide. Your Committee may have suggestions about where that money might come from—maybe from subcontracting.

I am not unsympathetic to your case. The reason that you are disappointed is that I am just being honest. I am just telling you how it is. That is how it is. I will continue to bash heads together over the issue of transport for young apprentices.

Q1248 **Chair:** Just to confirm, it is still a commitment to deliver?

Anne Milton: It is still a commitment.

Q1249 **Ian Mearns:** Could I helpfully suggest that the departmental team, including the Secretary of State, quickly rethink the £240 million they have set aside for grammar school expansion? This would benefit young people who need this so much more desperately.

Anne Milton: I am sure the Secretary of State will have heard those comments.

Q1250 **Emma Hardy:** Returning to the issue of FE funding, I am sure that you have seen, as many of us have seen, that there are industrial disputes planned. I have an awful lot of sympathy with the people working in FE, who have seen, year on year, their wages declining in comparison to schoolteachers and other professionals, when they are equally qualified and doing equally as difficult a job in the FE sector. I wondered if you agreed with that. If you did agree with that, would you be looking at funding pay rises for some of the people who work in FE?

Anne Milton: I know the case for FE and there are some difficult decisions the Secretary of State will need to make about teachers’ pay, FE pay and the pay of those working in sixth form colleges. Concurrently, we are running a scheme to get industry experts into teaching. There is a scheme called—

Emma Hardy: We have experts already in teaching. They are not being paid very well.



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Anne Milton: Just let me finish my point. There is a scheme called Taking Teaching Further. We are putting quite a lot of money into that and offering training to industry experts. We are collecting evidence at the moment on the FE workforce. Interestingly—I am going to come to your main point, which is pay—we do not know very much about the FE workforce. We have recently done a survey, and in fact the response has been very high. It is not a sector that we understand terribly well. Your point is well made that if we want to recruit people—

Emma Hardy: And retain the best.

Anne Milton: Yes. They are two slightly separate things. First, you have to have a pull factor. The salary has to be such that it attracts people away from what they are otherwise doing. Then there has to be the feeling that they want to continue to work in that organisation. What I want is a core of FE teachers who stay in the profession. Some people drift in and out.

I cannot comment. The AOC, the Association of Colleges, are the people who are dealing with this. It is not for me personally to decide.

Q1251 **Emma Hardy:** But you could argue for them to have a pay rise. You could argue that they are worth that.

Anne Milton: As I said at the beginning, I will always argue the case for FE, and that includes its teachers. It is not just about its budget and the money available. They do an extraordinary, valuable and quite complex job because they are dealing with a much more complex group of people.

Q1252 **Emma Hardy:** One of the things I asked the Minister for Schools about was the amount of money being paid to CEOs of MATs. That seemed to be increasing above the rate of the money that is being paid to teachers, and that is definitely the case in FE. Seventeen college principals earned over £200,000 in 2016-17. More than one third have enjoyed pay rises of 10%. I am all for people getting paid well for doing a difficult job, but do you think that is something you should look at in FE—that discrepancy between what the CEOs are getting paid and what the people at the chalkface are getting paid?

Anne Milton: Yes, you absolutely have to. We have shone a spotlight on vice chancellors in universities and, I think, across the board. You cannot ignore the fees of top people in FE, in the same way that you cannot ignore them in any sector. The discrepancy between the two, I think, feels quite uncomfortable. It does to me.

It has to be said that FE is very complex. I am glad you made the point. One wants to give people rewards for doing what is a very complex job, but it has to be proportionate. When money is tight, this has to be moderate and it has to send a message to the workforce. If your salary is way in excess of the workforce's pay and they have not had a pay rise for a long time, as the principal, you have to ask yourself what that says about how much you value the workforce.



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Q1253 Emma Hardy: Will you be doing what Lord Agnew is going to do? He has written to some CEOs of multi-academy trusts asking them to look again at some of the pay rises and pay packets of their CEOs. Are you looking to do a similar thing in FE?

Anne Milton: I would look to do a similar thing. We are doing a lot of work around FE and looking at the workforce. I want to understand the workforce better. Who are the people working there? The difficult thing—I just need to mention this—is that in the area where I live, where there is a shortage of skilled workers, if you are a plumber you can probably earn £60,000 or £70,000 a year. Why would you teach in a local college at half that? That is the difficulty. Good, skilled workers do not necessarily come in. They come in often when they no longer want to work the hours, maybe. They might have some health problems. What is slightly distressing at times is the absolute commitment that those people have. They are bringing on a new generation in their trade or skill. We should not be taking advantage of that.

Q1254 Emma Hardy: This is my final question, Minister. I wonder if you have seen the rather hard-hitting editorial by Stephen Exley on the number of pupils that are currently not in education, employment or training. He calculated that there are over 40,000 16 to 18 year-olds not in education, employment or training, despite the fact that the participation age has been raised to 18. The reason he gives is because it is not being properly funded, implemented or monitored. Do you not think that is a very powerful reason why we need to look at funding FE more, to do something about these 40,000 children who are not receiving any education whatsoever?

Anne Milton: It is a very powerful argument, and if we do not address it, we will pay the price, socially and economically, at a later date. It is as simple as that.

Q1255 Emma Hardy: What more can be done for those 40,000 children who are currently not in education, employment or training between the ages of 16 and 18?

Anne Milton: You have to understand that group of people better. Why are they not? What about their home circumstances? Why is nobody picking it up? I am not the Minister for Schools, so I am not completely au fait with the levers local authorities have, but it is a requirement to be in education or training. If you are not and nobody is doing anything about it, there is a hole in the system.

Q1256 Emma Hardy: That is what he said—it has not been properly funded, implemented or monitored. Do you agree with that?

Anne Milton: I suppose one follows on from the other. If it was properly monitored and the proper support was there, they would be in education—some. A proportion—this is me guessing—will be a very difficult group of young people to deal with, with very chaotic lives, who are very difficult to pin down. Some of them might well be homeless, sofa



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surfing or the equivalent, so they will be hard to find. That, I would guess, would be a small proportion, not the majority.

Q1257 Lucy Powell: Turning now to T levels, Minister, obviously there is a great deal of support for the principles behind T levels. No one would argue with that. But there is also a great deal of concern about the implementation of T levels and the delivery, particularly around the timescales. Are you listening to those concerns and acting on them?

Anne Milton: Most definitely.

Q1258 Lucy Powell: In what way?

Anne Milton: We have a complicated work programme with trigger points. I meet with the team once a week. The Secretary of State and I have a follow-up with the senior lead in that team to make sure we are on track with all of the different things that we need to be on track with to make sure they get out in time. It is taking up a lot of my time to make sure. It is not just about delivering it on time; it is about delivering a quality programme on time.

Q1259 Lucy Powell: I agree. We will see, as my questions go on, but I think the point is about whether “right on time” is the time that you are trying to do it to. For example, you obviously want the first of these T levels to be being taught in September 2020, yes?

Anne Milton: The first three, yes.

Q1260 Lucy Powell: Yet the specifications for those will not be ready—even if everything stays on time, as you say—until the spring of that same year, 2020. Is that right? Is that “on time”?

Anne Milton: Because this is being so closely monitored, I would not want to say something that was inaccurate or would change. I am very happy to send you and the Committee all the information I can about the timetable on T levels.

Q1261 Lucy Powell: Okay, I will tell you the timetable. The timetable you have set is that the specifications, even if they stay “on time”, will not be ready until the spring, which is six months before they are being taught. As a parent, I cannot understand why anyone in the autumn before would choose to do those T levels the following autumn. I just do not think that is a realistic timeframe. Do you? Sixth form colleges have their open days in the autumn of the year before.

Anne Milton: We are doing an awful lot of work with the sector. Although that might not be there, the sector is very aware of our plans. The important thing for me about T levels is that it is landing on very fertile ground. We have done a huge amount of work with the 54 who will be the first providers of those T levels. Interestingly, they have not voiced those concerns.

Q1262 Lucy Powell: That is not the case. I met with a group of them recently



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who were at a meeting with you just a couple of weeks ago.

Anne Milton: On industry placements, yes.

Q1263 **Lucy Powell:** Yes. There were very strong concerns being voiced about the timeframe of the 2020 delivery, which no one thinks is possible.

Anne Milton: I think it is possible. We would not have gone ahead if it was not possible. I know the timetable is very tight. A decision was taken to press ahead with 2020.

Q1264 **Lucy Powell:** The Secretary of State's decision?

Anne Milton: The Secretary of State's. He issued the letter. It is right that civil service has to voice its concerns, and this was done in quite a public way, which I think is important. Everybody recognises the situation we are in. I have been amazed at the work those 54 providers have been prepared to put in, work on industry placements, which, of all the things we are doing on T levels, is probably the trickiest bit.

The Challenge organisation—they do work with the NCS, the National Citizen Service—has done some pilots with, I think, 2,000 children and about 850 placements. That is going far better than I hoped. That is working really well. What has been very interesting about T levels is the appetite of employers to take on these young people for what will be over 45 days. I do not underestimate the challenge. I also do not underestimate the challenge in persuading, because parents have to buy into this.

Q1265 **Lucy Powell:** That is the concern: that a fantastic idea, which, you are right, there is a great deal of support and appetite for, could go awry at the off because there is not enough buy-in and the timescales are so tight. Let us just look at that again. For qualifications for which the specifications—even if it is all on time, as you say—will come in the spring, we then have to get employers on board for that September, and you have to get students signing up for that way in advance of those specifications. I just do not see how that is deliverable.

Anne Milton: The employers will be on board before then. We are working with the employers.

Q1266 **Lucy Powell:** Let us take one example, then—the childcare. One of the early T levels is the childcare qualification, is that right?

Anne Milton: It is in childcare, yes.

Q1267 **Lucy Powell:** Obviously, licence to practice has to come as part of that qualification. Is that correct?

Anne Milton: Yes.

Q1268 **Lucy Powell:** There does need to be licence to practice that sits alongside that. To get a licence to practice alongside a qualification for which you are not going to have the specification until the spring is a



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hurdle too high, when in fact the current childcare qualification, level 3, is already very rigorous and well thought of. If I am a parent of a 16-year-old who I am going to an open evening with next autumn, why am I going to choose a qualification that does not have a licence to practice yet, that employers have not bought into yet and for which the qualification has not been specified, when there is a well-understood and strong alternative qualification in childcare that is very rigorous and well thought of? Why would I choose a T level for my child?

Anne Milton: Employers will have bought into them by then. You will have the employment bit.

Q1269 **Lucy Powell:** No, it is the licence to practice. It is a much more difficult part of this qualification.

Anne Milton: Right. The T level content will be different to the existing qualifications. The T level content is fundamentally a different qualification.

The job of persuading parents to accept any new qualification is always quite tough, and we know that not huge numbers will do it in the first instance. I am a parent of four children. If somebody said to me, "Your children could do this new qualification", I would say, "Leave it a year". Instinctively, that is what parents will do. What we will need to do as a Department, and the providers will need to do, is to make absolutely clear what you are getting in addition to any of the existing qualifications that already sit out there.

Q1270 **Lucy Powell:** Yes, and that is what I am saying will be totally unclear at the point when anyone is making those choices. What you are saying basically to us is that you are happy that, for the first year or two, there is very low take-up and it might be quite a soft landing.

Anne Milton: I would not have that expression.

Q1271 **Lucy Powell:** You just said "low take-up". You are expecting a very low take-up.

Anne Milton: No.

Q1272 **Lucy Powell:** I just wonder if that is really going to be the reason for the Secretary of State to overrule everyone on timescales and everything, just to get a handful of people doing it.

Anne Milton: No, no, no. Hang on. There would be a low take-up whenever they were started. If you start them—

Q1273 **Lucy Powell:** Just one final question on this—

Anne Milton: No, let me just finish. If you took five years to put these in place, there would always be a low take-up for a new qualification, inevitably. The take-up will never be great, whenever it comes. I do not think the factors you have mentioned will make that much difference, because parents are naturally and understandably cautious.



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Lucy Powell: On this timescale, just to emphasise the point, there was a Government consultation—a big, massive consultation—that went out on T levels last week, the last week of term, with a closing date of 6 August.

Anne Milton: Yes, they are tight timeframes.

Q1274 **Lucy Powell:** It is also when most schools and colleges have broken up.

Anne Milton: These people, they do do work—but yes, I know the timescales are very tight.

Q1275 **Lucy Powell:** It is a ridiculous timetable that you are trying to backfill by putting in a two and a half week consultation at the end of the school year.

Anne Milton: It is ambitious. I do not think it is too short.

Lucy Powell: Time will tell. I think you are wrong on it.

James Frith: I refer members to my entry in the Register of Interests. Good morning, Minister.

Anne Milton: Good morning.

Q1276 **James Frith:** I find your comments there quite remarkable—that you envisage a moment where you yourself, as a parent considering what is best for your children, would say, presumably to the teacher or head of year, “Leave it there” in regard to the qualifications that you are responsible for delivering successfully and launching. What you are essentially saying is, “Wait and see”. At what point should parents check in on the plausibility of a T level being right for their children if the Minister responsible for launching them is saying, “It is going to be a few years before we get this right”?

Anne Milton: I did not say it would be a few years.

Q1277 **James Frith:** You did say, “Leave it here”.

Anne Milton: No, I—

Q1278 **James Frith:** Why should every other parent of children considering what they do next not also say, “Leave it here”, when the Minister responsible for launching this believes it is not right for your children and that, in fact, these things are not ready?

Anne Milton: I did not say—

Q1279 **James Frith:** You said, “Leave it here”.

Anne Milton: Can I just make sure, Chairman, that the record is correct? I did not say it will be a few years before we get it right. I did not say that. I probably made a mistake in using my own personal experience to emphasise the point that I think all parents are always wary of new qualifications. The point about T levels is that we are introducing them, designed by employers. They are very rigorous. I know that take-up will be low in the first years. It probably was a mistake, Chairman, to use my



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own personal experiences, but I do know we have to do a very good job of making sure that parents—and the providers will be part of doing that—understand that these are a qualification like no other that has been done. It will take a while to convince both young people and their parents that these are a cut above. We know that. We know—

Q1280 James Frith: The parity of esteem argument we hear all the time. It is not enough to simply say, “This is about parity of esteem”, if we then have a failure to launch or a failure to release a qualification that is ready, that ignores the advice of the Permanent Secretary, and that sets a precedent on the Department for Education overruling the Permanent Secretary’s advice on timescale, where delay would have followed delay on this qualification. I am staggered the Minister responsible for the launch also believes we should, “Leave it here”, but I want to ask you a separate line of questioning.

Anne Milton: No, I am going to answer that point briefly, because I feel that you have misquoted me.

Q1281 James Frith: The record will show as to what you have said, Minister.

Anne Milton: I think I said that as a parent, not as a Minister. I am sorry that you feel so disillusioned about T levels. I think they are brilliant, they are a once in a lifetime opportunity.

Q1282 James Frith: Respectfully, they do not yet exist, and that is the problem. They do not exist yet, and it is your job to launch then. There is concern in the industry and there is concern within the sector. To date, I see no serious planning for how a successful launch of T levels encourages our young people to take them, and the Minister herself says, “Leave it here” when considering whether—

Anne Milton: Can I just—

James Frith: I have specific questions.

Anne Milton: Chairman, I am sorry, but I do have to say that as—

Chair: To be fair, I think the Minister is correct in what she says.

Anne Milton: I did not say it as a Minister; I said it as a parent.

Chair: To be fair, the Minister has explained what she said. Let’s move on.

Q1283 James Frith: I absolutely agree. I would like to move on to the industrial placement pilots. The Secretary of State talked about the industrial placement pilots that are ongoing. What are these placement pilots designed to tell us?

Anne Milton: To tell us?

James Frith: Or to help us with?



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Anne Milton: They are not designed to help us. They are designed to help the students get experience in the workplace, in the sector in which they are doing the T levels.

Q1284 **James Frith:** Sorry, but the pilots themselves, what is the feedback? You talked a bit about how they went well.

Anne Milton: I did. I went through the feedback, and I think all of the 54 providers were there—certainly a fair proportion. We wanted to test how receptive employers would be to doing this. The idea was to find out, if you are delivering a T level, what is the appetite for employers, what are the sorts of issues that will be raised in having a young person in the workplace, what sort of support did the young person need, and what did the college or the provider need to do beforehand to get those industry placements in place.

One of the most persuasive presentations I saw was from Yeovil, which is quite a rural area and not somewhere where you think the uptake for employers would be very good. In fact, it was phenomenal. What came out very loud and strongly from that is that you cannot just delegate organising industry placements to somebody within the provider. It has to be a team that is working on this.

There will be an unintended and very welcome consequence that we will see employers working very much more closely with their local colleges. The appetite is there, but it needs work, and as those relationships build—

Chair: Could I just ask you, on all sides, to be very concise, because we are running out of time?

Q1285 **James Frith:** One of the things that you touched on with Yeovil and the rural and coastal communities is the practicalities around numbers of students and the requirement therefore on numbers of placements. Where demand for placements outstrips the supply of placements, what will a college and the students have to do, in your view?

Anne Milton: You cannot get out of the placement—this is an important part of it. As numbers grow, we will have to look exactly at the point that you raise. In some areas, if there is not a suitable industry placement, one might look at other alternatives, but it has to be an integral part. We will need to watch it as that grows. What was encouraging, and what did we learn—the most important thing that we learnt—is that there is a lot more appetite than we thought. The college does need to have a proper department or group of people working with employers, and we need to increase employer awareness of what is required.

Q1286 **Mr William Wragg:** Could I ask you about the Institute of Apprenticeships, and particularly the institute's apprentice panel? In your busy schedule, have you had a chance to think about that?



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Anne Milton: No; I think I have it in my diary though. I do meet hundreds of apprentices.

Q1287 **Mr William Wragg:** I know that you do, but could you expand on the role you see for that panel in challenging the Government and indeed the institute itself, given it is made up of 26 apprentices.

Anne Milton: There is nothing quite as powerful as the experience of somebody who has done it or is doing it. That feedback loop is really important. In the autumn we are bringing in live reporting for both employers and apprentices on their training provision, and that will be immediate, frequent and regular, so that we can further inform not only us as a Department, but the Institute of Apprenticeships, Ofsted and the SFA on the support that they are getting. It is absolutely invaluable, which is why I said at the beginning that I do not undertake a review—I am constantly reviewing everything within my portfolio to see if we could do it better, make it more effective and make it more efficient.

Q1288 **Mr William Wragg:** Is it something you are very much going to take seriously and are not just talking about?

Anne Milton: We are taking it extraordinarily seriously. The other group of people out there that I do get to meet quite a lot of are the young apprenticeship ambassador network, which is another important way of me hearing how it is going and what changes need to be made.

Q1289 **Michelle Donelan:** What are Government doing to promote opportunities for apprenticeships among young people from disadvantaged backgrounds? I know we have talked about the support for care leavers, and we have also talked about the aspect of travel, and that was something that came up when I was on an inquiry with the Skills Commission, but another factor is the fact that disadvantaged children do not always get the advice that they need to pursue higher level apprenticeships. If we are trying to promote degree apprenticeships, we want to ensure that they are for everybody and they are encompassing everybody.

Anne Milton: I would say that there are a lot of strands of work that feed into this. We have a 5 Cities Project going on—Leicester, London, Manchester, Birmingham and Bristol—which is about increasing diversity in apprenticeships. I was at a reporting event recently, and fantastic work is going on in some of those areas—specifically targeting people from BAME backgrounds, but also people who are disadvantaged. That is one piece of work.

Another piece of work is that going on with the apprenticeship diversity champions network, which is employers. I think there are now 60 signed up to that. Those are employers who signed up to specifically targeting people who are less well represented. There are some big-name organisations in that. That will be about people with learning difficulties, maybe physical disabilities or difficulties as well.



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Then I would put in that strand a careers strategy, which I think plays an important role. The famous—the Chairman will know this well—Baker clause enables training providers to come into school. People from disadvantaged backgrounds will be in some educational establishment—in FE or in school—and that is a prime opportunity for them to get to hear about alternatives.

The important point you made about progression is something that—we are doing a review of level 4 and 5 at the moment—is not very well understood in this country. We do not have many people doing level 4 and 5 qualifications. They are a very good path to a degree apprenticeship. A jump from level 3 right up to level 6 isn't necessarily what people want to do—not because they do not have the ability to do it, but maybe they are not necessarily sure about whether they want to stay in that sector. For level 4 and 5, institutes of technology will be a key in developing the sector, and that will be an important point.

The fact that we are monitoring figures for people with learning difficulties and disabilities is important, and we also look at where apprenticeship starts come from. I think these figures are accurate: a quarter of all apprenticeships are from the fifth most deprived areas, which would suggest a higher than average take-up from people who live in disadvantaged areas.

Q1290 Michelle Donelan: Touching on one of the things you said, you mentioned access into schools, but the Citizens Trust found that 40% of teachers still do not discuss apprenticeships with young people.

Chair: Just to come in on that—and you will say, yes, you know that and it is wrong—what are you doing to enforce the Baker clause and to make sure that schools are encouraging apprentices, UTCs or FE colleges to come into the school?

Anne Milton: I got this out because I feel very strongly about this. It is like the career strategy; it is all very good printing it and saying this is what you must do, but what can you do? We have had three Government news articles and news stories released to schools; five articles; a range of newsletters; and two direct all-school e-mails. The Careers and Enterprise Company has also done six roadshows.

Q1291 Chair: What is the stick? That is just a bit of carrot or a bit of news. What is the stick?

Anne Milton: The stick is the fact that it is legislation. What I would say to everybody everywhere I go is that if providers are being refused entry into schools—it is up to providers to request it—they should contact me, because I will personally take it up.

Q1292 Michelle Donelan: It is not just about the access of those providers. It is about when those providers are not in there and about the messages that the teachers are giving day to day.



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Anne Milton: I know. I think I probably said this when I was last before the Committee—and, James, you mentioned it over parity of esteem—but it is very hard. We are battling against the very difficult backdrop of people believing that university is the only route. There were some interesting figures in the Sutton Trust report that were welcome. I am quoting off the top of my head here, but I think 64% of the young people that they surveyed were aware of apprenticeships, which is higher than I thought it would be, to be absolutely honest. I would guess that we are getting some traction. I have talked to the LGA about the role that local authorities can play in helping run apprentice fairs. I know a lot of schools are now doing this. The careers strategy has provided a focus. They now know that they have to give young people an employer encounter because employers are paying the levy, and the employers are now keen to attract apprenticeships. I saw a firm of architects, quite a difficult apprenticeship to do—

Chair: Okay, we really need to be more concise if we can, because there is a fair bit to go through. Thank you. Ian.

Q1293 **Ian Mearns:** There has been significant criticism of the way in which the levy is working, from the CBI and the Engineering Employers Federation. In the light of that criticism and suggested changes from both of those organisations, are the Government planning to make any significant changes in the way in which the levy operates? Also—this comes from the way the levy has been established—there have been some unintended consequences in terms of, for instance, maintained schools in my own borough, mainly primary schools, which between them have lost £600,000 to the levy. I don't think that was ever the intention by the Government when it was brought in. Are you really thinking about making some significant changes in the light of all of those things?

Anne Milton: I spend a lot of my week with businesses. I meet the CBI regularly and frequently, and I also meet small businesses, going through the levy sector by sector to see what changes would make it more useable for that employer. Some of it is lack of information. We are about to produce, with the help of the CBI and other groups of businesses, a factsheet—a myth buster. The issue of pooling has come up—whether employers can pool their levy funds. We have introduced some flexibility, and we will continue to introduce some if they help ensure that the benchmark levies go on the purpose for which they were intended. For instance, we have introduced a 10% transfer. We have just extended it to—

Q1294 **Chair:** The EEF want it to go up to 50%.

Anne Milton: Just let me finish. Now we have changed the rules so that you can transfer it to more than one organisation or other business. I will push it up when it has is being spent. I need the 10%. I need lots of businesses transferring that 10%, and that includes the public sector. I certainly do not have any desire to restrict the ability of companies to transfer their levy funds; I just need to see it spent. I would probably



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have to make the case to other people and say it needs to be spent—90% of employers have spent their 10%, passed their 10% on—

Q1295 Ian Mearns: We need to see that it is spent, but we also need to make sure it is spent on what it was intended for.

Anne Milton: That is the only red line I have—that it is spent on the purpose for which it was intended.

Q1296 Ian Mearns: It sounds, Minister, a bit like a moveable feast, and, therefore, I really think the Department and you should be letting us know exactly where we are at the moment. Some employers may be pushing the boundaries somewhat and getting away with it, and others may be pushing the boundaries and doing it for legitimate purposes. I think everybody out there needs to know what is legitimate and what is not, what works and what does not, and what is allowed and what is not.

Anne Milton: I am happy to send that to the Committee. I think employer awareness of what they can do is reasonably high. They do not understand the flexibilities. Your point about it being used for the purpose for which it is intended is an important one, which is why we watch the figures. The fact that nearly 90% of all apprenticeships are level 2 and 3 is probably a positive thing. What I would like to see is those level 2 and 3 apprentices also being encouraged to move on to level 4 and 5. Progression is very important.

This first year has all been about working with employers to help them understand it. I am amazed at the ignorance. That sounds prejudicial. I am amazed how little the employers understood. We are working with a lot of the trade bodies. I am going to do an article in some of the local government—

Q1297 Ian Mearns: Briefly, I really do think, though, that there should be a specific part of the DfE website that companies can access quite easily.

Anne Milton: The National Apprentice Service—it is on their service, which companies can access.

Q1298 Ian Mearns: My concern is that the representative groups—the CBI, the EEF, the chambers of commerce—only represent a proportion of businesses out there, and we need to get the messages out.

Anne Milton: Correct. The National Apprenticeship Service is a good source of information for employers.

Q1299 Ian Mearns: I would like to know how well schools are using the levy. We have heard from some local authorities that many maintained schools have lost money to the levy—I don't think that was ever intended—so the youngsters in primary schools are not getting everything that they should be getting. We are paying people a premium on one hand and taking money away from the apprenticeship levy on the other hand. It seems kind of counterproductive. What proportion of schools around the country are making use of the levy? Do we know that?



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Anne Milton: Yes, we do know that. I don't have the figures with me, but I could certainly let you have those figures. I think in the public sector it has generally, but not universally, been slower than with business. Some of that is about standards being ready, but there are quite a lot of roles in schools that could also be used for apprenticeships. We have the graduate teaching assistance; that is now ready and is a useful route when we have issues with recruitment of teachers.

Q1300 **Ian Mearns:** Could you let us know in a global sense what proportion of the levy schools have reclaimed—

Anne Milton: Yes, I will do. I can tell you now it is not anything as high as I would like it to be.

Q1301 **Lucy Powell:** A quick question on degree apprenticeships. Can you give a categorical assurance to this Committee that the main degree apprentice will remain? There will be no watering down, no level 7, no degree-level apprenticeship, just a degree apprenticeship?

Anne Milton: No, degree apprenticeships will not change. There are level 6 and level 7 qualifications that do not have a degree in them, although, for sure, those have existed for quite some time in some sectors. I only ever talk about degree apprenticeships.

Q1302 **Lucy Powell:** The IFA are wobbling on that, so can you tell them not to, please?

Anne Milton: Yes.

Lucy Powell: Thank you.

Q1303 **Chair:** Are you aware of this? The complaints?

Anne Milton: Yes, I am.

Q1304 **Chair:** Will you make sure that there is not this backward step in terms of degree apprenticeships?

Anne Milton: If an apprenticeship gives you a degree, it is a degree apprenticeship.

Q1305 **Chair:** A proper and recognised degree apprenticeship, yes?

Anne Milton: It is really important for people not to assume that the apprenticeship at level 6 is any less a qualification than the one to get a degree.

Q1306 **Chair:** You will absolutely make clear to the IFA—

Anne Milton: I will, as a result of this hearing, write to the IFA and make that point.

Lucy Powell: Thank you.

Chair: Thank you very much. That is very good news. Michelle.

Q1307 **Michelle Donelan:** I want to drill down on these career hubs that we



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talked about before and on how you think they would provide an impact. When the Careers and Enterprise Company came to see the Committee, they said that they weren't sure that the whole £5 million would go towards helping those that are disadvantaged. So if they are not saying that the money is going where it should be, are you confident that everything is going to work towards improving careers education and specifically targeting the most disadvantaged in society?

Anne Milton: Yes, those 20 hubs—I think they were launched this week—are an important part of it and are situated in areas of greatest disadvantage. I instinctively find it hard to get my head around something like a hub because it is virtual, and one's concern is always that these things deliver what it says on the tin. They must do that. The Careers and Enterprise Company are very clear from me that I have to see results from this, because it is money going in for people that need it the most, and therefore we have to have results coming out the other end.

Q1308 **Lucy Powell:** Just on the Careers and Enterprise Company, I do not know if you saw our session with them—

Anne Milton: I did not, sadly.

Lucy Powell: Can I suggest that you have a look back through the transcript?

Q1309 **Chair:** You presumably heard about the session?

Anne Milton: Vaguely. I did not see the transcript though.

Lucy Powell: It would be an understatement to say that we thought they were pretty woeful really.

Anne Milton: Did you?

Q1310 **Lucy Powell:** Yes, I am afraid to say. They were unable to really give us any sense of what their impact was—what their actual job role was. It seemed that they had had lots of extra things added on top of what their core purpose was. Are you satisfied with their performance?

Anne Milton: The 20 careers hubs have been set up. Again, it is anecdotal, but I have heard from three schools just recently that the Careers and Enterprise Company have been very useful in giving them access to local employers. It is anecdotal, but it would demonstrate that there is some traction. I will definitely hold the Careers and Enterprise Company to account.

You have a hub lead, you have an enterprise co-ordinator and then you have the volunteers. The enterprise co-ordinator and the hub leader are both paid posts, joint-funded by the LEP and the Careers and Enterprise Company. We are putting money into this.

Q1311 **Lucy Powell:** Do you know how much they are paid?



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Anne Milton: I don't.

Q1312 **Lucy Powell:** Would you be surprised to know it is £55,000-plus a year?

Anne Milton: Okay, well, yes.

Q1313 **Lucy Powell:** The same as a primary head—a small primary head.

Anne Milton: If they are doing the job well, I am happy to pay what we need to pay in order to get the job done well. The proof of the pudding will be in the results that come out the other end.

Lucy Powell: I think that is a big if, because they couldn't give us any—

Q1314 **Chair:** They are spending £900,000 on producing research papers this year, with another £1 million coming up, which they acknowledged to the Committee. Any think tank or university could do that. I would rather that £2 million be spent on the front line. Do you think that is a good use of the money that you are giving them? They seem to be the only organisation untouched by the difficult economy and austerity.

Anne Milton: I share your scepticism, Chairman, about research. I will put a line through a lot of the research that is done. However, on careers, it has been done badly and in a patchy manner all my lifetime, so I think delving into some of the research and looking at the evidence out there—

Chair: There are so many universities who could do all this for nothing.

Anne Milton: I know.

Q1315 **Chair:** Surely that £2 million could be better spent on the front line?

Anne Milton: The Careers and Enterprise Company will have to produce an annual report. I have no doubt this Committee will ask at the time of that report for the Careers and Enterprise Company to come and give evidence again so that you can judge how they have performed. It really matters. It is quite a lot of money and, as you rightly say, there are a lot of other people doing work in this area—our career strategy on its own. However, I think that the Careers and Enterprise Company, from my experience, is having some traction. It is about the connection with—

Q1316 **Chair:** The Careers and Enterprise Company talk a lot about encounters with businesses. What do you think an "encounter" means? A good encounter in terms of pupils and business?

Anne Milton: Essentially, an encounter is for the pupil, not so much for the business, although it can be quite a useful pre-selection process for employers. It has to have meant something to them. Something has to change as a result.

Q1317 **Chair:** The reason I ask that question is the CEC list how many encounters they have organised and so on. When they came to the Committee we said, "Could an encounter be just once a year in a school assembly where a business turns up?" They said, "Yes". That, to me, is not a real encounter. What I—



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Anne Milton: I think it—

Chair: Just let me conclude. In essence, they are spending a lot of money on research papers. They have all these kinds of statistics they give out, but when you look at the detail of the statistics, some of them don't amount to very much. That is why the Committee had significant questions about the role of the CEC and whether it is doing the job or just duplicating a lot of work that is going on already.

Anne Milton: I do not think they are duplicating a lot of work. I am mindful of the concerns the Committee has that the Careers and Enterprise Company has got to, for want of a better word, wash its face. It has to be having a real impact. The thing that schools have found quite difficult, and colleges, too—surprisingly, colleges have found it difficult—is the relationship with employers. In order for careers advice to be meaningful, you have to have that relationship with employers. It takes a lot of work. In my own constituency, to give an example, 180 kids from year 10 were out with employers for the whole day. That is the sort of thing. For some schools that are starting from a low baseline, it would be very hard to establish themselves. The work that I want to see the Careers and Enterprise Company do is that sort of work with schools.

Q1318 **Lucy Powell:** You need to look at our transcript, because what is clear is that they—and I am not sure that you have made it any clearer—are not totally sure what they are. Are they an organisation that designs best practice and then shares that—so a What Works centre—or are they a delivery model? Are they front-line delivery, in which case they need to show outcomes much more clearly? They do not know which of those they are.

Anne Milton: Your point is well made. For me, the Careers and Enterprise Company is key to tying up schools with employers, doing the work that the schools simply would not have the time to do.

Q1319 **Lucy Powell:** Then they need to show outcomes for that.

Anne Milton: Yes.

Lucy Powell: That is only a third of their money, by the way.

Chair: Real outcomes.

Lucy Powell: Yes, actual outcomes.

Chair: These are the final questions in this session, you will be pleased to know.

Q1320 **Ian Mearns:** The Carillion fallout, Minister. We have information from you that 699 were in paid employment and 76 were pending in employment, but still 147 were disengaged. Of the 775 who are either engaged or going to be engaged, do we know what the nature of that employment is? There is a difference between being an apprentice with Carillion, with the prospects of a skill and a career, and working for one of the fast-food outlets.



Anne Milton: Low-skilled, no future job. I know.

Ian Mearns: It is all very well to say they are in employment; it is about the nature of the employment, compared with what they were engaged in before, where you are working towards a skill, with the prospect of a career. In terms of the 147 who are still disengaged, are the Department and the agencies that are working with them still actively trying to chase those up?

Anne Milton: The 147—I did get an update; it occurred to me this might come up, because it is important—are disengaged, despite numerous targeted attempts. There will have to be a point at which we no longer target them, because you cannot go on forever. I do not think we have met that point yet, but we will have to. It is very disappointing, and it demonstrates the tragedy for learners when a company like Carillion goes under. We have lost some young people, and we cannot afford to lose anybody.

Q1321 **Ian Mearns:** In terms of the ones who are engaged, have we done any detailed work to find out the nature of the employment for them?

Anne Milton: It was 706 in paid employment, 71 who are pending terms and conditions agreed, and one moved into full-time education. I have 223 that are actively engaged in the matching process, and we hope to find somebody for them. It is the 147 that I think are the worry.

Q1322 **Ian Mearns:** The 147 are vitally important, and we do not want to lose them, but it is about the nature of the employment for the ones who are in jobs. If they are not in—

Anne Milton: Well, okay, I know. We will continue to follow it; it is important. There are important lessons for us to learn from this, and I think that the CITB should be congratulated for what they have done.

Chair: Could I thank you, Minister?

Anne Milton: I am not going far.

Chair: I know. I was just about to say a special thanks because you are about to do a second session with the Minister for Health, who has just come in. We are going to let you catch your breath and have a five-minute recess, and then we will be back.

Anne Milton: Lovely.