

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## TECHNICAL AND FURTHER EDUCATION BILL

*Third Sitting*

*Thursday 24 November 2016*

*(Morning)*

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### CONTENTS

CLAUSE 1 agreed to.  
Adjourned till this day at Two o'clock.

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**not later than**

**Monday 28 November 2016**

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**The Committee consisted of the following Members:**

*Chairs:* † MR ADRIAN BAILEY, NADINE DORRIES

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| † Argar, Edward ( <i>Charnwood</i> ) (Con)                               | † Marsden, Gordon ( <i>Blackpool South</i> ) (Lab)             |
| † Brabin, Tracy ( <i>Batley and Spen</i> ) (Lab)                         | † Rutley, David ( <i>Macclesfield</i> ) (Con)                  |
| † Donelan, Michelle ( <i>Chippenham</i> ) (Con)                          | † Shah, Naz ( <i>Bradford West</i> ) (Lab)                     |
| † Evennett, David ( <i>Lord Commissioner of Her Majesty's Treasury</i> ) | † Smith, Henry ( <i>Crawley</i> ) (Con)                        |
| † Halfon, Robert ( <i>Minister for Apprenticeships and Skills</i> )      | † Tomlinson, Justin ( <i>North Swindon</i> ) (Con)             |
| † Hopkins, Kelvin ( <i>Luton North</i> ) (Lab)                           | Turner, Karl ( <i>Kingston upon Hull East</i> ) (Lab)          |
| † Jayawardena, Mr Ranil ( <i>North East Hampshire</i> ) (Con)            | † Vara, Mr Shailesh ( <i>North West Cambridgeshire</i> ) (Con) |
| † Kane, Mike ( <i>Wythenshawe and Sale East</i> ) (Lab)                  | Kenneth Fox, Marek Kubala, <i>Committee Clerks</i>             |
| † Mak, Mr Alan ( <i>Havant</i> ) (Con)                                   | † <b>attended the Committee</b>                                |

## Public Bill Committee

Thursday 24 November 2016

(Morning)

[MR ADRIAN BAILEY *in the Chair*]

### Technical and Further Education Bill

11.30 am

**Gordon Marsden** (Blackpool South) (Lab): On a point of order, Mr Bailey. This Bill, which we did not oppose on Second Reading, is full of lots of worthy things, but the devil is in the detail, and the latest detail that we have had was a lengthy policy statement on clause 1 and schedule 1, which was delivered to Members at only 5 o'clock last night. I do not know whether other Members have had an opportunity to look at it—I gather that printed copies are not available, which is a shame, but it will have been emailed to everyone.

The point that I want to make is that it is extremely unhelpful, to put it mildly, for the details on complex issues relating to how the powers in schedule 1 to the Bill will be repatriated into the Apprenticeships, Skills, Children and Learning Act 2009 to be delivered to Committee members at such short notice, leaving us little time to study them, let alone table amendments. I would like to know why it was not possible for this document to be delivered earlier in the week—on Tuesday, for the sake of argument—when we might have had an opportunity to look at it properly. As it is, we have been done a grave disservice.

I remind the Minister and the Government Whip that the document includes the Keeling schedules, which are designed precisely to make complex provisions comprehensible by reference to the earlier legislation that is being changed. That is their purpose. It might also be worth reminding people that Keeling schedules were the innovation of a Conservative Member and were brought about under a Conservative Prime Minister; they are designed to help Government as much as Opposition Back Benchers to do their job.

The other point is that the policy statement makes out that the provisions are merely an add-on to ones taken up in the Enterprise Act 2016, which I am not querying. However, to argue that technical education is a mere add-on to apprenticeships is to diminish its value and to underrate the complexity of what the Government will need to do. That is therefore not a very good argument for saying, “Oh well, this is just a basic set-up of principles in which we have included technical education.”

In view of that, I am asking not only for an explanation from the Minister as to why the documents could not have been made available on Tuesday, but, in fairness, for some consideration to be given to taking manuscript amendments relating to the clause—since I assume it is not possible to reprogramme it at this stage—on Monday and Tuesday. We might then be able to have a broader and more thoughtful discussion. Depending on the Minister's response, I will then ask about the context

and basis of the policy statement for our discussion of amendments this morning, or indeed of clause 1 and schedule 1, if that is what we do.

**The Chair:** Obviously that is not a matter for the Chair. However, the point has been made and I invite the Minister, if he wishes to respond, to do so.

**The Minister for Apprenticeships and Skills (Robert Halfon):** Thank you, Mr Bailey—

**Kelvin Hopkins** (Luton North) (Lab) *rose*—

**The Chair:** Order. Mr Hopkins, is this in support of the point of order?

**Kelvin Hopkins:** It is further to that point of order, Mr Bailey. I just want to support my hon. Friend the Member for Blackpool South. I arrived at the House fairly recently and picked up the paper from my office, but I have not had time to read it, and it is clearly lengthy. I entirely support what he said and hope that the Minister will be accommodating.

**Robert Halfon:** The existing policy statement has already been on the gov.uk website for several weeks, as has the delegated powers memorandum. What was provided last night was an expanded refresh, but we have provided information on the policy, and that is the key point.

**Gordon Marsden:** I appreciate what the Minister says about the original version having been on the website, but the point is that this is not the original but an expanded version. He used the word “refresh”, which, if I may say so, politely, is another slightly slippery term that would be best avoided. This is actually an amended version of what was on the website, which is why we are raising the issue.

We broadly support the principles of the Bill. We are trying to take it forward and do due diligence, as all members of the Committee should want to do. This is not a partisan argument or an opportunity to score points; it is about treating the Committee with the respect it deserves. Hon. Members received a significantly amended version of the policy statement at 5 o'clock last night, without having had any prior indication. I return to my point, which the Minister has not answered: why could this document not have been circulated on Tuesday? Why was it left until 5 o'clock on a Wednesday evening, when many hon. Members perhaps were not looking at, or were unable to look at, their emails? The Minister has heard already that my hon. Friend the Member for Luton North has picked his up only this morning. Frankly, if we want to proceed in a co-operative and friendly way in the Committee, this is no way to run a railway.

**Mr Shailesh Vara** (North West Cambridgeshire) (Con): As a former Minister who has taken Bills through Committee, I am confident that there is no conspiratorial issue here. Regrettably, this does happen with a number of Bills going through Committee. It is happening under a Conservative Government now, but it used to happen when Labour was in government. I am confident that, on the whole, Ministers, of whichever shade of the

political spectrum, mean well and act in good faith, but the reality is that sometimes things appear at the last minute. Those on the Opposition Front Bench simply have to live with it and get on. This is not conspiratorial; it is the way the Government operate, whichever party is in office.

**Gordon Marsden:** I understand the hon. Gentleman's point, and I assume that most of the time these things come about—if I am not using unparliamentary language—as a result of a cock-up, rather than a conspiracy. For the sake of *Hansard*, I stress that I am not saying that that was the case here. What I am saying is that it was not terribly helpful that the document turned up at only 5 o'clock last night. I understand that these issues are quite complex. I might add in passing, however, that some of the discussion in this sitting will be about capacity, and if the Minister's Department did not have the capacity to produce this very important document by Tuesday, that will raise concerns about its capacity to do some of the other things that it needs to do in relation to the Bill.

I am not asking that the document not be looked at. I entirely accept the point made by the hon. Member for North West Cambridgeshire that these things happen, but in the circumstances I think it not unreasonable to ask that hon. Members on both sides of the Committee, who might want to look at some of these issues, should have the opportunity to table amendments in the light of this policy statement. I remind those on the Government Front Bench that clause 1 and schedule 1 deal with most if not all of the meat of the establishment of this new institution, and we should get that right.

**Robert Halfon:** I will just say one final word on the matter. It is important to note that this is existing material. Most of it is already in the public domain—in the Sainsbury report and the explanatory notes. We did not publish it on Tuesday because we wanted to be able to digest the oral evidence session. There is no conspiracy. We were just trying to be helpful to the Committee by ensuring that there was a fuller note on the matter.

**Gordon Marsden:** I entirely accept the Minister's explanation. It is unfortunate that we are in this situation, but I am asking whether, under the circumstances, we will be able to move amendments to clause 1 and schedule 1 by manuscript or on a starred basis at the beginning of next week.

**The Chair:** I am informed that the deadline for tabling amendments is actually the close of business today, so that could be done. The exact timetabling of the order of business is obviously a matter that needs to be determined by informal dialogue between the two Whips, so I leave that in their hands.

**Gordon Marsden:** I do not want to test your patience, Mr Bailey, and I accept what you have said, but on that basis, since we are going to move on to discuss clause 1 and schedule 1, may I establish the status of the policy statement? Does the Minister intend to present and debate that document as part of his remarks on clause 1 or schedule 1, or should we be able to refer to it in cross-questioning?

**The Chair:** I had not seen the statement either, so I will invite the Minister to explain, but first I call Kelvin Hopkins.

**Kelvin Hopkins:** Just for clarification, if it is accepted that we can table amendments to clause 1 and schedule 1 today, does that mean we will not take the stand part debate on clause 1 until later in our sessions?

**The Chair:** The situation is that Members can table amendments if the Committee has not moved on, but if schedule 1 has been taken, they cannot. I call the Minister.

**Robert Halfon:** The policy document does not change anything. As I say, most of it was already in the public domain and we were just trying to help the Committee. We are here to debate the clause and schedule relevant to the issue in hand.

**The Chair:** I will move on to some preliminary announcements. Today we begin line-by-line consideration of the Bill. Members may remove their jackets during Committee meetings. Please ensure that all electronic devices are turned off or switched to silent mode.

The selection list for today's sittings is available in the room and shows how the selected amendments have been grouped for debate. Grouped amendments are generally on the same or similar issues. The Member who has put their name to the leading amendment in a group will be called first. Other Members will then be free to catch my eye and speak to all or any of the amendments in that group. A Member may speak more than once in a debate. I will work on the assumption that the Minister wishes the Committee to reach a decision on all Government amendments.

Please note that decisions on amendments take place not in the order in which amendments are debated, but in the order in which they appear on the amendment paper. In other words, debate occurs according to the selection list and decisions are taken when we come to the clause that the amendment affects. I hope that explanation is helpful. I will use my discretion to decide whether to allow a separate stand part debate on individual clauses and schedules following the debates on the relevant amendments. If any Member wishes to make a declaration of interest, he or she may do so at this point.

**Kelvin Hopkins:** I do not know whether my membership of the governing body of a sixth-form college is relevant, but I declare it anyway.

**The Chair:** Thank you. I remind Committee members that we will consider the clauses and schedules in the order set out in the programme motion that we agreed on Tuesday morning, which is set out at the end of the amendment paper.

### Clause 1

THE INSTITUTE FOR APPRENTICESHIPS AND TECHNICAL  
EDUCATION

11.45 am

*Question proposed,* That the clause stand part of the Bill.

**Robert Halfon:** It is a pleasure to serve under your chairmanship, Mr Bailey. I am very pleased to be here this morning to begin line-by-line consideration of this important Bill. I look forward to debating it with all members of the Committee. I particularly want to convey my thanks to Lord Sainsbury and his Independent Panel on Technical Education for the excellent work that they have done on technical education, which we are now taking forward through the post-16 skills plan in the Bill.

I want to pay significant tribute to my predecessor, my hon. Friend the Member for Grantham and Stamford (Nick Boles), who has been recovering from a serious illness. It was good to see him in the House recently. I want to thank everyone who has taken time to serve on the Committee, and I thank you, Mr Bailey, and Ms Dorries for serving as chairpersons. I thank those who gave oral evidence on Tuesday this week and those who have already submitted written evidence; their expert contribution has got us off to a great start.

Turning to part 1 of the Bill, clause 1 seeks to amend the name of the Institute for Apprenticeships to reflect its wider responsibility for college-based technical education. The Enterprise Act 2016 will establish the Institute for Apprenticeships. The institute is expected to come into operation in April 2017 with apprenticeship functions. The clause, together with schedule 1, will extend the institute's remit to reflect the Government's vision for the skills system set out in the post-16 plan.

The reforms will result in technical education qualifications that are designed around employers' needs. They will support young people and adults to secure sustained employment and will meet the needs of our rapidly changing economy. Measures to extend the institute's remit are important for a number of reasons. As a country, we face a pressing need for more highly skilled people, yet the current system presents a bewildering array of overlapping qualifications with similar aims. We cannot continue to let so many of our young people work their way through a succession of low-level, low-value qualifications that lead at best to low-skilled, low-paid employment.

The Bill will give the Institute for Apprenticeships and Technical Education responsibility for approving high-quality technical qualifications that develop the skills, knowledge and behaviours required by employers for skilled employment. Apprenticeships and college-based technical education courses will be based on a common set of employer-developed standards. This will ensure consistency between the two methods of obtaining a technical education.

Securing a step change in technical education is vital for the productivity of this country. By 2020—we are open and honest about this—the UK is set to fall to 28th out of 33 OECD countries in terms of developing intermediate skills. The size of the post-secondary technical sector in England is extremely small by international standards. That affects our productivity, where we lag behind competitors such as Germany and France by as much as 36%. Unless we take action, we will be left further behind.

A high-quality skills system needs to be distinct from the academic option. Academic qualifications such as A-levels are clearly understood, yet most young people do not go to university. Evidence shows that technical qualifications have long been regarded as inferior to

academic qualifications. Reforming the system so that it provides a clear line of sight to the world of work will ensure that technical education in this country is valued as equally as the academic option.

The reformed technical education system will be built around a clear framework of skilled occupations. Occupational maps will be used to identify the occupations that are suitable for technical education, grouping together those with similar requirements, designing the system around clearly identifiable occupations, and bringing together employers to identify the skills and knowledge needed for those occupations. They will ensure that the new system genuinely meets the needs of individuals, employers and the economy.

It is important that a single organisation is responsible for working with employers and is the custodian of employer-led standards. Giving the institute responsibility at the heart of these reforms will ensure that all technical education provision is closely aligned and of the same high quality. We will ensure that the institute has the skills and capacity to be responsible for technical education when its remit is extended in April 2018. It is right that the institute's name is changed to reflect the wider scope of its responsibilities.

**Gordon Marsden:** I associate myself with the Minister's kind words about his predecessor, the hon. Member for Grantham and Stamford. It is a great pleasure to serve under your chairmanship, Mr Bailey, and that of Ms Dorries. I appreciate that this is quite a technical and detailed Bill, so we will depend upon the skills of the Clerks and hopefully timely policy submissions from the Government to wade our way through it.

The Minister rightly spoke about the broad need for the institute. He talked frankly about the situation in terms of technical skills, which was alluded to recently by the noble Baroness Wolf. It is absolutely right that we have the Institute for Apprenticeships and Technical Education—I do not know whether we are going to have to state that in full all the way through, or perhaps we can use the acronym; I assume the "E" will not be silent. I shall not detain the Committee with the story of why one Government had to change the title of a higher education and lifelong learning department; Members can think about that acronym.

**Robert Halfon:** On a point of order, Mr Bailey. To help the Committee, IFATE is a perfectly acceptable description of the institute during the debate.

**Gordon Marsden:** Great. I shall use it with relish.

We are very much in favour of the establishment of IFATE. We were very much in favour of the establishment of the Institute for Apprenticeships—so much so, in fact, that we anticipated the Government in tabling a clause in which, with our limited capacity as opposed to the civil service's, we tried to spell out what that institute should do. I make that point to issue a caution to the Minister. He is still relatively new to his post, but not to this field; he has a distinguished record in championing apprenticeships, both in person and in policy. I am entirely confident that the principle of everything he has said today is very close to his heart—it is not always close to every Minister's heart, but I think it is in his case—and that he will do his best to take that through.

We did not oppose the Bill's Second Reading, not simply because of the Minister's personal qualities but also because we believe there is a great deal of good in the Bill. However, the devil is in the detail, and the detail that causes us significant concern, and to which my hon. Friend the shadow Secretary of State referred on Second Reading, is the fact that we come to the Bill and to this new institution with a great deal of rather confused and not very comforting baggage.

I remind the Committee that when the Enterprise Bill was originally going through the House of Lords, where it started, there was no concept of an Institute for Apprenticeships at all. If Members consult the *Hansard* report of the House of Lords debates, they will see that there was much discussion on the Government Front Bench as to how the whole issue of standards could be developed. At one stage, a Government spokesperson suggested—whether accurately or otherwise I do not know—that some of it might be the province of trading standards officers. I think most Members here who know the way in which local government has had its trading standards officers cut back in recent years would agree that that is probably an over-optimistic assessment.

In due course the Government decided that they needed to set up an arm's length body, which is why, at a relatively late stage during the Commons debate on the Enterprise Bill—I think it was on Report; I might be wrong—the then Minister, the right hon. Member for Broxtowe (Anna Soubry), tabled an amendment to that effect, which we then debated in Committee. As I said, the Government on that occasion had not got their act together to put a clause down establishing it in the Bill, so we put one down and we discussed it.

I know that no Government like to take anybody else's idea, but we were rather disappointed that, when the Bill eventually came out, it was a fairly standard boilerplate structure, if I can put it that way, for setting up any institution of this sort. As we know, this is an innovation that potentially takes quite a lot of working responsibilities away from the Department for Education and the Skills Funding Agency. I think we are now back in the sort of territory that we were in during the Committee stage of the Higher Education and Research Bill. The Minister I faced then was the Minister for Universities, Science, Research and Innovation, but we had exactly the same conversations in that Committee about the appropriateness of a Bill that established the office for students but did not mandate students to go on to that body. I feel a sense of déjà vu, because we are in exactly the same place with this Bill. We will return to the detail of that amendment in due course, but I mention it now only to illustrate the lack of connectivity that there seems to have been, and the relatively late stage at which guidelines for the Institute for Apprenticeships have been produced.

Hon. Members might also remember that the skills plan was originally intended to be in the Government's academies mark 2 Bill. It disappeared from that Bill at a relatively late stage, when the Government realised that that Bill would be too hot to handle with their Back Benchers. We then had the rather strange situation, again at the very last minute, in which a Government statement about introducing the Bill and laying out its provisions had a little bit tucked in the middle saying, "Oh, by the way, we've decided we don't have to go ahead with the academies issue." I am not here to talk about academies, but I mention that example because

it is illustrative. The hon. Member for North West Cambridgeshire spoke earlier about things that go wrong in Government. It is illustrative of the fact that the Government felt, at a relatively late stage—largely because of their embarrassment over that Bill, some observers believe—that this set of changes, which we welcome, should have separate legislation.

Whatever the reasons for that, we welcome it now, although I will gently say that it would have been better to have been able to discuss some of this in more detail, and possibly to have the Institute for Apprenticeships itself incorporated in the Higher Education and Research Bill. During the passage of that Bill, as the Government Whip will well remember, the Minister for Universities and Research spoke at length about the importance of higher level skills and everything that went with that, so it seems rather bizarre to some of us that this did not go into that Bill in the first place. We will not dwell on that.

What we want and need to dwell on are the issues relating to capacity. Capacity and time in terms of establishment have plagued the Government ever since discussions about the skills plan and the apprenticeship levy started. Sector skills council after sector skills council, employer bodies and providers have all had queasiness about the apprenticeship levy. We, too, support the levy, but we share some of the severe concerns about its implementation. A long list of organisations, including the Confederation of British Industry and the Federation of Small Businesses, have expressed and continue to feel concern about timing and capacity.

12 noon

The Minister is quite right that the information about the institute in the policy statement on clause 1 and schedule 1 reflects much, if not everything, that was in the original web document, which I do not think referred to numbers as such. On page 4, we are told that the estimate is that the institute will initially have about 60 staff, with running costs for the next financial year of about £8 million. We are, of course, promised an implementation plan "in due course". That information was revealed by the current shadow chief executive of the Institute for Apprenticeships and director of both the Skills Funding Agency and the Education Funding Agency, Peter Lauener, when he gave evidence to the Committee on Tuesday. It did not exactly trip off his tongue, but it came out in the end, for which we were grateful, and it is confirmed in the policy statement. Nevertheless, the fact that it has been confirmed only strengthens our concerns about capacity.

It is reasonable to take up some of the points made by the Minister. He rightly spoke of the importance of developing the standards. The policy statement talks about how the institute will

"develop and maintain the quality criteria for approval of apprenticeship standards... at regular intervals, review published standards and assessment plans"

and

"have a role in quality assuring the delivery of...end point assessments, where employer groups have been unable to propose employer-led arrangements."

It also confirms that the institute will launch in April 2017 as a Crown non-departmental public body. That is a long, worthy and laudable list of aspirations, but aspirations do not grow on trees, and nor does the ability to effect them. They cannot be realised without a strong cohort of people to carry them through.

I am worried about the complete lack of clarity that we have had thus far from the Government on just how they propose to perform all those tasks with a relatively shoestring staff of 60, which is the figure that has now been given. The Minister may come back to me and say, “Ah, but of course we are not taking on the more technical education element for another year,” which seems sensible, but to my mind and, I think, that of many outside observers, that will just muddy the water further. People will say, “There are 60 people. How many people are they going to need to take on the technical side? When are they going to take them on—at what point?” We are going to have a chief executive coming in in April to deal with what sound to me like very fragmentary plans in terms of the board and the chief executive. Peter Lauener said that they hoped to have a conclusion on that before Christmas; the Minister might want to respond to that at some point.

I am not alone in saying this; it is being said across the industry, as the Minister will know. The whole thing smacks of—well, I shall not say the Government making it up as they go along, because I do not think that is true, but it certainly smacks of last-minute add-ons. I remind the Minister what my hon. Friend the Member for Hartlepool (Mr Wright), Chair of the Sub-Committee on Education, Skills and the Economy, said on 2 November, when he—the Minister for Apprenticeships and Skills—and the director of apprenticeships at the Department for Education, David Hill, were being questioned by that Committee. David Hill and the Minister had given details about how many standards there would be and how many employers would be engaged. My hon. Friend said to Mr Hill:

“David, you said, ‘It will take time to scale up the reforms’.” and he referred to

“the remarkable change in institutional architecture and the need to ramp up apprenticeship numbers”.

We need to remind ourselves that the Government have committed themselves to getting 3 million hopefully good-quality apprenticeships by 2020. I have not yet heard a satisfactory explanation for where that figure came from, but it is a big target, and how far it will be accomplished in the context of the apprenticeship levy and if the Government do not do more than they are doing to satisfy and enable small and medium-sized companies are big issues.

My hon. Friend asked:

“Given the remarkable change in institutional architecture and the need to ramp up apprenticeship numbers, aren’t you concerned, Minister, that you are trying to do two things and that one needed to be put in place before the other?”

The Minister responded, as I would probably have responded on that occasion:

“I think we are doing the things that are needed.”

Well, I am glad that the Minister thinks that he and his Department are doing the things that are needed, but this Committee deserves and will need more specific forensic information about how they are doing it.

Everything about preparation thus far for the institute has felt tentative and improvisatory. I made this point clearly in the oral evidence session on Tuesday, so I will not go into the detail again, but we have now had two shadow chief executives of the institute, neither of whom were employers even though it was supposed to be employer-led. The first left relatively quickly and the second, who has great skills and capacities, is still

supposed to be taking this thing through on a two-day week. All the things that the Minister has told us this new great institution will do are being taken through by a shadow chief executive working two days a week.

I genuinely have great respect for Peter Lauener’s capacities and abilities. As I said on Tuesday, he has been a fixture in this area for over 20 years. I doubt anybody knows more than Peter Lauener about the comings and goings of the various systems, and where certain bodies have been buried. If we want someone to make preparations, he is a very good person, but we do not want someone to be doing it on two days a week.

That prompts us to ask who the new chief executive will be and when they are going to be appointed. Mr Lauener gave the impression on Tuesday that he was there to prepare the ground and that some of the detail would be filled in by the new chief executive. Most members of the Committee will be familiar with—and may have personal experience of—setting up new organisations or businesses for which a chief executive or shadow chief executive is recruited. It is not normally done at four months’ notice, with the person who comes into that position being told, “Well, we have all these plans here, but they haven’t all been sorted yet and it is your job to drive them forward.” The Government might think that is a rather unkind description of the process so far, but I do not think it is entirely inaccurate and, frankly, nor do many people in the business sector.

If the Minister wants the institute to be “turbo-charged” from day one—I think that phrase was used at some point—he needs to provide people with a lot more reassurance, as well as make sure that he gets the right person as quickly as possible. We do not know what that person’s background will be and whether they will have to serve out notice, but from day one of their appointment and its ratification, he or she will need to get absolutely all the support that they need. Otherwise, they will arrive in April and it may be that this time an acting chief executive—as opposed to a shadow one—will depart sooner rather than later. I do not think that I am being alarmist. I merely point out the issues of capacity.

**Mike Kane** (Wythenshawe and Sale East) (Lab): Does my hon. Friend agree that matters are extraordinarily hazy? We are setting up an institution and employing a gentleman for two days a week. The Government think they might employ 60 staff and the budget is an estimated £8 million. What guarantees are there that the organisation will be fit for purpose?

**Gordon Marsden:** Of course, the broad thrust of what my hon. Friend says is right; but let us try to be fair to the Government, and indeed to the officials, including Peter Lauener, who have the slightly unenviable task of bringing the matter to fruition in the relatively short time we now have.

On Tuesday, we discussed not only capacity, but the capability of the people recruited. That was why I asked Peter Lauener where the people might come from. I offered him the opportunity to say how many transfers, if any, he expected. I asked him:

“You talked about the numbers...given the staff reductions in the Department for Business, Innovation and Skills—of course, this is a machinery of government change—do you expect to be moving across or recruiting people from either the SFA or BIS who have previous experience in this area?”—*Official Report, Technical and Further Education Public Bill Committee, 22 November 2016; c. 9, Q10.*]

Answer came there none. I was merely told about the process for advertising for the key roles of deputy directors. I am sure that, like generals in armies, deputy directors are very important people, but in armies it is non-commissioned officers who are needed to get things moving—the people lower down the food chain who know all the bits and pieces and nuts and bolts. Peter Lauener offered no evidence on possible transfer processes from the Skills Funding Agency and the Department for Education, or indeed whether there have been expressions of interest.

Hon. Members will remember the comments of Ian Pretty, the witness from 157 Group, after David Hughes expressed strong concern about capacity issues. Mr Pretty has significant experience in the civil service and outside it, including as a tax inspector, as he said rather ruefully. He said:

“I would focus on capability as well. You can have 60 people or 100 people in the institute, but have you got the right capability? I would be nervous if the institute was completely staffed by civil servants. If this organisation is about co-creation with the private sector and the education sector, you need people with the capability to understand how business thinks and how business operates. You also need people who understand how the education providers operate. On the capacity issue, in terms of raw numbers you will cite something, but capability is more important.”—[*Official Report, Technical and Further Education Public Bill Committee*, 22 November 2016; c. 16, Q22.]

I agree. We do not have a problem with the direction of travel of the institute or the long list of admirable things it is supposed to do, but we have a severe problem of confidence about believing that it is anywhere near having the ability to do it. That is the issue that the Minister needs to address.

Perhaps I can drill down into that. The Minister talked about standards and frameworks, so it would be appropriate to ask him a few questions about those. It is fair to say that, although the routes produced by the Sainsbury review and the skills plan have been broadly welcomed—they produced 15 routes, which is a reasonable starting point and, sensibly and reasonably, the Minister has said that that number will be flexible—the broader picture is that the Government are trying to get everyone behind this new institute and its new policies. I will keep coming back to the target of 3 million apprenticeships because, even though it is not in the Bill, it is central to the success of the new institute.

12.15 pm

The Library briefing and other comments have made it clear that some stakeholders are quite concerned that the technical routes are not adequate to involve the numbers of people that we need. The former head of the Association of Colleges, Martin Doel, said it was “a concern” that creative arts and sports were out of the scope of the 15 routes. The director of YMCA Awards, Rob May, said that the routes cover only half of the potential occupations. Mark Dawe, the general secretary of the Association of Employment and Learning Providers, said that it estimates that only some 57% of the routes—a very precise figure—would cover all the potential need. In evidence to the Committee on Tuesday, the representative from the National Union of Students said that the NUS believed and had had feedback to the effect that some of the routes were too broad. She cited performing arts as an example of where there needs to be more breakdown. She also made the important point that the routes do not cover retail skills in any shape or form.

I declare a local influence. We are all influenced by our constituents, and the Minister is proud of his constituency and its excellent FE college. We get to know about the nature of our constituencies. When he visited Blackpool and The Fylde College, I think he went to the Bispham campus, so he would have been in the constituency of the hon. Member for Blackpool North and Cleveleys (Paul Maynard). Obviously that college, as the Minister knows, serves not just Blackpool but Poulton-le-Fylde and the surrounding area. A predominant element—I would not say the dominant element—of employment in those areas, as he will probably know, is retail and tourism based, and it involves quite a lot of part-time work and everything that goes with that. The extent to which service sector skills will be represented in the routes is important because we need to ensure that we have the capacity to get to 3 million apprenticeships.

Another specific point that the Minister might want to take on board—I do not expect him to respond to this today, but it would be helpful if, having considered it, he is able to respond later in the Bill’s passage—is the point made by Shane Chowen about advanced learner loans. The Minister will know that I have been critical of the number of post-24 learners who have taken up those loans. At the last count, only 50% of the £300 million that was made available for advanced learner loans at level 3 for people over the age of 24 had been taken up, which is a great tragedy. Like all Ministers he will want to keep a jealous eye on his budget vis-à-vis the Treasury, but I hope he agrees it is a great shame that £150 million of the £300 million allocated for those students had to be returned to the Treasury unused.

We can argue about why that happened, but the fact is that there remains a problem with the uptake of advanced learner loans. However, Shane Chowen made the point that his interpretation and understanding was that, in future, students would get an advanced learner loan only for a course that fits into one of the 15 routes. If that is true, it is important, because we have already heard from the other witnesses I mentioned that only about half of the occupations covered by such loans are covered by the routes. These are big issues in the retail, service and leisure sectors.

I have a few words to say about standards. In his opening statement, the Minister quite rightly put great emphasis on the importance of policing the content of standards, and Peter Lauener made the same point in his comments: he said that he wanted to revisit and review the standards at regular intervals. Select Committees have also commented on the issue. When I was shadow Transport Minister, the Transport Committee was particularly concerned that some of the maritime and marine qualifications that needed to be passported over for approval from the Department for Business, Innovation and Skills were being held up for between 12 months and 2 years. The Committee was so concerned about that that it commented on it in its report.

We know that in the past there have been problems not only with the approval of standards but with their development. We are now being told that they are likely to be subject to triennial review. Again, my questions to the Minister are about capacity. If I have my figures wrong, I apologise, but I think he said in evidence to the Sub-Committee on Education, Skills and the Economy that around 400 standards were in development, of

which only 150 had so far been approved. However, we have also heard that up to 3,000 standards may be approved. I ask him straightforwardly: how many standards will there be in total on an ongoing basis, when they are fully active at an individual level? Have he or his Department already determined that there will be an upper limit? End points for standards are not quite the same as starting points; how many end points will the Institute for Apprenticeships and Technical Education be responsible for? There are issues around the individual frameworks, so an update on the current state of play there would be welcome.

The Minister may think I am being hard on him for criticising the small numbers, because other authorities involved in the process are not in the institute and are not likely to be. Those are the so-called issuing authorities, which are authorised by the Secretary of State to issue apprenticeship frameworks for particular sectors. I am told that there are some 590 individual apprenticeship frameworks. Will the Minister tell us what their relationship will be to the new institute, as opposed to the Secretary of State?

Colleges and providers deserve clarity on these issues, particularly because of the back story. I could go on about the list of things that have not so far been clarified about the institute, but I will not. I merely emphasise that we would like to be positive and enthusiastic about it; but at the end of the day, this is not about whether the Opposition are confident and enthusiastic, but about what the punters out there think. It is about what the providers, the sector skills councils, the further education colleges and the employers—particularly small and medium-sized enterprises—think. And, of course, it is about all the young and older people who the Minister and I hope will fill the ranks of the 3 million apprentices by 2020. We owe it to all those people to get the capacity and the capability right. Frankly, we need a lot more transparency and information about this issue than we have had so far.

**Kelvin Hopkins:** It is a pleasure to speak in this very important debate. I support what my hon. Friend has said. I have long been concerned about the problems with apprenticeships. Many of them are insecure and poor quality, and it has been alleged that they are sometimes simply a disguise for low-paid labour for young people. I would like to think that the institute will challenge that and ensure that we have good-quality, secure apprenticeships in the future, so we can build an economy that will compete effectively with those of other industrialised nations, which approach these things in a more rigorous way than we do.

In the evidence sessions, I drew attention to the research that Professor Sig Prais and others produced at the National Institute of Economic and Social Research in the 1980s and early '90s, which contrasted Britain with Germany, Spain, Italy and other European countries, where the rigour of educating apprentices was so much greater and the quality of the employees who came out of that rigorous experience was much higher. Some documentary television programmes illustrated that, too.

Apprenticeships cannot be done on the cheap. We need much higher teacher-student contact hours, and we should have more rigorous and intensive pedagogic teaching. That is one thing that came out of Germany and other countries, where apprentices get many hours

of rigorous teaching, so they must have, first, good teachers and, secondly, enough of them to do the job. I hope that the institute will look at that, too.

The chief executive of the Association of Colleges drew attention to the low funding per student in further education, in contrast with higher education. I made the point that in higher education in my days we would have one or two lectures a day, perhaps, and a couple of seminars or tutorials during the week, but we were left to our own devices to write our essays and do our maths and statistics projects. The intensity of teaching was much more restricted, although it was high quality and we had some very impressive lecturers. It is not like that in further education, where constant attention needs to be paid to the youngsters, who are sometimes not as academic as those of us fortunate enough to go through higher education.

In 1969, I moved to Luton—I now represent it—which was then a major industrial town. General Motors in Luton and Dunstable employed about 38,000 people. Every year, hundreds if not thousands of young people went into genuine secure apprenticeships. They were taken in at the age of 15 or 16, and they were sometimes pretty raw from school, but after five years of experience in industry, they came out with pretty good qualifications and secure jobs. They would be at different levels. Some would go on to take examinations—ordinary national certificate and higher national certificate—and some would even go on to associate membership of the engineering institutions. It depended on their abilities, but they would look forward to a good life of work within General Motors or other companies, with a good pension at the end of it. That kind of secure manufacturing experience has long disappeared for most people in Luton. The incomes of the people who live in my constituency have declined significantly in relative terms.

Electrolux and SKF, which makes bearings for cars, have declined. Some companies kept a nominal presence in the constituency. Electrolux used to make washing machines and vacuum cleaners. Indeed, my first experience on being elected to Parliament in 1997 was Electrolux getting rid of the last of its manufacturing; it was shipped out to Hungary, where labour was cheaper. We fought to oppose that, but we did not win, although Electrolux kept its office headquarters in my constituency, which pleased me. No doubt it still makes very fine equipment, but not in Luton. SKF still has a small number of people making high-quality bearings. They are kept only because they make such high-quality bearings; the mass of thousands of people making large numbers of bearings for industry has long since gone.

12.30 pm

At that time, not only manufacturing provided a background of secure employment, long-term genuine security and apprenticeships; we had large public sector employers as well. We had local government and public utilities, and they were good bases for training apprentices. It was understood, although not necessarily publicised, that the public sector trained young people who later went out into other sectors and industry after their good five years of apprenticeship there. For example, local authority direct labour organisations trained young people with genuine construction apprenticeships in a whole range of skills, and many of them went off and

set up their own private companies, becoming self-employed with that base of good training. Even so, it was still not as good as the quality of education and training that we saw in Germany and elsewhere.

I return to the contrast with German workers on the shop floor, whose mathematics were sufficiently good to do all their own calculations, design their own products and construct them afterwards—specifically, things such as kitchen equipment—because they had skills. They not only had mathematical skills, but were often fluent in English. They could take a bespoke kitchen plan from England, written in English, to the shop floor, see what needed to be done, understand the English and produce the whole bespoke kitchen, which was then packaged up and sent back to Britain. We should be able to do that, but we could not do it then, and I suspect that we cannot do it now either. We must rebuild our capacity, which is why apprenticeships are so important.

Apprenticeships exist in other sectors as well. They range from high-level apprenticeships in technical subjects down to much more basic employment, but even there, it is important to have long-term experience in the job and to be able to do basic computation and use a language correctly to do the job well. We would not need to recruit quite so many people from eastern Europe in particular if we could do that ourselves with our own young people. It is not right that we should denude eastern European countries of their brightest and best young people. We ought to be concerned about what is happening in those countries, as well as what is happening here.

**The Chair:** Order. This is a fascinating discourse, but the hon. Gentleman is straying rather a long way from the purpose of the clause. If he could refocus slightly, that would be helpful to the Committee.

**Kelvin Hopkins:** Thank you, Mr Bailey. I was aware that I was straying from the subject. As I said, I taught in further education myself. I have taught a small number of day-release students as well, mainly A-levels in economics, politics and statistics. My experience was not very long—three years or so—but it was a great experience that has coloured my politics ever since. I know the difficulties of training young people.

Another problem that we have had is that, because of the reduction in employer size, there are fewer employees, and it is harder for a small employer to sustain an apprentice without a proper levy system with heavy state subsidy. I think that the levy system is exactly right; I would like it to be more extensive, so that we can give apprentices secure employment with reasonable pay, while they are working and studying. Apprenticeships across the board need to be properly sustained financially and a levy system is the way forward. We are moving in that direction.

I have come across another problem. Small garages, for example, might take on an apprentice as a car mechanic, who might stay there for three years, but then that small garage might suddenly find that its apprentice has been poached by a big garage that does insurance work, which would be very lucrative and much more highly paid. The small garage loses out because it has put a lot of work and finance into training somebody who has been lost to a bigger employer. We ought to be

training more people and giving more security to small employers to ensure that they can sustain an apprentice with similar and appropriate pay for a longer period.

There is a lot for the institute to address. I welcome the fact that we are moving in the right direction, but we must ensure that apprenticeships are high quality and secure, not just because our young people should have the right to good training, education and skills, but because our country and its economy needs those people to do well.

**Robert Halfon:** I could listen to the hon. Member for Luton North for a long time on this subject, because he speaks with a lot of wisdom. I have been to the north-east of England to see young people on five-year apprenticeships in companies, doing exactly the things that he talks about.

I will just say that the public and private sectors will be following the same standards. We have exactly the same standards on training and quality, and we are introducing a public sector target from April 2017 in all areas to increase the number of apprenticeships in the public sector: 30,000 by 2020.

I will respond to the points made by the hon. Member for Blackpool South. He is kind about me and it is good to be opposing someone who also cares passionately. I very much enjoyed the visit to Blackpool and the Fylde College. What it is doing is extraordinary, not just for students but for the long-term unemployed.

I will comment on a few things, given that we are about to discuss amendments. The hon. Gentleman said that the levy was an administrative challenge for the IFA. It is important that it has only an advisory role on funding caps. The implementation of the levy is for the Department and the Skills Funding Agency.

The hon. Gentleman talked about the apprenticeship target and how difficult it was. It is worth remembering that there have been 624,000 apprentice starts since May 2015. We have 899,400 apprenticeship participations in the 2015-16 year. That is the highest number on record. Of course, it is a challenge to reach a 3 million target, but we are on the way.

**Gordon Marsden:** The Minister is right to point to progress so far and I do not want to disparage that. He reminds us that implementation is for the Department and the Skills Funding Agency. I am well aware, of course, that David Hill, who is an extremely talented and assiduous civil servant, has been seconded to do precisely that as director of apprenticeships. I was puzzled, however, that the Minister made no reference to the Apprenticeship Delivery Board. I will not go into whether it will have tsars or not; that is for others to decide and the Minister to ponder.

When that board was announced, it was advertised as being a key part of the process of encouraging and driving up the numbers. It was not simply to be a bully pulpit, but it was to have a very direct and active role. Yet since the hon. Member for Stratford-on-Avon (Nadhim Zahawi) stood down from that post, we seem to have heard very little out of the board. What is its role?

**The Chair:** Order. That was rather a long intervention. The hon. Gentleman can make a further speech if he wishes, but if he could make his interventions shorter, it would help the Minister.

**Gordon Marsden:** I am duly rebuked, Mr Bailey.

**Robert Halfon:** I reassure the hon. Gentleman that the Apprenticeship Delivery Board is in full flow. I meet it and its chairman regularly. It goes up and down the country and works with businesses to encourage them to employ apprentices. Much of our success has been because of that board's incredible work.

On frameworks and standards, the hon. Gentleman will know that 25% of frameworks will be gone by the end of this year. The 400 standards support around 340,000 apprenticeships. We hope by the end of the Parliament to have moved entirely from frameworks to standards. That is our target. As he knows, the standards will be determined by occupational maps based on labour market evidence and information about employer demand. We do not want to set an upper limit, because we need flexibility to respond to the economy. It will be up to the IFATE to plan the timescales for the review of those standards.

**Gordon Marsden:** Will the Minister give way?

**Robert Halfon:** I want to get to the amendments, and no doubt the hon. Gentleman will bring some of these things up again at some point, so will he allow me to answer the questions?

The hon. Gentleman asks us to sign a blank cheque on IFA capacity. We are consulting on the Secretary of State's strategic guidance letter to the IFA. The IFA's shadow board will publish a draft operational plan. The hon. Gentleman is right that Peter Lauener, the shadow chief executive, is excellent. He has been working with Antony Jenkins, who is the shadow chair. The shadow IFA is working hard to get the institute's operational plan up and running by April 2017, and that plan will be published soon. Progress is being made, and the institute will be set up in April 2017.

As the hon. Gentleman knows, the institute's board and chair are being appointed. There are 60 core staff. The IFA will draw on many more people through engagement with employer panels, experts and more than 1,000 employees, so the IFA does have the necessary capacity. We are doing this carefully. The technical education bit will start a year later; the first course on the new route will start in 2019. We are doing everything that he wants. The institute has the necessary capacity, and we have the right people and board to run it.

On occupations not included in the 15 routes, if the hon. Gentleman remembers, the principal of his college said in the evidence session that it was possible to do different things, such as sports, through the academic route and applied general qualifications. We are not closing the door on those things, but 15 is regarded as the right number. We have analysed the labour market, and I think that it is right to have those 15 routes, which are, in essence, what our economy needs. On that basis, I believe that the expanded institute is the right body to be at the heart of the reforms—we are implementing the Sainsbury reforms—and the Government are committed to ensuring that the institute plays that role. Clause 1 should therefore stand part of the Bill.

**Tracy Brabin (Batley and Spen) (Lab):** It has been interesting to listen to the Minister. I have one quick question. How will the nearly 900,000 apprentices currently

on courses be channelled into those routes? If they are in retail, for which a route does not currently exist, what will happen to their course?

**Robert Halfon:** Current apprentices in the existing frameworks will not be affected. This will only be for new apprentices. Standards are being brought through, but people in the existing frameworks will not be affected by the changes.

12.45 pm

**Gordon Marsden:** I am grateful to the Minister for his response and his customary courtesy. I am sure that this will not be the last time I say that we agree about the ends but not necessarily the means and whether they are adequate. It was interesting to hear what he had to say about the Apprenticeship Delivery Board; perhaps if it were a little more public-facing, we might know more about what it does.

It is easy to say that we are asking for a blank cheque on capacity, but we are not. We are asking, for all the stakeholders concerned, for some reassurance and some filling in of the current blank canvas in this area. The Minister has elaborated on the various functions and how marvellous they will be—it will all be marvellous, but only when we get the right number and the right sort of people. It is simply not convincing to say an elegant version of, "It'll be all right on the night," because it is not all right on the night at the moment. The clock is ticking, and we do not know where these people will come from.

If we were working in "government as usual" times, coming up to 18 months since the general election, a new Government would obviously want to push their major things through. In that situation, I would be less concerned about some of the vagueness and the blank canvas, but we are not in that situation. Three things have happened since the general election that give me and most people considerable concern about the capacity of the Department for Education and—I say this gently—the Ministers concerned to deliver on what they undoubtedly hope to do.

First, of course, we have a new Government, with a new Prime Minister and new Ministers, including the Minister present. I know very well, as do most people in this room, that when we have a new Government, we cannot just pick up from day one; there is an inevitable delay, with issues to be addressed. We factor that in, but nevertheless it is the case.

Secondly, as a result of the change of Government, the machinery of government changes brought skills and apprenticeships out of the then Department for Business, Innovation and Skills and into the Department for Education. I happen to think that that was by and large a good thing. It gives a more coherent, stronger, longer narrative. However, I have been around for long enough—frankly, so has the Minister—to know that the machinery of government changes do not happen smoothly; they cause delays and confusion. That is why so many people have been worried about the speed of this process. There are ways to deal with the necessity to do things relatively quickly. Put bluntly, we put more resources and more effort into them and call upon other areas to do so. I have seen little evidence of that so far.

If the Minister was working in this area with a Department that was of reasonable complement, we could have some confidence. However, I remind him that staffing levels at the Skills Funding Agency are down nearly 50% since 2011. There is a continuing and accelerating decline in National Apprenticeship Service staffing, and the Government closed—

**The Chair:** Order. The hon. Gentleman is straying into a rather broader debate. I ask him to refocus.

**Gordon Marsden:** I will refocus to the extent, Mr Bailey, of saying that all the issues I describe have a consequence on the effectiveness of the Institute for Apprenticeships and Technical Education, which we are being asked to approve to set up as a new body. The Minister has not convinced us that that new body will have the capacity it needs to deliver all this. I have explained some of the reasons for that.

**Kelvin Hopkins:** I agree with my hon. Friend. Would it not be intelligent to look at what is done in other countries that are more successful at training people—notably Germany, which would be a good place to start—to compare the quality of apprenticeships and the resource that goes into training apprentices in those countries?

**Gordon Marsden:** Of course my hon. Friend is right, but one would also hope and think that the Department had done that already. There is a healthy industry of comparative studies out there, not just in the public sector but in the private sector. No doubt, the Department takes advantage of that. My point is that, if we want the institute to progress properly and to do everything it needs to do—what it says on the tin—we need more reassurance.

The final area on which we need reassurance is the implications of Brexit. Hon. Members might ask what Brexit has to do with the Institution for Apprenticeships and Technical Education. Well, a lot. If the Government do not manage to get the sort of money from, for example, European structural funds, which have traditionally supported the expansion of apprenticeships and small businesses in areas of the country with strong local enterprise partnerships, the Government's ability to reach that figure will be affected. That is why we have to ask those questions about capacity, capability and join-up.

I have not even talked, you will be relieved to know, Mr Bailey—

**The Chair:** I am very relieved.

**Gordon Marsden:** I have not even talked about the relationship of the new institute to the variety of other bodies, such as Ofsted and Ofqual, which were referred to in the evidence sessions, that are circling around wondering what their relationship to the institute will be. I make the point to the Minister that this is not business as usual or something of which he can say, “Well, it’ll be all right on the night,” because it is like playing four-dimensional chess at the moment. I do not know how good the Minister is at playing four-dimensional chess, but he might need to improve his skills if some of the problems that we are talking about come to pass.

**Mike Kane:** The only blank cheque on offer here is that the implementation plan for the institute will be published “in due course”. Is it not concerning, with the competing pressures of government, as my hon. Friend pointed out, that we just do not know when that implementation plan will be published?

**Gordon Marsden:** It is, but to be fair, Governments always say things will be done in due course. Anybody who has said, “Yes, Minister, of course; we have no plans to do this,” means that they are not going to issue a statement about it on that day, so I am not going to press the Minister too hard on the phrase “in due course”. However, I hope that the Christmas to which Peter Lauener referred in terms of the employment of the new people is the traditional Christmas and not, say, the Russian Christmas, or possibly even the Georgian Christmas, which I think comes at the end of January. We all know what used to happen to the autumn statement—full marks to the Chancellor for keeping it within autumn.

I think that I have said enough to emphasise our concerns about the way in which the institute will be supplied and its ability to proceed, but we do not want to hinder its setting up in any shape or form. It needs to be set up as soon as possible, so that it can get a move on with some of these things. We therefore do not intend to oppose the clause.

*Question put and agreed to.*

*Clause 1 accordingly ordered to stand part of the Bill.*

*Ordered, That further consideration be now adjourned.*  
—(David Evennett.)

12.55 pm

*Adjourned till this day at Two o'clock.*

