

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

TECHNICAL AND FURTHER EDUCATION BILL

Fifth Sitting

Tuesday 29 November 2016

(Morning)

CONTENTS

SCHEDULE 1 under consideration when the Committee adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 3 December 2016

© Parliamentary Copyright House of Commons 2016

This publication may be reproduced under the terms of the Open Parliament licence, which is published at www.parliament.uk/site-information/copyright/.

The Committee consisted of the following Members:

Chairs: MR ADRIAN BAILEY, † NADINE DORRIES

† Argar, Edward (*Charnwood*) (Con)
 † Brabin, Tracy (*Batley and Spen*) (Lab)
 † Donelan, Michelle (*Chippenham*) (Con)
 † Evennett, David (*Lord Commissioner of Her Majesty's Treasury*)
 † Halfon, Robert (*Minister for Apprenticeships and Skills*)
 † Hopkins, Kelvin (*Luton North*) (Lab)
 † Jayawardena, Mr Ranil (*North East Hampshire*) (Con)
 † Kane, Mike (*Wythenshawe and Sale East*) (Lab)
 † Mak, Mr Alan (*Havant*) (Con)

† Marsden, Gordon (*Blackpool South*) (Lab)
 † Rutley, David (*Macclesfield*) (Con)
 † Shah, Naz (*Bradford West*) (Lab)
 † Smith, Henry (*Crawley*) (Con)
 † Tomlinson, Justin (*North Swindon*) (Con)
 † Turner, Karl (*Kingston upon Hull East*) (Lab)
 † Vara, Mr Shailesh (*North West Cambridgeshire*) (Con)

Kenneth Fox, Marek Kubala, *Committee Clerks*

† **attended the Committee**

Public Bill Committee

Tuesday 29 November 2016

(Morning)

[NADINE DORRIES *in the Chair*]

Technical and Further Education Bill

9.25 am

The Chair: Members may remove their jackets during the sitting. Would everyone ensure that all electronic devices are turned off or switched to silent? The selection list for today's sittings is available in the room. I have used my discretion to select amendments that were tabled only on Friday, for which the usual period of notice has therefore not been given, as I am satisfied that it was not practicable for Committee members to consider fully the policy statement supplied by the Government on Wednesday in time to table amendments before the deadline. I remind Members that we will consider the clauses and schedules in the order set out in the programme motion that was agreed last Tuesday, which is set out at the end of the amendment paper. We will now resume consideration of schedule 1.

Schedule 1

THE INSTITUTE FOR APPRENTICESHIPS AND TECHNICAL EDUCATION

Gordon Marsden (Blackpool South) (Lab): I beg to move amendment 12, in schedule 1, page 23, line 6, at end insert—

“(4A) The Institute must, in approving the group of persons specified in subsection (3), have regard to the desirability of the group's members between them having experience of—

- (a) representing or promoting the interests of individual students and apprentices, or students and apprentices generally;
- (b) providing technical and further education;
- (c) providing apprenticeships;
- (d) at least one relevant trade union official;
- (e) employing those who have completed technical and further education courses or apprenticeships; and
- (f) any additional knowledge or profession that the Institute considers relevant.”

This amendment would ensure that the groups formed to set standards for the “routes” in technical and further education have relevant experience and include students in the process.

The Chair: With this it will be convenient to discuss the following:

Amendment 28, in schedule 1, page 23, line 6, at end insert—

“(4A) The Institute, in carrying out its functions under this section, must show due regard for broad representation and diversity amongst the group of persons preparing each standard, including—

- (a) gender and
- (b) the representation of both large and small employers.”

Amendment 13, in schedule 1, page 23, line 20, at end insert—

- (c) information about matters that it takes into account when deciding whether or not to convene a group of persons to prepare a standard for the purposes of subsection (6).”

This amendment would require the Institute to publish information about its reasons for convening, or choosing not to convene, a group of persons to prepare a standard for an occupation.

Gordon Marsden: It is a great pleasure to serve under your chairmanship, Ms Dorries. I express our thanks for the latitude given with regard to the amendments tabled on Friday, which is very welcome.

The commonality in these amendments is that they are designed to ensure that those who are involved in setting the standards for routes in technical and further education have relevant experience and that, where possible, students are included in the process. Amendment 13 would require the Institute for Apprenticeships and Technical Education to publish information about its reasons for convening or choosing not to convene a group of persons to prepare a standard for an occupation.

The skills plan consistently talks about the institute being employer-led, with college-based learning being decided by employer groups. That is precisely why further education colleges, other training providers and learners are an essential component of the roll-out and delivery of standards and assessments. I cannot emphasise enough how essential it is for the groups formed to set standards for the routes in technical and further education to have wide-ranging representation, including all key components of apprenticeship creation and delivery. The Minister will no doubt have heard several times—if he has not, I am sure he will in future—the term “co-creation” or “co-production”, which has come from many of the people in those groups.

Our vision for apprenticeships, which I hope the Government share, requires input from further education providers and colleges, and especially universities, given the crucial role of higher skills and degree apprenticeships. I will not labour the point that I made previously about how important it is, particularly in the context of higher skills and degree apprenticeships, that there is good read-across and co-operation between the office for students and the new institute, as well as the relevant trade unions, which have key experience, to ensure a broad outlook on new frameworks and accreditations. We believe that including apprentices and learners in that process is vital.

A representative of the National Society of Apprentices, which Members will know is associated with the National Union of Students, was scheduled to give evidence to the Committee last Tuesday, but unfortunately she was unable to attend because of illness. However, the National Society of Apprentices has said:

“At the moment, apprentices have no real opportunities to improve their education. Although most students going through the ‘traditional’ education system at college or university are able to give feedback through their class representative system, similar structures do not exist for apprentices.”

There is also the Industry Apprentice Council—I referred to it in a previous sitting—which is strongly supported by EAL and the Science, Engineering,

Manufacturing and Technologies Alliance. Of course, there are other groups, such as the valuable group that Lindsay McCurdy and her colleagues convene, particularly around Apprenticeship Week, which involves a large number of different sorts of apprentices. Apprentices should be able to influence the way in which their training is developed and carried out. After all, they know from the frontline what has been helpful and successful for them and what has not. I hope that the Minister, who has been very passionate in his support of both apprenticeships and apprentices, appreciates that point.

It is also quite unclear what role there will be in the institute for workforce representatives and trade unions. I think it is appropriate to talk about that on a day when the Government, and particularly the Prime Minister, have again signalled their strong interest in making sure that, in some shape or form—the details will obviously have to be hammered out—there should be more workforce representatives involved in companies.

The TUC has said that it is crucial that

“Trade unions must be given a central role in setting and monitoring quality standards”

for technical education. After all, that is common practice in leading European economies with high-quality skill systems in place. Those systems are largely based on a social partnership model, which involves employers and unions agreeing standards and best practice at both national and sectoral level. Social partnerships have been key to the success of high-quality vocational routes in other countries, so I suggest that we would do well to take that lesson into account for our reforms of technical education. With particular regard to amendment 12, we might make a start in considering the composition of the groups formed to set standards for the routes. That is why I think it is important to give some form of direction to the new institute and its board of directors on that matter.

All the issues involved in getting the right sort of broad-based input are extremely important, because we have to get the routes right. We welcome the detailed and thoughtful proposals of the Sainsbury group. The Government are now, after some dithering, taking a new approach to the wilderness that has so far characterised aspects of skills policy, particularly in the technical and vocational areas. However, the devil is in the detail, and a number of stakeholders believe that the skills plan is not without fault. I mentioned in a previous sitting that the Opposition share the concerns of groups such as the Association of Employment and Learning Providers, and various others that we have quoted, about the potentially limited scope of the routes. I also spoke about the crucial role of the service sector, which will potentially provide huge numbers of apprentices with jobs and make sure that they are not left out of the process.

The Sainsbury review was clear that only jobs with technical aspects will be included within the 15 routes. I do not know whether the Minister was present at the recent Association of Colleges conference, as I was—I was not actually there when Lord Sainsbury spoke, but I read his remarks. I think there was some concern that he was—dismissive is perhaps the wrong word—too light on the importance of a significant number of jobs that are non-technical occupations, which currently lie outside the scope of these routes. I want to make it clear

that we are not criticising the initial number of 15, and we are not necessarily arguing for the creation of lots more routes, but we are saying that, as this process develops, it is important that the Government generally, and the new institute in particular, pay attention to those jobs and to that training. We have to consider carefully the impact of workforce development in those sectors.

That brings me to amendment 13, which would

“require the Institute to publish information about its reasons for convening, or choosing not to convene, a group of persons to prepare a standard”.

The amendment’s underlying principle is transparency, because it is important to be able to monitor who is preparing the standards, in order to ensure that those standards will meet all of the requirements. However, it is also important as a signal of confidence to the broad range of stakeholders, who will not necessarily be directly involved in preparing the standards. The setting up of the new institute will be a busy period. With so many organisations involved in the process, transparency is crucial to provide students with the best available standards and to keep the rest of the stakeholders well informed.

I must again raise the vexed issue of capacity: the capacity of employers to put what they need to into the process, but also the capacity of the institute for oversight of quality assessment. We will move on to that when considering another aspect of the Bill. I just observe for the moment that the phraseology used in the guidance to the Green Paper is that there will be other options available, including Ofqual, professional bodies and others, and that some or all of those bodies may charge for doing it—or presumably not charge.

With those variables and parameters, there is inevitably some doubt about capacity, elasticity and the unpredictability of delivery from the new institute, certainly in the first couple of years, because other providers and options might have been taken up in the process of preparing standards. That inevitably raises concerns about whether the numbers for the new institute, as provisionally set out by Peter Lauener and confirmed by the Minister, will be adequate or what process there will be for boosting them if this somewhat variable geometry about who might take up the institute, as opposed to Ofqual and others, comes to pass.

Those are important issues and, again, a number of different agencies have commented on them. I draw the Minister’s attention to the written evidence submitted by the Association of Employment and Learning Providers, which states:

“Through its proposed funding mechanisms, the Government is encouraging employers and providers to move from Apprenticeship frameworks to standards by reducing the prices payable for frameworks, even though many standards are not yet in place. This makes it very difficult for providers to judge and therefore plan whether future provision will be viable. As has been reported in the sector press, apprentices have also started on Apprenticeships under a new standard without an EPA being in place, which means they have no means to complete it.”

That is the AELP’s view. I am not necessarily saying that I share it; I am just saying that this is one of the issues out there. It continues:

“The situation is exacerbated by the Government’s insistence that employers can negotiate with providers on the price of training and assessment.”

[Gordon Marsden]

I would not necessarily agree with the AELP on that point—not in every detail—but the essence of what it says is this:

“Reform proposals may not currently be giving sufficient weight to the input of stakeholders and the concerns of and about learners, which must be rectified by the inclusion of stakeholder representatives on the Board of the Institute. We are therefore supportive in principle of the amendments to Schedule 1 of the Bill which have been tabled jointly by Gordon Marsden MP and Mike Kane MP.”

The AELP makes the strong point that the number of standards being developed, and the investment in time and resource required to develop them, could be leading to

“‘employer fatigue’ and a drop in employer engagement.”

We have also had written evidence from the Centre for Vocational Education Research. I know that the Government Whip is deeply interested in the bona fides of people who submit evidence to Committees.

The Lord Commissioner of Her Majesty’s Treasury (David Evennett): Absolutely.

Gordon Marsden: We had a lively exchange on the issue when the Higher Education and Research Bill was in Committee. For the sake of the Whip, and indeed the whole Committee, let me explain that this evidence was prepared by the Centre for Vocational Education Research, whose people are stuffed full of qualifications from the London School of Economics. Even better—we cannot get much better than this—the Centre for Vocational Education Research is funded by the Department for Education and was launched in 2015. It states in its written evidence:

“An employer-led body as proposed by the Bill, in particular in the more competitive labour market of the UK, which does not engage with all relevant stakeholders, will not be able to achieve similar outcomes”

as they do in

“coordinated market economies...in Scandinavian and Western European countries”.

It states that the institute needs to

“bring together all relevant actors beyond the Department for Education and employers.”

It references unions,

“because of their role in life-long learning in the workplace”.

It also states:

“Associations of colleges and learning providers need a clear role in the Institute, and student associations and associations concerned with the interests of particular groups”—

I will not dwell on this now, Ms Dorries, because this will come up with one of our later amendments—

“also need to be involved from the start.”

It suggests that:

“Careers advice and...employment services...essential to balance short and long-term supply and demand in the labour market, need to be similarly engaged.”

That is the view of the Centre for Vocational Education Research, which touches on the three amendments.

I again underline a point made in the evidence submitted by the TUC, which specifically referred to the important role of the union learning fund. This year is the 10th anniversary of the official establishment of the union learning fund. The TUC commissioned an evaluation by academics at

Leeds University Business School and the University of Exeter, based on surveys of employees engaged in training through the ULF and their employers. I will refer to two or three of the key findings. Over two thirds of learners with no previous qualification attained their first qualification as a result of engaging in union-led training. Four in five employees said that they had developed skills that they could transfer to a new job. And two in three said that those made them more effective in their current job.

Equally importantly, half of the employers said that “their staff were more committed as a result of unions facilitating training and development opportunities.”

Separate analysis showed:

“Union-led training delivers an estimated net contribution to the economy of more than £1.4 billion as a result of a boost to jobs, wages and productivity.”

Those are also cogent points for broadening representation.

Finally, amendment 28 asked for the institute to show “due regard for broad representation and diversity amongst the group of persons preparing each standard, including—

(a) gender and

(b) the representation of both large and small employers.”

For both your information, Ms Dorries, and the information of the Minister, this is a probing amendment, so we did not intend to include a list of all the potential groups that might be included; that would not have been appropriate at this stage. The reasons why we have highlighted those two are fairly obvious, I hope. First, the gender issue has already bulked large in our conversations in Committee. Secondly, because of the key role of large and, in particular, small employers—the Minister will know about the discussions on the delivery of the apprenticeship levy—it is crucial that those groups are involved.

The Minister sang the praises of the Apprenticeship Delivery Board the other day. It may be a fine body, but it was actually made up of members drawn from a relatively narrow section of business and, incidentally, had only one woman among its number. There was no role for others, such as further education providers, universities, trade unions and local authorities. There has been some progress with the number of women on the ADB—it has increased to three—but it is important that those lessons are taken on to a broad representation and diversity being found among the group of persons preparing each standard.

9.45 am

Without wishing to stereotype, it is a fact that in areas where we need to have a great degree of training and apprenticeships—the service sector, healthcare and social care—there will be a large number of women. It is really important to get a strong degree of gender diversity in those groups preparing those standards.

Keith Smith, the director of funding and programmes at the Skills Funding Agency, said recently that, although 20,000 employers were expected to fall within the scope of the levy when it launches in April 2017, just 400 employers, or 2%, will cover about half the entire levy. He said:

“That top 400 will carry a big load. Some of those bigger employers will be paying over £30 million a year in terms of the apprenticeship levy.”

I am not dissing the role of large employers, and I agree with Keith Smith that it is critically important that they bulk large in the deliberation and consideration process for preparation of the standards.

I speak from my experience as a constituency MP, as BAE Systems is just down the road in Warton. As many know, BAE Systems is a key part of the aerospace and defence industry and a great trainer and supporter of apprenticeships and degrees taken by its workforce. It is less well known that, on the whole, for every one job that is directly created and maintained by a company such as BAE Systems, up to two or three additional jobs are created and dependent on them in the supply chain of much smaller companies. That supply chain in different parts of the industry can be very sector-based and geographically diverse, or it can be geographically focused in a strong area, as is the case with BAE Systems at Warton—in that case in and around west Lancashire.

I only labour that point to indicate the strong and important connection of co-operation and collaboration between large and small employers. That is organically delivered with a company such as BAE Systems or ADS or a range of other large companies where the same applies. However, when small employers, which are not in that position, are to be involved in this process, it is crucial that they have a role in preparing standards. Funding for employers that do not pay the levy, as well as all the top-ups and additional payments, will come from the money that levy-paying companies do not spend from the overall pot.

Revised Government estimates in the autumn statement show that the expected yield from the levy has dropped from £3 billion to around £2.8 billion over the next five years. I think those figures of £3 billion to £2.8 billion encompass the whole yield of the levy, but I am sure the Minister will correct me if I am wrong.

The original statement on the levy, made by the Minister's predecessor, the hon. Member for Grantham and Stamford (Nick Boles), indicated that £2.5 billion of that £3 billion roughly related to England, and I assume that proportion is maintained in the revised estimate. It would be helpful if the Minister could provide the new estimate of the expected yield from the levy in respect of England only, which is the basis on which we are discussing the institute today.

As the Minister will know, the AELP has already voiced its disappointment that the Government have not given assurances of a minimum fixed budget to be allocated to non-levy payers for the next five years, irrespective of how much money is left for them in the levy pot. The association is concerned that the impact of the shortfall may be felt disproportionately by smaller business:

“The announcement of the levy over 12 months ago has resulted in an increased commitment from large employers to offer more apprenticeship opportunities but uncertainty has surrounded the level of government funding that will be available for apprenticeships in non-levy paying smaller employers. Currently SMEs provide more than half of the 905,000 apprenticeships in the country.”

The Minister and I are both on the record praising the abilities and support that small and medium-sized enterprises give their apprentices once they have them on board and have dealt with some of the back office issues. The AELP goes on to say:

“We need to ensure that much needed apprenticeship places will be available to young people in towns and rural areas where large levy paying employers aren't operating.”

To finish on the point about small employers, I will quote an article that appeared yesterday in *FE Week*, which should raise some concerns and show that it is all the more important that small employers are well included in the process, as we envisage in the amendment. The new register of apprenticeship training providers closed its applications last Friday, and *FE Week* states:

“A quarter of apprenticeship providers have declined the opportunity to compete for an SFA contract to deliver training to small and medium sized businesses from next May.”

I know, as I am sure the Minister does, that that does not directly connect with a huge problem for small and medium-sized employers, but it is indicative of the concerns in the sector that a quarter of providers did not want to compete for an SFA contract to deliver training to small and medium-sized businesses. At the risk of overstating the point, that is the reason why amendment 28 has a particular emphasis on gender issues, the importance of large employers and, in particular, the need to ensure that small employers are strongly represented in the groups of people preparing the standards. I do not suggest that this would be a deliberate policy or outcome of the institute but, given the concerns I have expressed, the Government would do very well to ponder that and, from that point of view, it might be helpful to place those priorities in the Bill.

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to see you chairing our proceedings again this morning, Ms Dorries. I support the amendments tabled by my hon. Friend the Member for Blackpool South.

I do not want to be immodest, but I do have considerable experience in this field. I spent four years as the chair of governors at Luton College of Higher Education, which had welcomed thousands of apprentices through its doors. I have spent a total of 30 years on post-16 education governing bodies so I have very definite views. I have worked in the trade union movement; I was at the TUC for five years and I taught on trade union courses, so I have seen the involvement of the TUC and the trade unions in education. I spent 18 years working for NALGO and then Unison, which had a large department of education and undertook correspondence courses for local government officers.

I have seen a whole range of activities that are relevant to apprenticeships and post-16 education in the broadest sense, and I have definite views on what governing bodies should be like. They should not be too small or too large; they can become ungainly and unco-ordinated if they are too large. Equally, if they are too small and narrow in experience, they do not do a good job. I have seen both.

There is an optimum size for governing bodies, but I am talking about educational institutes, rather than the board of the institute. That board, however, will need the same kind of representation and a range of skills, and I have spoken in previous sittings about the importance of not having too narrow a field. If one has only a particular kind of business-led model, with small numbers of businesspeople of the same mindset and no challenge to that view, they will not necessarily pick up all the important issues that need to be discussed and considered when the board makes decisions and recommendations. Having a small body from a narrow field is not right.

[Kelvin Hopkins]

The 1993 incorporation of post-16 education bodies—further education and sixth-form colleges—came from the then Government insisting on small, business-led governing bodies, which was a mistake. The governing body of which I was a member did not follow that model; we had a range of people with educational skills, a good degree of gender balance, and people from the community who were skilled in their fields and visibly representative of the very diverse community in which I live and which I represent. That is important as well. We also had skilled people with legal and financial qualifications. All that is so important in having a successful governing body.

One has to submit oneself to challenge if one is leading an important body, and intelligent, competent people have to be on board who have a range of views and will challenge things from time to time, but who will work positively and be supportive. The body should not go off in one direction, not be challenged and make mistakes. Mistakes have been made.

Even back in the 1990s, there were mistakes and some principals and leaders of educational institutions got out of control. They started paying themselves vast salaries and travelling abroad—ostensibly to recruit students, but actually they were just on jollies and looking after themselves. The Conservative Government of the time realised they had made a mistake and in the end came round to the kind of governing body that we had in the sixth-form college. It was a body of about 14 or 15 people, with a range of skills and representation. It is very important for the Government to recognise this point and to recommend, either in the Bill or through secondary legislation, what governing bodies and the board of the institute should look like. In particular, there should be representation from women, minority communities and trade unions, all of whom have expertise that will make the board function much better than if it was just led by a small group of businessmen.

As we know, the Confederation of British Industry and the Federation of Small Businesses often have different perspectives on business representation. The CBI typically represents global corporations, big business, banks and so on, whereas the FSB has an understanding of what it is like to be a small businessperson and of the needs of small companies. As my hon. Friend the Member for Blackpool South said, it is very important that small companies are represented, as well as large companies, and that we have those different perspectives.

I have probably said enough to reinforce my hon. Friend's points and to try to persuade the Minister and the Government that what we are saying is sensible. It should be recognised and, at some point, included either in the legislation or recommendations by the Government. With those few words, I shall conclude.

10 am

The Minister for Apprenticeships and Skills (Robert Halfon): I am grateful to the hon. Member for Blackpool South for tabling the amendment, and to him and the hon. Member for Luton North for what they have just said. I fully understand the concerns regarding the group of persons convened by the Institute for

Apprenticeships and Technical Education to develop the standards, and I agree that the reforms to technical education should be informed by a balanced and diverse range of industry professionals. I also share the view that the institute should have a clear and transparent rationale for bringing together groups of persons to develop the standards.

I wish to comment on some of the issues raised by the hon. Member for Blackpool South. On apprentices and education, he will know that, as part of the reforms we have introduced, apprentices have not only to do the full-time, on-the-job training that is their apprenticeship, but to spend a significant amount of time at an educational institution, whether a private provider or an FE college. That offers them the education they need while they are earning.

Apprentices are able to give feedback to the employer and the provider. At the beginning of the apprenticeship, all parties have to sign a commitment setting out the roles and responsibilities, which include the giving and receiving of feedback. The apprentice is also able to give feedback during the review of the standard and assessment plans, and we can include that in terms of the guidance note from the Secretary of State.

Gordon Marsden: That is very encouraging. I know that that feedback process takes place; as I say, it has been welcomed by the various groups. I do not want to make things over-bureaucratic, but is there going to be a formal, or at least easily understandable, mechanism whereby apprentices can feed in—either as a group or as individuals?

The Chair: Order. Mr Marsden, could you rise when you speak?

Gordon Marsden: I am sorry, Ms Dorries. If the Minister is not in a position to say anything more on that today, I would welcome a note to the Committee at some point.

Robert Halfon: I will provide one, but I am always against very formulaic structures; things need to be flexible. The fact is that we give the opportunity for the apprentice to feed back at every step of the way, and the agreement has to be signed by the employer and the apprentice when the latter starts.

On the representation of small businesses, the hon. Gentleman will know that the trailblazer groups—there are roughly 10 employer organisations altogether—have to have a minimum of two businesses with fewer than 50 employers. We envisage that the employer panels will be the same. I am happy to reflect on that being included in the remit letter for the institute. We are also investing taxpayers' money in huge incentives to encourage small businesses to hire apprentices and to encourage providers to take people on. We are doing everything possible to use taxpayer investment to ensure that small businesses hire apprentices and that providers do provide.

I would like as much as possible to be done by FE colleges, and I would be delighted if they took on more apprenticeship training. That is happening slowly, but I think they would be very willing. I have seen it happening in my own constituency of Harlow: whenever there is an issue to do with a company wanting an apprentice,

Harlow College will be there, ready to advise the employer on what should be done and to offer training if it is required.

On the wider issue of the technical routes, I disagree with the hon. Gentleman. I shall set out the context of the problems we face. I have been quite open in admitting that we have a huge skills deficit in this country. The OECD said in 2012 that 20% of young people lacked basic skills. By 2020, the UK is set to be 28th out of 33 OECD countries for intermediate and technical skills. We are way behind.

The whole purpose of the reforms and the legislation—this is why Lord Sainsbury has supported them—is to ensure that we have state-of-the-art technical education for young people that transforms our skills deficit. People who do not want to do one of those 15 state-of-the-art routes, for technical and professional education, will have different options through other applied general qualifications and the academic route. The reforms focus on occupations that require the acquisition of a substantial body of technical knowledge and a set of practical skills that are valued by industry and that address employers' needs and our huge skills deficit. I am glad that the hon. Member for Blackpool South quoted the Centre for Vocational Education Research, which my Whip guarantees is a blue-chip organisation.

David Evennett: The best!

Robert Halfon: Indeed. The centre says:

“We welcome the Report...led by Lord Sainsbury...the subsequent Post-16 Skills Plan”—
by the Government—

“and the measures contained in this Bill. The recommendations are consistent with our findings”.

It continues, and this is the whole point of the argument:

“Part of the problem is undoubtedly the confusing array of options, with uncertain pathways, that are on offer for young people after age 16. There must be a system that students, teachers, parents and employers...understand. Otherwise it is difficult for young people to be matched up with courses that are suitable for them and for employers to understand what qualifications actually mean.”

Gordon Marsden: I understand the Minister's points, and I tried to make it clear that I am not asking for a huge response—we do not want to end up like the wax in a lava lamp, which starts off as a great base and goes up to the top before, after some time, becoming big again. I understand the need not to have duplication, but the AELP and others made a particular point about the service sector. Is the Minister not concerned that, if the Government are not careful, they will be, by excluding a large part of the service sector, in danger of sending out a binary message that certain sorts of occupations are valued and others are not?

Robert Halfon: No, because this is about technical and professional education. There are 15 routes, and people have many other ways of doing the vital training for the other areas that the hon. Gentleman mentions. People can do an individual apprenticeship, they can do part of the Government's training scheme or they can do work experience. This is about addressing our skills deficit and, similar to what happens in other countries, ensuring that we have the technical education that our country needs.

On capacity, the institute will ensure that arrangements are in place for evaluating assessments. There are different options for employers and others to develop the standards. We will discuss the assessments later, but I will set out the current figures on apprenticeship assessment. On standards, some 61% of all apprentice starts have an end-point assessment organisation available to them, whether or not they are close to needing an end-point assessment. That figure rises to 94% for all apprentice starts, including those who are expected to reach the gateway—the end of their apprenticeship—within the next 12 months, where an organisation is close to being put on the register. We are considering a number of options and we will discuss them later, but the situation is not as bleak as has been said in respect of the assessment organisations and what is being planned and done.

The hon. Gentleman addressed the levy and the autumn statement, and I am pleased to say that we will still have £2.5 billion available for the levy, regardless of the announcements in the autumn statement. The Government are determined to create an apprenticeship nation, and by 2020 the spending will have doubled to £2.5 billion. We have discussed the providers, but I am happy to reflect on action that could be taken to ensure that SMEs are offering training that is relevant to their apprentices. I am pleased by the response from the providers so far.

The amendment raises other issues of concern. We need to learn from previous models, but there is a risk that requiring specific representation on the panels may not always be appropriate and may result in standards that do not have labour market currency. The purpose of the reform is quality, not quantity. If the panels try to do too much to please too many different groups, ultimately they might not support young people and adults in getting high-quality technical education to progress into skilled employment. The problem is that there is a proliferation of qualifications.

I agree that the groups should be as representative as possible, however. The Sainsbury report makes it clear that the institute will be best placed to ensure that the right people are brought together to develop the standards. Institute staff with expertise in specific occupational areas will know which employers and other stakeholders are suitable to develop standards that are representative of the occupations within the specific routes. The institute is independent. It should be for the institute to manage the composition of groups, and we should not constrain that process.

As for the approval of the groups that are not convened, it is for the groups to come together to put proposals to the institute. That has been the hallmark of the employer-led reforms, which, again, have been based on best practice in other countries. The groups should be flexible enough to reflect the requirements of specific occupations. In some occupations, such as blacksmithing, there are few large employers, while there may be other occupations in which there are no smaller employers or in which there is a bias towards a particular gender. On that point, I remind the Committee that 53% of apprentices are women, which shows that we are making significant progress, although of course we need to do a lot more to get women into STEM—science, technology, engineering and maths—and other key areas.

[Robert Halfon]

There are other ways in which views can be taken into account through the institute's wider structure. Crucially, each route will have its own panel making decisions about the provision within that route. Standards will also be subject to peer review, the purpose of which is to ensure that the proposals meet wider needs. The institute's board is open to applicants with a wide variety of interests. We hope to announce the composition of the board—genuinely—in the very near future. I firmly believe that once that announcement has been made, the hon. Member for Blackpool South will agree that there is important representation.

Kelvin Hopkins: Does the Minister agree that it is important to appoint the right person as chair of the board of the institute? We have had big, forceful characters in the field of public education, and sometimes they get it right and sometimes they get it wrong, but choosing the right person with the right skills and the right character to lead is crucial.

Robert Halfon: The hon. Gentleman is absolutely right. The board and the chairman are both incredibly important. The person has to have incredible knowledge of the field, as well as the charisma, connections and ability to drive the institute forward so that it can transform technical education in the way that we hope it will.

The Secretary of State will provide advice to the institute once a year on how it should carry out its functions, and the institute will have to have regard to that advice. As I have often mentioned, we will consult on the draft of the first guidance letter and provide advice on who the group of persons should be. We plan to encourage the institute to ensure that others with relevant knowledge and experience are included, as well as employers, professional bodies, sector experts, providers and assessment organisations—the more FE representation the better. The institute will need to explain in its annual report how it has taken that advice into account or, if it has not done so, explain why. I hope that that provides reassurance.

On amendment 13, the decisions to convene the panels will be driven by a robust evidence base. If the evidence shows that there is a need for a standard to be developed, the institute will be able to convene a group of persons if the trailblazer group has not already come forward. The need for the standard to be developed will be driven by the relevant occupational map. There will be an occupational map for each category of occupations or route. The maps will be underpinned by analysis of the labour market information and will illustrate how occupations are grouped together according to their shared requirements for skills and knowledge. The occupational maps will therefore provide the evidence base for all the provision within the route.

10.15 am

We hope the employers will continue to come together—and many have—as trailblazers to develop the new standards. If that does not happen, as I say, the institute will be able to convene the most appropriate and representative group of persons, as I described in relation to the previous two amendments. As it is the occupational

map, and not other factors, that determines whether a group of persons is convened, there is no additional information to be published. However, the occupational maps and the approved standards will be published.

Gordon Marsden: Good.

Robert Halfon: Absolutely. They will be available on the institute's website. The institute will publish information so that employers and others know what is required to gain approval to become a trailblazer group. Amendment 13 is therefore unnecessary, because the need for a standard in the absence of a trailblazer group should be the only trigger for the institute to convene a panel. Where the institute convenes a group to develop a standard, its approval of that group is implicit.

In light of that information, I hope that hon. Members agree with this approach. Designing the system around clearly identifiable occupations, and bringing together employers and others to identify the skills, knowledge and behaviours needed for those occupations, will ensure the new system genuinely meets the needs of employers and technical education. I hope the hon. Member will feel reassured enough to withdraw the amendment.

Gordon Marsden: I am very grateful to the Minister for going into detail and for the thoughtful and measured way in which he responded on the three amendments. It is a very techie but extraordinarily important area to get right. The intervention by my hon. Friend the Member for Luton North about the chair was particularly apt in that respect, and I am glad the Minister recognises those points.

I am interested to hear the Minister say that £2.5 billion will still be made available for England. Presumably, that means there will be less available for Scotland, Wales and Northern Ireland. If I am wrong on that matter, I ask him please to come back to me. It was quite clear in the autumn statement that the figure was £2.8 billion, so I just assumed that it would go down to £2.3 billion. If the Minister assures me that it is £2.5 billion, that is obviously good news for England.

We share a view on the direction of travel with the routes, but I am not as sanguine about what the Minister said about the technical side. We will reflect on that. I am pleased that he has given more detail on the occupational standards and that he has addressed the SME and gender issues. Again, we may have a further discussion at some point about the mechanisms in that respect. On the whole, he has given a positive and reasonable response. We can always come back to these issues on Report, if necessary. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Gordon Marsden: I beg to move amendment 14, in schedule 1, page 24, line 6, leave out “as it considers appropriate”.

This amendment would require the Institute to publish apprenticeship assessment plans for all standards.

The Minister may want to say the same sorts of things on amendment 14 as he touched on under amendment 13. Nevertheless, I rise to move the amendment because it would require the institute to publish apprenticeship assessment plans for all standards. I hear

what the Minister says about numbers and everything else. I shall reflect on that and drill down into the detail. However, recent analysis shows—this, of course, is real-time experience—that there are no approved awarding organisations for over 40% of learner starts on the new apprentice standards. Number crunching on the Government data that were published in October suggests that that applied to 1,790 or 42% of the total number of starts so far on the employer-developed programmes.

I accept, as I am sure will the Minister—it must make him tear his hair out at times—that because moving from frameworks to standards is an iterative process, there will be complications. There will be stats that do not appear to fit, and all the rest of it. I am not criticising the fact that there will be an element of confusion. However, those apprentices on the standards will have to pass end-point assessments for the first time, so those assessments have to be carried out by organisations that have been cleared for the task by Government or the Skills Funding Agency-registered apprentice assessment organisations.

I come back to my opening remarks on the previous group of amendments about the degree of uncertainty that still exists about how this will settle down in terms of what the institute does as opposed to other well established bodies such as Ofqual. Because of that, it is important that we have transparency on who is being cleared and who is doing the clearing.

The Minister may be familiar with the observations of Dr Susan Pember, who stood down as the civil service head of further education and skills investment in February 2013. I am very familiar with Dr Pember. On one famous occasion, when we had challenged the Government on various things, she said that we had been challenging them too much. The Minister's predecessor, the right hon. Member for South Holland and The Deepings (Mr Hayes), said that we were absolutely right and that that was the role of the Opposition. Dr Pember has said:

“It is diabolical to let an apprentice start a programme without explaining not only what the end test will contain, but where it will be, what shape it will take and who will be the organisation—that is the key point—

“to oversee and manage the process.”

We are told that the Department for Education—the Minister can contradict this if he wishes and it would be very pleasant were he able to do so accurately—is still struggling to recruit enough of those assessment organisations. Indeed, one of its spokespersons said:

“We know there is more work to be done to ensure we have the range and breadth of high quality assessment organisations we need.”

We are also concerned that the slowness with which this process has been taken forward has meant that students have not started on some apprenticeship standards for two years after they were launched. I appreciate that this refers to matters that took place not on the Minister's watch, but it will colour and inform what people think about what the new institute does and what guidance the new institute is given in this respect by Ministers. The backstory, as it were, is an important one.

FE Week has looked at the latest Skills Funding Agency data, specifically the first standards that were given Government sign-off in 2014. It found that there were no starts at all in that academic year, or in 2015,

while low numbers of students were recorded in several others. There may be an element here of what I described in a previous sitting as the very slow process of taking these trailblazers through. On that occasion, I alluded to the issues raised by the Transport Committee about the time it had taken to passport various standards that were developed in the maritime sector into the required frameworks for the SFA.

The National Skills Academy for Food & Drink took a lead role in developing one of the apprenticeships that ended up having no learners for food and drink maintenance engineers. Its chief executive frankly blamed the Government. She said that employers involved with the trailblazer group led by the NSAFD, which developed the standard, had been

“frustrated by the evolutionary nature of the government's decision making process for approval. We were advised at the start that this new and innovative approach was called ‘open policy-making’... Unfortunately policy implementation does not lend itself well to this approach and valuable employer time and effort has been spent unpicking decisions made as policy decisions have firmed up. This has led to redrafting, reworking and lost time, such that the industry has written to the new skills minister, requesting that the Department for Education implements a far more structured and clear process for the future.”

That refers to things that have happened historically in the last couple of years, but the Minister will understand why, on the basis of that, we are keen to make sure that the institute publishes all of its apprenticeship assessment plans for such standards in a timely fashion. Will the Minister, if he is able to, tell us what is the status of his response to the NSAFD on that issue? Its chief executive, Justine Fosh, said that the standard had not been ready for apprenticeship starts until the beginning of this academic year, but that

“at least 60 students I know of”

have started since September.

That is only one example, but as this process strengthens and multiplies, as it needs to do to meet all the Government targets, the Government will have to pay close attention to this issue of capacity and this iterative process, otherwise they will find themselves in a logjam of standards approvals as early as the middle of next year. That is the point at which any Government of any political persuasion, when they have the Opposition or other stakeholders bearing down on them, might be tempted to cut corners. We do not want to see corners cut, but we, like the stakeholders, want to see what progress is taking place in real time. That is why we have put amendment 14 before the Committee today.

Robert Halfon: The hon. Gentleman said that there was a slow process in taking the trailblazers through. We have committed to carrying out all Government checks and approval processes within six weeks. The average development time is one year. The policy has changed over time and the employer groups have had to make amendments at times.

Under previous amendments, I set out the position on the 61% of all apprentice starting standards. That rises to 94% of apprentice starts, including those that are expected to reach their gateway. We have had some difficulties relating to low volume apprenticeship standards and we are considering recommending a targeted procurement organisation for a bundle of these standards. We are doing everything possible to make sure that the proper assessment organisation is in place.

[Robert Halfon]

The amendment recommends that all published standards must be accompanied by an assessment plan. The legislation already allows for the institute to publish assessment plans for standards as it considers appropriate. The flexibility on this is intentional. Our objective is that the Institute for Apprenticeships will assume responsibility for college-based technical education. At that point, standards will apply to both apprenticeships and the college-based routes, but assessment plans will still only apply to apprenticeships. College-based technical education will be tested in a different way because it is taught in a different way, even though it may be testing similar outcomes. It will be up to the panels to decide how each college-based course should be tested, but the proposals have to be scrutinised and approved by the institute. There will be some standards that are not appropriate for apprenticeships and that will be used only for the college-based routes; it is therefore unnecessary to develop and publish a plan for those standards. I hope the hon. Gentleman is reassured enough to withdraw the amendment.

10.30 am

Gordon Marsden: I am grateful to the Minister for his explanation and for his candour in admitting that there is still some way to go on the issue of capacity. I welcome what he said about procurement organisation. I am prepared to withdraw the amendment, although I would like to reflect on the Minister's point about college-based technical education being best tested in a different way. A different way may be appropriate, but one would not want it to be seen as different in terms of quality. Is he able to say today—if not, perhaps he can write a note—whether more details of how that process will operate will be published? I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Gordon Marsden: I beg to move amendment 15, in schedule 1, page 24, line 20, at end insert

“and must include the following representatives—

- (a) a number of employers which, taken together, comprise a broad range of employer within the given occupation;
- (b) at least one relevant trade union official;
- (c) at least one person engaged in delivering relevant education at the level of the standard being assessed; and
- (d) at least one person who can represent or promote the interests of students.”

This amendment would ensure that groups developing apprenticeship assessment plans include adequate representation of all relevant stakeholders.

The Chair: With this it will be convenient to discuss amendment 16, in schedule 1, page 24, line 37, at end insert—

- (c) information about matters that it takes into account when deciding whether or not to convene a group of persons to prepare an apprenticeship assessment plan for the purposes of subsection (9)”

This amendment ensures the Institute must publish information about its reasons for convening, or choosing not to convene, a group of persons to prepare an apprenticeship assessment plan in respect of a standard.

Gordon Marsden: The amendments take us back to the heart of the principle that we think should be guiding the establishment of this institute. There is no broad difference between the intentions of the Minister and indeed the Government about the need to involve a broad range of stakeholders. The issue is perhaps—though I hope not—how we create mechanisms that effectively deliver that process. The Minister and you, Ms Dorries, will be familiar with the proverb, “If wishes were horses, beggars would ride.” I am not suggesting that the Government want to put in place a beggarly structure for the institute, although some of the issues around capacity still need to be resolved. It is fundamental to make sure that groups developing apprenticeship assessments have adequate representatives of all relevant stakeholders. I do not think we can simply do that by saying, “We can leave it up to the individual groups.”

I have served on enough Committees in this House to know the danger of prescribing particular quotas for people from certain areas. I am not going to take us too far down memory lane, but in the early 2000s, when the then Government were developing policies on further education, we had lively debates on some of the new structures and whether, for example, there should be a trade union person on every area council. I am acutely conscious of the dangers of tokenism in quotas.

Kelvin Hopkins: I understand the point my hon. Friend is making, but surely the sensible way forward is to have broad guidance, either in the Bill or in subsequent secondary legislation.

Gordon Marsden: My hon. Friend is absolutely right. He has huge experience in this area and in the structures that have come and gone. It is about getting the balance right. I come back to something I said on Second Reading: when one is establishing new institutions, it is important not just to set frameworks and assessments but to set the tone. It is the tone that will determine whether the Government, or in this instance the institute, get the buy-in and involvement that will make that institute a success.

When we discussed the issue of capacity, the Minister was absolutely right to say, “Well, it's not simply a question of who's on the board. It's all the various other groups of people who are involved on the various sub-groups, and all the rest of it.” However, the buy-in will depend upon those groups feeling that it is made very clear in the Bill that there is a place for them. As I say, it does not have to be a sort of automatic quota-type thing, but it has to reflect something solid and positive.

We had a relatively lengthy discussion of this principle under the Higher Education and Research Bill, in relation to the office for students and who in that new office should be involved from the student body. The thing that got the headlines was about putting students on the office for students board, but the amendments that were tabled during discussion of that Bill referred to other bodies as well, such as the assessment groups.

That discussion is relevant to the present one because the issues are broadly similar, with the exception that in the higher education world the principles and the organisations that allow involvement by other stakeholders have been far more developed than they have been in the technical education world. Therefore, we think it is

very important that matters such as the contribution of other stakeholders to the assessment process, as well as trade unions, colleges and providers, should be put in the Bill. In the Higher Education and Research Bill Committee, the Minister's colleague said, "Well, yes, it's really important that all these things happen," but they had to happen miraculously, without being put in that Bill. The Committee divided and the Government had their way, but I am glad to say that the Universities Minister went away, reflected, and tabled an amendment on Report which, although it did not give us everything that we and other stakeholders might have wanted, established the broad principle that students should be involved on the board.

I ask the Minister today to think carefully about this issue in the context of other advice that he might have received from elsewhere. I also say to him that it is much better at this stage to send that signal to stakeholders, some of whom are already concerned about whether they are part of this great step forward, than it is to shelter behind the idea of, "Well, we don't want quotas, so we don't want to have at least one person who comes from a broad range of employers in a given occupation, or at least one relevant person from the trade unions, or at least one person who can represent or promote the interests of students."

Getting the tone right at the beginning is absolutely crucial to get the buy-in that everyone who wants this institute to be a success needs. If the institute is going to be accretive in its first year, when it will deal principally with apprenticeships, and in the second year it will take on the elements for technical education, then the Government have time to put the practical implications of this amendment into practice. There does not have to be a big bang, and then officials will say, "Well, how do we identify these people? How do we do it?" That is the point of amendment 15.

As with amendments 16 and 14, we still regard it as imperative to see who is assembled to prepare an apprenticeship assessment plan. It is also valuable to be able to experience that process in real time and to see what it takes to introduce and check assessment plans. Those are the principles underlying an addition to the Bill that is modest, but extremely important in setting the tone and sending the message about all the good and generous things that the Minister talked about only a few minutes ago such as inclusion and ensuring that all talents are taken on board. If faces are set against the measure, there will be much disappointment among stakeholders.

We and the Government want the institute to start off with that broad co-operation—not co-operation through gritted teeth, with people saying, "This is what you're doing as a Government, so we'd better knuckle down and get on with it." We want people to say, "Yes, they've got it right. We want them to go forward with this." Amendment 15, which is a modest proposal, would be a great benefit in that respect. That is why we are moving these amendments.

Kelvin Hopkins: I will speak briefly in support of my hon. Friend. The reality is that those who have become chief executives and chairs of organisations—those with leading roles—are frequently strong characters who want their own way. Some will not want to include in their organisations and structures people who are likely

to challenge them. I have seen at least one notorious leader—he has now left, I am pleased to say—who wanted his own way. He would have liked acquiescent, docile and amenable people in his organisation, not people who put alternative points of view, which is actually often a healthy thing. In this place, we want people to put forward alternative points of view and have a range of opinions, even within parties, so that we get things right. We can make mistakes if we allow a wilful leader to have their own way without ever being questioned, let alone challenged.

My hon. Friend is right. We do not want to cause problems within these bodies, but it is important that a range of insights into what is being done is represented within them. I have concerns about giving too much power and freedom to wilful individuals who may not wish to be constrained by having, for example, a trade unionist on the board. Indeed, there are those who will not want a trade unionist on a body, whether that body is a board or a committee deciding on apprenticeships. I strongly support my hon. Friend and hope that the Minister can be persuaded.

Robert Halfon: This discussion is incredibly important. I understand that the hon. Members for Blackpool South and for Wythenshawe and Sale East who tabled the amendments want a quality, fair, open and genuinely representative institute at all levels. For me, this is not an argument about quotas. There are three issues: that the institute gives us high-quality technical education that meets our skills deficit; that the institute is independent, but employer-led because, as the Sainsbury report argued, that is how we will achieve that goal; and the question of the best way to achieve representation.

I welcome the intention behind amendment 15, which is to ensure that the groups who develop assessment plans are representative of the sector and others with an interest in ensuring high-quality assessment that really tests the achievement of the standard. That is what we want to do. The experience of the past few years from running our own trailblazer process is that the vast majority of groups that have come together to develop the standards and plans have been representative of the sector. Like the hon. Member for Luton North, I am not opposed to trade unions. I am a union member and very strongly support Unionlearn, which the hon. Member for Blackpool South mentioned. I hope very much that the trade unions will be involved in some way or another.

10.45 am

Kelvin Hopkins: I know very well the Minister's record and admire the fact that he is a trade unionist, but not all politicians in this place are quite so at ease with trade unionism. Indeed, in the world outside not all are as admirable as the Minister in his support of trade unions.

Robert Halfon: I thank the hon. Gentleman for his comment but I think the issue is about how to create that representation. That will be the point of discussion between us.

In the institute, we have designed an organisation that will be able to carry out apprenticeship functions independent of Government, so that the decisions have credibility with employers. The Enterprise Act 2016 gave it autonomy in determining who should be approved

[Robert Halfon]

to develop each standard and related assessment plan. The idea was to ensure that it had the flexibility to respond differently to different sectors and ensure that the groups are representative. Although it is right that the institute is independent and can make its own choices about how it operates, it is incredibly important that the Secretary of State is still able to give it guidance through a written statutory notice. The institute must have regard to the statutory notice and must justify its actions if it chooses to disregard the advice.

We will shortly consult on the draft of that guidance and that will provide advice on who the group of persons should be. I very much want to encourage the institute to ensure that others, beyond employers, with relevant knowledge and experience are included. As I said in the previous debate, that would be professional bodies, other sector experts, FE providers, other providers and assessment organisations. I strongly encourage hon. Members of all parties to engage in the consultation and give their views.

On amendment 16, I appreciate the interest in ensuring that the institute must be transparent in why it convenes groups and develops an assessment plan. It is essential that we avoid the proliferation of new standards and assessment plans, learning from the experience of previous apprenticeship frameworks. The whole purpose of the reforms is to ensure quality over quantity.

I am sure that hon. Members are aware that in formal technical education, standards form the basis of both apprenticeships and college-based technical education courses. With reference to the previous debate, the quality will be the same whether it is the assessment of an apprenticeship or classroom-based education. It just reflects the nature of the different delivery between apprenticeships and college-based courses. Quality is everything; it is the whole purpose of the reforms.

In addition to employer demand, the need for the standard will be informed by the occupational maps. There will be an occupational map for each category, and the maps will be underpinned by labour market information. That is the best way to provide an evidence-based road map for all the provision within each route. The institute must ensure that standards exist for all skilled occupations that need them. Where an approved group of employers and other persons is not available, the institute will be able to convene a group to develop a standard and an assessment plan where necessary, but the occupational map must be the primary factor for determining whether a group of employers is convened. The occupational maps, as well as the approved standards, will be available on the website. The institute can convene a group to develop a standard only if one has not come forward organically, motivated by employer demand. The only other criterion that the institute will use to convene a panel itself is the occupational map, which is publicly available. Therefore, the information that the amendment requests is unnecessary.

The amendment could also have the effect of requiring the institute to publish its set of criteria for who should form the group of persons who will develop the assessment plan. As I said in response to amendment 15, it is up to the institute as an independent organisation to decide the detail of how it carries out its functions, but I will reflect seriously on what has been said. I believe in

strong representation in all parts of the institute, and we can suggest that it be part of the Secretary of State's guidance to the institute. For that reason, I hope that hon. Members will feel reassured enough to withdraw the amendment.

Gordon Marsden: The Minister, with thoughtfulness and detail, has taken much the same view on amendment 16 as he took on amendment 15, and I will do the same. I heard what he had to say. It is one of those issues on which we agree to disagree, but as he said, we will have the opportunity to pursue it when the guidance is issued. On that basis, I am content to withdraw amendment 16.

On amendment 15, I have listened carefully to the Minister's measured and thoughtful response. We are not disputing that the process must be employer-led. That is why we particularly say in the amendment

"a number of employers which, taken together, comprise a broad range of employer within the given occupation".

That is the issue: there must be somebody in that group who knows their stuff.

This might be a fundamental philosophical difference between us. I find it odd that the Government should so set their face against putting in the Bill the principle that there should be a trade union representative, or indeed someone who could represent the interests of students or apprentices. I was tempted on that basis to press the amendment to a vote, but I will not. I have heard what the Minister said. We will wait to see the guidance, and we will want to contribute to it. As I said, we can always return to the matter on Report. With some reluctance, but recognising his bona fides in the matter, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Gordon Marsden: I beg to move amendment 29, in schedule 1, page 25, line 17, at end insert—

"(5) Regulations under subsection (4) shall be laid before Parliament and shall be subject to the affirmative resolution procedure."

Heaven forfend that I should criticise groupings, but what I have to say to amendment 29 is probably very similar to what I will say to amendments 31 and 33. It is an important principle when setting up a new organisation that, at least during the first year or couple of years, it should make the process of regulation as transparent and open as possible. I say this with no disparagement or criticism of the Minister and the current Administration, but Governments of all descriptions have an enormous tendency not to do so when they set up new things.

To return to the point made by my hon. Friend the Member for Luton North about the need to have people testing and refining the arguments, it is easy to say, "Let's have it done according to the negative procedure. After all, this legislation is only delegated and passported in, mainly from the Apprenticeships, Skills, Children and Learning Act 2009." Before anybody says, "That was done under a Labour Government," I will say yes, it was done under a Labour Government, and when I sat on Committees under that Labour Government, I regularly criticised the Government's use of the negative procedure, especially when we set up new institutions. Famously, I and colleagues demanded that the Labour Government did not use that procedure for the casino in Blackpool,

and we had to have a full hour and a half of debate on the Floor of the House. I think that, in those circumstances, I did my duty to both my constituency and parliamentary transparency. That is the principle behind why we are saying in amendments 29, 31 and 33 that regulation should be subject to the affirmative procedure.

The affirmative procedure, as you well know, Ms Dorries, is not the most onerous of burdens on Ministers and civil servants. It merely guarantees that there will be often quite limited discussion among a group like this one in a Committee Room. As the Minister will recognise, in those proceedings, even if the measures are not pushed to a vote, sometimes things are said and done that cause Ministers to reflect, to go away and to improve legislation, and, in this case, to improve the directions. The other point to be made—

The Chair: Mr Marsden, I did not want to disturb you in full flow, but it has just been pointed out to me that the grouping of these amendments is provisional. Would it be convenient for you, while you are in full flow, to speak also to amendments 31 and 33 to save time later? Then I will not call them.

Gordon Marsden: Absolutely. Ms Dorries, you make the point that all three amendments are designed to respond to that proposal. Having sweated blood over getting it, I want to refer to the famous policy statement for clause 1. From page 5, that gives the justifications for the Government's proposals to treat these three areas according to the negative procedure. I am looking carefully at what is said about section A2B on page 7, section A3A on page 8 and paragraph 33 on page 8; those three sections relate to the three amendments we have tabled to change to the affirmative procedure.

In the commentary on paragraph 33, the policy statement says:

“Justification for procedure: this is essentially an administrative transitional provision to allow for the work...to continue by the Institute.”

On section A3A, it says:

“This is consistent with the existing power in relation to apprenticeships...and for which regulations have already been made and laid using the negative procedure”.

On section A2B, which relates to the first of our amendments, it also says:

“It is considered that a regulation making power subject to Parliamentary scrutiny is appropriate and provides flexibility...when new functions and procedures are being used for the first time.”

It talks about the amount of the fees chargeable in relation to particular assessments, what an appropriate fee is and all the rest.

Ms Dorries, we would be mad—I certainly would be—to want to have a major debate on, or to put in the Bill, what should or should not be prescribed for fee charges, in terms of the new evaluation of apprenticeship assessments. People would think we were bonkers. However, the principle of how to administer that, and particularly whether there should be charges or not—a live issue at the moment, being represented to us in briefing documents from various sectors—is quite important.

It is important that there is a set formula saying that this will be debated in a Delegated Legislation Committee, on a statutory instrument of some description, on the affirmative principle. Again, that gives support and

value, and sends out that signal of inclusion to the stakeholders who will be significantly affected by the results of those affirmative resolutions or the negative procedures. That particularly applies to training organisations, which will be significantly affected and challenged by the changes—at least, that is what they have all said in their representations to us. That is to say not that the changes are bad or wrong, but simply that they are significant enough to be carried out through the affirmative rather than negative procedure.

11 am

There is another point, for which we must go back to what the beginning of the policy statement says about the importance of the inclusion of technical education. In responding to the earlier discussion about college-based technical education, we heard the Minister say, perfectly reasonably, if I remember correctly—*Hansard* will no doubt show if I do not—that college-based technical education would be tested in a different way. I responded by saying that that was interesting, and that I would be interested to see further detail when it is published. That rather makes the point that technical education is now being included, absolutely rightly, in the institute's remit.

From the example that the Minister gave this morning, we know that some of the assessment and judging will proceed in a way that is different from that for apprenticeships. Ministers may say, “Some of these things have already been looked at under the Enterprise Bill”—I think one of its sets of regulations was subject to the negative procedure—but it is not unreasonable for us to say that this is a big new step, with big new things being introduced for technical education.

I am not suggesting that this should be the case all the time, but the passporting of these particular things into the Apprenticeships, Skills, Children and Learning Act 2009 will significantly change the meaning and operation of that Act, so should proceed on the basis of an affirmative resolution. If that happens, it will be a lot easier for interested organisations and stakeholders to get their representations in, because they will be aware right from the beginning and will not be dependent on an early-day motion being tabled within 40 days or 25 days—I cannot remember which it is, but whatever the period of time is that means it can be changed into an affirmative resolution. That would also give the Government early notice of what the concerns are.

If we proceed under an affirmative resolution, we will then have a Committee in this House; sometimes, those Committees can be relatively short and painless. The Minister will have had the chance to consider some of the representations and will know that a piece of delegated legislation is coming along. His officials will know that a del leg or statutory instrument is coming along. The Government will then have the opportunity to respond in Committee, on the Floor of the House, with the weight of authority that then gives to the Act—as Members know, what a Minister says in Committee is relevant in that respect—and everything can be done relatively smoothly and in good order.

That is in contrast to using a negative resolution, which might make people suspicious. They might think, “Why aren't they prepared to have it discussed properly in an SI or del leg for however short a time?” That would not be terribly helpful and is not in the spirit of

what the Minister has said. Indeed, it is not in the spirit of what we are doing with the Bill in including technical education in the institute's remit along with apprenticeships.

For all those reasons, through amendments 29, 31 and 33 we are arguing strongly that regulations should be subject to the affirmative procedure, rather than the negative procedure listed in the policy document.

Robert Halfon: I thank the hon. Gentleman for his scrutiny. I need to explain the context of why we have chosen to go down this route. We have had a lot of discussion about the quality and evaluation of apprenticeship assessments. Ensuring consistency between assessments will mean that an apprentice can be sure that, wherever they obtain their apprenticeship, they are being judged on a fair and equal basis.

Our aim is that the institute should work to ensure that an apprentice in Hull and an engineering apprentice in Blackpool both have consistent and high-quality assessment. The power that allows the institute to charge for its role in reviewing assessments is critical to enabling it to discharge its function of evaluating assessments effectively.

Other organisations approved by the institute to carry out a quality assurance role in relation to apprenticeship assessments, such as professional bodies, are likely to charge. If the institute were unable to charge, there would be an increased incentive for employers to use the institute instead of the other options, and the extra running costs would ultimately fall on the taxpayer. It follows that, like other organisations, the institute should be able to charge for its work and to recover all its costs.

Importantly, the specific fee is likely to be adjusted over time for a range of reasons, such as to reflect any changes in the institute's approach to carrying out evaluations and as assessments are updated and altered. Additionally, as the Committee will appreciate, the institute is still finalising the operational detail on how it will carry out some of its functions, including the evaluation of assessments, which we have just debated.

The actual amount that the institute will need to charge is not known. It is conceivable, although it has not been decided, that there could be different fees in different cases to take into account the cost of evaluation in different sectors. I reassure the Committee that the policy is that organisations should be able to charge only to cover their costs. We will make that clear to the institute in the guidance letter. Of course, the institute will be able to charge only if authorised to do so, and subject to the restrictions set out in the regulations.

It is likely that the fees would need to be reviewed quite frequently to ensure that they were appropriate, which is why hon. Members will welcome the provision to allow for the introduction of a statutory instrument without requiring Parliament to debate the matter each time a fee changes. The negative procedure ensures that the fee levels can be updated relatively quickly, if necessary, thus protecting the taxpayer from unwanted financial risk. The procedure is consistent with the Secretary of State's approach to charging fees for certificating framework-based apprenticeships and, more recently, for English apprenticeship certificates—we are doing that in parallel. Even so, as the hon. Member for Blackpool South pointed out, regulations tabled under the negative procedure can still be debated in Parliament. If there were real demand, scrutiny could still be achieved.

Amendment 31 raises the same issue. I agree that any matter left to secondary legislation requires scrutiny, but the negative procedure provides for sufficient parliamentary scrutiny and would enable debate if the secondary legislation was prayed against. In the event that the institute wishes to introduce an application or process, or to update the fee levels, the negative procedure allows for that to be done as quickly as possible, which is consistent with the Secretary of State's approach to apprenticeships.

As the institute is not yet established, flexibility is needed to prescribe the most appropriate method. We may also wish to seek advice from the institute and others on what those measures should be. I confirm that, at most, the fees should cover all the costs connected with carrying out the function.

I turn to amendment 33. The Secretary of State has powers to make arrangements to develop new technical education provision. The Bill would allow the Secretary of State to transfer those powers to the institute to ensure continuity. I hope it will reassure the hon. Member for Blackpool South and his colleagues if I give a broad overview. We are progressing the arrangements that we are putting in place before the institute takes on its wider responsibility.

The hon. Gentleman will know that creating this new technical education provision is a complex process. Although we are committed to taking through the reforms quickly, and particularly to establishing all 15 technical education routes as soon as possible, we recognise that certain lead-in times are required for reform. The Government plan to phase the reforms in progressively; development will commence before the institute remit is expanded in April 2018.

We have already talked about the occupational maps and the routes to identify occupations. We know that employers will play an especially important role in assessing the standards, including articulating the knowledge, skills and behaviours needed. I assure hon. Members that the negative procedure provides sufficient parliamentary scrutiny. We have thought carefully about the right balance of primary and secondary legislation and about which procedure to use for secondary legislation. We have set out the rationale in the delegated powers memo for the Delegated Powers and Regulatory Reform Committee in the other place and I look forward to reflecting on that Committee's response. I hope that the hon. Member for Blackpool South will feel reassured enough to withdraw the amendment.

Gordon Marsden: Again, I am grateful to the Minister for the thoughtful and measured way in which he has put his point of view. I entirely accept everything he has said about the need to move carefully and about the fact that there may be variations in charges and that we may have to return to them frequently.

However, none of that undermines the essential argument that this is a new Bill that is taking on new stuff. We believe—I am afraid that history teaches us lessons in this respect—that it is far safer for the Bill to specify the affirmative procedure than the negative procedure. Although I appreciate the Minister's remarks, I regret to say that we wish to press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 8.

Division No. 1]**AYES**

Brabin, Tracy	Marsden, Gordon
Hopkins, Kelvin	
Kane, Mike	Shah, Naz

NOES

Argar, Edward	Rutley, David
Donelan, Michelle	Smith, Henry
Halfon, rh Robert	Tomlinson, Justin
Mak, Mr Alan	Vara, Mr Shailesh

Question accordingly negated.

Gordon Marsden: I beg to move amendment 30, page 27, line 3, at end insert—

“A2DD Directions: consultation

Directions given to the Institute by the Secretary of State under this Act shall be subject to—

- (a) periodic review, and
- (b) consultation by the Institute with—
 - (i) organisations representing the teaching professions,
 - (ii) further education bodies and provider organisations,
 - (iii) employers and employers’ organisations,
 - (iv) awarding bodies, and
 - (v) organisations representing students and apprentices.”

Broadly speaking, amendment 30 continues the theme of our other amendments this morning. It is interesting to move the amendment after the Minister’s useful exegesis of the role of the Secretary of State and of the relationship between the Secretary of State and the institute, because it is that relationship that the amendment seeks to probe further. The Government’s policy statement gives those further powers to the Secretary of State, in particular in relation to matters concerning technical education.

11.15 am

It is important to emphasise, and I say this in the light of the conversation we have just had about delegated legislation, that these powers are

“to be exercised by direction with no Parliamentary procedure. Directions could include the approval of a qualification, entering into arrangements to ensure a qualification is available for approval (a contract with an organisation), the withdrawal of a qualification and their publication requirements.”

We, like many stakeholders—and I will quote some of the observations they have made—are concerned that some of these changes to technical education could be seen as being rushed, to put it kindly. There is therefore a real need for regular consultation with stakeholders to ensure a successful transition. We are not attempting to launch a lightning attack on the powers of the Secretary of State to do these things, but because of the relative speed with which matters have been taken forward and because we need to get them right, we want to see, first, provision for periodic review and, secondly, some indication of the range of organisations that will be consulted in that process.

Several stakeholders in this area have written to Committee members and submitted written evidence with their concerns. The Committee will be relieved to

learn that I will not read great chunks of all of them, but they form a significant part of the written evidence we have had so far.

The Association of Employers and Learning Providers said in its written evidence that it believes reform proposals may not currently

“be giving sufficient weight to the input of stakeholders and the concerns of, and about, learners”,

and this is relevant across the board in setting up the institute. Stakeholders should be required, and be able, to give their input on directions given by the Secretary of State.

The awarding organisation, City & Guilds—a very distinguished organisation, which from memory is probably the oldest awarding organisation in the country—has commented that it would

“caution against the speed of transition of duties given that the IATE is not yet operational and will have much work to cover embedding Apprenticeship reform... It appears that 2018 is an ambitious timetable to assume full responsibility for all Technical Education as well as Apprenticeships at a time of significant change within both.”

This view was also echoed in the written evidence submitted by the TUC. There are uncanny parallels between some of the issues on the Higher Education and Research Bill—between the establishment of the office for students and the changes taking place in awarding organisations and in qualification assessment—and the concern that trying to do two lots of things simultaneously in a relatively short period of time risks causing some problems. The TUC says this is being implemented in a timeframe

“when major changes to the apprenticeship is taking place, including the rollout of the...levy and related reforms designed to drive up the number of high quality apprenticeships...reform of technical education will need to be phased in over a number of years and this means that a strategy needs to be in place to meet short-term skills pressures... However...there is an urgent need to accelerate measures to build our national skills base”—

because, and I think this is the first reference to Brexit so far in this Committee—

“the economy and labour market faces major challenges as a result of the decision to leave the European Union.”

It goes on to talk about concerns regarding the move to simplify technical qualifications by granting exclusive licences.

Other organisations have commented on this as well. The Association of School and College Leaders

“is concerned about the transfer of responsibility for regulating the validity of vocational qualifications throughout their lifecycle from Ofqual to the newly formed Institute for Apprenticeships and Technical Education.”

City & Guilds has said:

“The Bill is unclear about the future role of Ofqual. If its current major role in the regulation of AOs—

awarding organisations—

“and qualifications is to be diminished then this should be done properly, openly and with full transitional provisions.”

City & Guilds has talked about the issues of overlap, as indeed has the Association of Colleges in its submission on Second Reading. City & Guilds goes on to talk about its concern

“about creating the apparently stark binary system of education under two governing agencies (Ofqual and the IATE...).”

I do not want to go on about what the various organisations have said, but I will draw out a point that relates to the amendment. What all that is telling me, and possibly a number of members of the Committee and certainly the outside world, is that there is significant concern about the pace of change and acceleration in the Bill. It is not part of my role here today to judge whether the process is too fast, too slow or just right. As I have said on other occasions, although it is nice for Ministers to be able to convince the Opposition, it is even nicer when they can convince the stakeholders with whom they need to work to ensure that the Bill is effective. That is the point we are making with the amendment.

As it stands, the discussion process appears to be two-way, between the Secretary of State and the institute. All those things are of course tied up. If, for the sake of argument, we had had agreement earlier from the Government to place in the Bill more stuff about which stakeholders would be involved in consultation and everything else, I might be less concerned about this appearing to be a two-way process that does not involve many other stakeholders in key areas, which will affect not only their viability but that of the delivery of some of the new technical and apprenticeship qualifications that the Government quite rightly want to progress.

It is a fairly modest thing, therefore, to say that the directions given to the institute by the Secretary of State under the Act should be subject to periodic review. The Minister has already said, perfectly reasonably, that the Secretary of State wishes to reserve to herself certain powers in that respect. That is an entirely proper and right thing for her to do. The institute is therefore not a completely free agent. Equally, however, if that is to be the case, in order to reassure and involve the other stakeholders who need to participate, a process needs

to be indicated in the Bill, which is why we have talked about it being subject to periodic review and to consultation by the institute with a number of representative organisations. We have talked about organisations representing the teaching professions, FE bodies, FE provider organisations, employers and employers organisations, awarding bodies and, crucially, organisations representing students and apprentices. Those groups have been chosen specifically because they have raised in their written evidence concerns about how the process will be taken forward.

There is a secondary point, which I do not want to dwell on because I do not want to be curmudgeonly or critical of either the original Sainsbury review, which included my own head of Blackpool and The Fylde College, Bev Robinson, and which did an excellent job, or the skills plan. Nevertheless, various stakeholders have said that some of the proposals in the schedule—for example, paragraph 11 on the apprenticeship standards and assessment plans—were not fully canvassed in the skills plan. There remain concerns out there about some of those issues, which is yet another reason why we should try to reassure the stakeholders by putting a moderate proposal in the Bill. A periodic review can be whatever the Secretary of State, or Parliament if it comes to that, decides it should be. But the principles of consultation and periodic review, particularly in technical education, which is the new area that will come under the remit of the institute, are important, and that is why we are pressing the point today.

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.