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Monday
19 July 2021

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
Lab Co-op	Labour and Co-operative Party
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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§ *Members of the Government listed under more than one department*

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THE
PARLIAMETARY DEBATES
(HANSARD)

IN THE SECOND SESSION OF THE FIFTY-EIGHTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
COMMENCING ON THE SEVENTEENTH DAY OF DECEMBER IN THE
SIXTY-EIGHTH YEAR OF THE REIGN OF

HER MAJESTY QUEEN ELIZABETH II

FIFTH SERIES

VOLUME DCCCXIV

THIRD VOLUME OF SESSION 2021-22

House of Lords

Monday 19 July 2021

The House met in a hybrid proceeding.

1 pm

Prayers—read by the Lord Bishop of Southwark.

Arrangement of Business

Announcement

1.06 pm

The Lord Speaker (Lord McFall of Alcluith): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber while others are participating remotely, but all Members will be treated equally.

Today, the social distancing requirements in the Chamber have been removed, but I strongly encourage Members to continue to wear face coverings while in the Chamber, except when speaking, and to respect social distancing in relation to the staff in the Chamber.

Royal Assent

1.07 pm

The following Act was given Royal Assent:

Supply and Appropriation (Main Estimates) Act.

Arrangement of Business

Announcement

1.07 pm

The Lord Speaker (Lord McFall of Alcluith): My Lords, Oral Questions will now commence. Please can those asking supplementary questions keep them no longer than 30 seconds and confined to two points? I ask that Ministers' answers are also brief.

Cash Infrastructure

Question

1.07 pm

Asked by Lord Holmes of Richmond

To ask Her Majesty's Government what plans they have (1) to designate the United Kingdom's cash infrastructure as critical national infrastructure, and (2) to introduce a universal service obligation for the provision of cash.

Baroness Penn (Con): My Lords, designation of the United Kingdom's critical national infrastructure is sensitive and, as such, not made public. However, the Government have committed to legislating to protect access to cash and to ensuring that the UK's cash infrastructure is sustainable in the long term. On 1 July, the Government published a consultation which sets out proposals for new laws that seek to ensure that people need to travel only a reasonable distance to pay in or take out cash.

Lord Holmes of Richmond (Con): My Lords, does my noble friend agree that the future of financial services is digital, and that that future must be inclusive, accessible and empowering? At least until that future arrives, cash still matters materially to millions.

Baroness Penn (Con): I absolutely agree with my noble friend. In fact, cash remains the second-most used payment form in this country. That is exactly why we have made this commitment to legislate and launch the consultation on our specific proposals, which we look forward to taking forward.

Baroness Bryan of Partick (Lab) [V]: My Lords, cash is essential to many people's ability to budget. I am sure the Minister is aware that cash machines that charge for use are often found in communities that have fewer alternatives for accessing cash. Can she

[BARONESS BRYAN OF PARTICK]

assure this House that the proposed legislation will contain a requirement to ensure that cash is both accessible and free of charge?

Baroness Penn (Con): My Lords, industry is best placed to develop the most efficient and sustainable solutions for access to cash. However, the legislation is proposed to set out geographic requirements so that people do not have to travel too far for access to cash. It will also make the FCA the lead regulator on consumer access to cash, ensuring that access to cash is reasonable—that should take into account vulnerable users and factors such as costs when looking at the provision in the country.

The Lord Bishop of Southwark: My Lords, the data tells us that cash usage is higher among higher age groups, those with mental health issues, those on lower incomes and other categories. Does the Minister agree that what works in terms of digital payments for some groups in society and proves financially viable for major banking institutions simply does not work for large numbers of people in a diocese of 3 million such as Southwark, and many others?

Baroness Penn (Con): My Lords, the Government believe that we need to make digital payments as accessible as possible, but we also acknowledge the continuing role of access to cash, particularly among some of the groups that the right reverend Prelate mentioned. That is why, as part of the consultation, reasonable access considerations will be given to the FCA to regulate, as I have said, so that people can have access to that cash. LINK, the UK's largest ATM provider, has taken action to protect the distribution of free-to-use ATMs, including in deprived locations and more remote locations.

Lord Hunt of Wirral (Con): My Lords, as an independent non-executive director of LINK, I recognise the valuable work being done to help ensure that cash remains readily available right across the UK. What analysis have the Government made of the declining acceptance of cash by retailers, particularly in the hospitality sector, and are any measures planned to reverse that apparent trend?

Baroness Penn (Con): My Lords, analysis has been done by the Bank of England which showed that 40% of people had visited a store that did not accept cash in the six months prior to January 2021. That is an increase on the January 2020 figure of around 15%. We are taking forward several measures; as part of this consultation, we will help businesses continue to accept cash by ensuring reasonable access to cash depositing facilities, as well as cash ATMs and withdrawal facilities. There was also an amendment to the Financial Services Act 2021 to allow for cashback without purchase, which will also support local cash recycling and continued cash acceptance.

Baroness Kramer (LD) [V]: My Lords, access to cash is part of the broader financial inclusion crisis. Will the Government empower the FCA and other regulators to set aside competition rules where it would

lead to co-operation by financial institutions to fill the gaps—for example, with shared premises and staff and potentially shared machines and software?

Baroness Penn (Con): My Lords, I understand that a number of industry-led pilots are already under way which are taking forward the kinds of initiative that the noble Baroness is talking about, and they have been able to take place within the current competition framework.

Lord Young of Cookham (Con): My Lords, I agree with my noble friend Lord Holmes that, for those without bank accounts, access to cash ATMs and to retailers which accept cash is crucial, and both are becoming rarer. Is there a role for the Department for Work and Pensions in helping pensioners who do not have bank accounts by issuing them with a prepaid card, topped up monthly, as it already does for universal credit claimants? This would give them financial inclusion and independence.

Baroness Penn (Con): My Lords, the Government are committed to ensuring that all individuals have access to financial products, including a bank account, but the DWP recognises that some customers may be genuinely unable to open or manage a bank account. For those customers, payment is made via the payment exception service. My understanding is that this may already be available to a wider set of customers than the noble Lord referred to, but I will take up this point—as it is a very good one—with the DWP and get back to him.

Baroness Wheatcroft (CB): My Lords, today another 12 sub-postmasters have had their convictions for fraud overturned, so would this be a good time for the Post Office to salvage its reputation by relaunching as a mutual with a cause of providing cash and the other services that communities need? Would the Minister agree with me that the “people’s bank” could be a useful step towards levelling up?

Baroness Penn (Con): My Lords, I think I join noble Lords across this House in being shocked at the outcome of these cases and the ongoing issue. The Post Office has an incredibly important part to play in the provision of access to cash and free-to-use access to cash. The Government's intention is that that role will continue.

Baroness Hayter of Kentish Town (Lab): My Lords, as we have heard, cash is essential for all sorts of reasons—for children, charities, savers and budgeting, or just for some people wanting to split a bill at the end of an evening. But as it is a critical infrastructure, would the Minister confirm that it is covered by the National Security and Investment Act, such that a beady eye is kept on the IT behind its provision so that that does not fall into hostile hands? Could she also outline the steps the Government are taking alongside industry to ensure the security of the IT systems which underlie that access to cash?

Baroness Penn (Con): My Lords, as I said in my initial Answer, designation of the UK's critical national infrastructure is sensitive. However, financial services

more broadly are an area of infrastructure covered by CNI. In terms of operational resilience, the noble Baroness is absolutely right. In March, the Bank of England, the PRA and the FCA published a joint policy statement on operational resilience for the finance sector. This clarifies and sets new expectations for firms to improve their operational resilience and comes into effect from March 2022.

Lord Cormack (Con): My Lords, I am much encouraged by my noble friend's answers to date. But is she also aware that many companies appear to be quite actively discouraging the use of cheques and that many people wish to see them maintained?

Baroness Penn (Con): My Lords, the Government have committed to financial inclusion in all its forms. As I said, we are taking forward this action on access to cash. We also want to look at more modern methods of payment and make sure that those who may have trouble accessing them have help and that they are made as accessible as possible to everyone in the country.

Baroness Tyler of Enfield (LD) [V]: My Lords, does the Minister agree with me that the Financial Conduct Authority should be given overall responsibility for maintaining a well-functioning cash infrastructure as part of its proposed new duty of care to consumers? Can the Government provide details of what discussions they have had with the regulator about it taking on this role and the additional powers it may need in order to do so effectively?

Baroness Penn (Con): My Lords, the Government propose that the FCA is the lead regulator for the provision of cash withdrawal and depositing facilities. There are other regulators that have a role to play in access to cash—for example, the Payment Systems Regulator and the Bank of England. The Government convene all those regulators together on a regular basis to make sure that they are all working together properly.

The Lord Speaker (Lord McFall of Alcluith): My Lords, the time allowed for this Question has elapsed. We now come to the second Oral Question.

Covid-19: Aligning UK and Foreign Entry and Return Requirements

Question

1.18 pm

Asked by **Lord Blunkett**

To ask Her Majesty's Government what discussions they have had with the governments of countries with (1) low levels of COVID-19 infections, and (2) a traditionally high number of visitors from the United Kingdom, to seek to align the requirements for (a) vaccination, and (b) testing on entry and return.

Lord Blunkett (Lab) [V]: I hope for the last time virtually, I beg leave to ask the Question standing in my name on the Order Paper and draw attention to my declaration on the register.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con) [V]: My Lords, the Government are working with a range of international partners to ensure a safe return to international travel while managing public health risks. We are taking a phased approach to amending requirements for passengers fully vaccinated through the UK programme and exploring plans to remove quarantine for non-UK residents arriving from amber countries from later this summer. The purpose of our inbound travel—[*Inaudible*]—while ensuring that our route out of the international travel restrictions is sustainable.

Lord Blunkett (Lab) [V]: My Lords, at home and abroad, freedom day is in danger of turning into confusion day. Surely people should not be punished in any way for wanting, for business or for pleasure, to leave and return to our country freely. Clarity, consistency and some sort of understanding of the impact on our foreign relations would surely not only help but save our aviation and travel industry. Would the Minister agree that discussion with our friends could have led to an understanding of the constitution of the French Fifth Republic and avoided the need to invent amber-plus, thereby enabling us to be able to treat the French as they would treat us, given that our infection levels are pretty much at amber-plus?

Lord Bethell (Con) [V]: My Lords, I completely agree with the noble Lord that we should be utterly committed to the route to sustainable, open borders. However, we cannot hide from the threat of infection from abroad. That infection comes from higher rates from abroad—the positivity rates of some countries have been in the high teens—but also the threat of variants of concern, particularly the vaccine-evading beta variant, which is highly prevalent in some countries, including, increasingly, France.

Lord McConnell of Glenscorrodale (Lab): My Lords, the lack of co-ordination of regulations and announcements between the four Governments of the United Kingdom has been one of the worst examples of incompetence throughout these past 16 months. That is now particularly true in relation to international travel. Why is it impossible for these four Governments to agree one set of rules for people travelling in and out of the United Kingdom? What will the Government do to try to improve the situation, even if it cannot be resolved for the summer-?

Lord Bethell (Con) [V]: My Lords, I am not sure whether I agree with the premise of the question. I pay tribute to the collaborative spirit in which the four nations have worked together. I have regular meetings with my counterparties—in fact I have one this afternoon—in order to talk about exactly this sort of co-ordination. The answer to the noble Lord's question is, in the framing of the question, that it is not in my or the Government's gift to manage this on our own; we depend on collaboration in order to have co-ordination.

Lord Scriven (LD): My Lords, the director-general of the International Air Transport Association has said that the Government now have “no coherent policy on international travel.”

To prove him wrong, can the Minister state what data the Government are using to determine the positivity rate for the beta variant on mainland France, and what that data shows for the cases of the beta variant on mainland France?

Lord Bethell (Con) [V]: My Lords, the noble Lord’s question has behind it a genuine dilemma. The amount of genomic sequencing in countries around the world is limited. No other country has the degree of genomic sequencing that we have here in the UK, and we do not have perfect vision of what variants of concern are present in other countries, including even in France. We work very closely with Governments, including that of France, to have access to whatever data they have—but, to an extent, we are operating with imperfect data.

Lord Bourne of Aberystwyth (Con) [V]: My Lords, clearly, as international travel restrictions ease, co-ordination of travel rules will become imperative. In that regard, will the Minister impress on colleagues in government the good sense of Britain leading the way internationally in ensuring that vaccination records are carried in passports, to demonstrate the vaccine histories of those travelling? This will speed checks, make them secure and promote an international approach to vaccine-secure travel.

Lord Bethell (Con) [V]: My Lords, I entirely agree with my noble friend that co-ordination of vaccine certification is a massive priority. We are working extremely closely, particularly with our close friends in America and the EU, to have mutual recognition of certification. Whether that certification is tied to the passport is up to the tastes of local countries. In the UK we are putting certification in the NHS app, and it feels right that that should be contained and limited to health records rather than national identity documents. However, each country will have its own approach.

The Earl of Clancarty (CB): My Lords, the Minister has previously promised to look at the cost of tests for travel purposes, yet the very wide variation in price from the 402 providers the Government list on their website—most of them well over £100 per test—is surely quite confusing for the public when, essentially, we are talking about the same product, even if the details of provision may vary, and critically so. Will the Government look at this, and indeed at the costs themselves?

Lord Bethell (Con) [V]: My Lords, I do look at the costs and have regular meetings with the team to look at this. I pay tribute both to officials and to the industry for standing up an enormous number of tests. I believe that, between 30 June and 7 July, 182,137 tests of people quarantining at home were registered and processed, and 18,946 by those who manage quarantine. That is an enormous number and pays tribute to the industry. A variety of costs reflects

a variety of different services and in itself is not a problem—but we are driving the costs down and the industry is responding accordingly.

Baroness Merron (Lab): My Lords, regrettably, we see the Covid border restrictions descend into further chaos with the last-minute U-turn on self-isolation requirements for fully vaccinated people returning from France. Once again, we see the travel industry and the British people paying the price. Will the Minister agree to publish the full data behind the traffic light system, and could he give his views on the stance of the World Health Organization, which has reaffirmed that it believes that proof of vaccination should not be required for international travel?

Lord Bethell (Con) [V]: My Lords, we are working with our partners to try to open up borders. There is a growing consensus that vaccination is an important component in opening up borders, and the Government generally support that. The virus itself chops and changes; we have to adapt in response to the growth of variants. I cannot promise that we will not act promptly and emphatically when the health of the nation is threatened.

Lord Jones of Cheltenham (LD) [V]: What advice can the Minister give to those who wish to travel to or from South Africa, or any other African countries which are popular with tourists?

Lord Bethell (Con) [V]: My Lords, as I mentioned earlier, we take the threat of the vaccine-evading beta variant extremely seriously indeed, therefore we are extremely cautious about travel to areas with a high prevalence of that variant.

Lord Randall of Uxbridge (Con) [V]: My noble friend just stated in a previous answer that that Her Majesty’s Government aim to recognise the certificates of those who have been double vaccinated in other countries, notably the US and the EU. Surely, if we want other countries to recognise our own NHS certificates, it should be reciprocal. Can he give me any idea when this might happen?

Lord Bethell (Con) [V]: [*Inaudible*]—are engaging with a range of international partners, including the EU and the US, on mutual recognition. Ministers have agreed to begin the formal process of reaching a technical agreement with the EU on mutual recognition of vaccine certificates. This would allow the digital verification of vaccine certificates between the UK and the EU. We believe that this process could be complete within a month, pending the Commission’s acceptance of our application.

Lord McColl of Dulwich (Con) [V]: My Lords, have the discussions with these countries involved the question of herd immunity, bearing in mind that countries with low levels of vaccination which have closed their borders will have fewer Covid infections? That could result in less herd immunity in the long term in countries such as New Zealand and Australia, which have closed their borders.

Lord Bethell (Con) [V]: The current data suggests that the vaccine certificate is the most emphatic indicator of reduced infection and therefore transmission. That is the basis on which we are currently looking to try to open the borders. The noble Lord makes the good point that in countries that have had high infection rates some form of antibody recognition might be possible—but that is not the route that we are looking at at the moment.

The Lord Speaker (Lord McFall of Alcluith): My Lords, the time allowed for this Question has elapsed. We now come to the third Oral Question.

Hydrogen Economy *Question*

1.29 pm

Asked by Baroness Ritchie of Downpatrick

To ask Her Majesty's Government what plans they have to create an office of the hydrogen economy in the Department for Business, Energy and Industrial Strategy.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): My Lords, there are no plans to create an office for the hydrogen economy. We have a governance framework that supports close working across BEIS, other government departments and with external stakeholders as we develop a hydrogen policy. This includes the Hydrogen Advisory Council, chaired by my Secretary of State. The forthcoming hydrogen strategy will set out what is required to build a hydrogen economy fit for 2030, for carbon budget 6 and beyond while maximising the economic benefits.

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, can the Minister confirm that it is the Government's view that green hydrogen is preferred to blue hydrogen? Does he agree that there needs to be clear messaging and policy confidence and coherence in the sector, hence the need for a dedicated hydrogen office in BEIS; and will he further state when the strategy will be published?

Lord Callanan (Con): I can certainly tell the noble Baroness that the strategy will be published in due course. We need to develop both blue and green hydrogen if we are to meet the ambitious targets that we have set out.

Baroness Blackwood of North Oxford (Con): My Lords, in our current Science and Technology Select Committee inquiry, we have heard evidence that fuel cells are under-invested compared with battery technologies. Not only do fuel cells have the potential to play an important role in the hydrogen strategy for heating, power and heavy transport, we have a number of excellent UK fuel cell researchers and companies. Without the right level of investment at this relatively early stage, however, those technologies will not scale in time to play the necessary role in our energy mix. Will the Minister say whether this imbalance in investment is a strategic decision; and, if not, what steps he intends to redress it?

Lord Callanan (Con): My noble friend is right to highlight that we have a number of world-leading UK companies in this field. I can tell her that the DfT is working with Innovate UK to invest up to £20 million in feasibility work for possible future hydrogen fuel cell truck demonstration as part of the zero-emission road freight trials. This will support UK industry to design and develop trials of cost-effective, zero-emission heavy goods vehicles, including hydrogen fuel technology.

Lord Patel (CB) [V]: My Lords, I agree with the noble Baroness, Lady Blackwood, regarding more research and innovation related to hydrogen and fuel cells. Does the Minister agree that for the UK to be competitive globally in the hydrogen economy, the challenges that need to be addressed are: regulatory uncertainty, including public safety; lack of coherent common technical standards; a skills gap in the workforce; and a lack of developed supply chains? How and when do the Government intend to address those issues?

Lord Callanan (Con): The noble Lord is quite right: it will be a considerable challenge. Meeting our 2030 ambition for 5 gigawatts of low-carbon hydrogen production will indeed require rapid and significant ramp-up. The forthcoming hydrogen strategy will ensure that the necessary regulation, policies and incentive mechanisms are put in place across the 2020s to lay the foundation for the economy that he highlights.

Lord Whitty (Lab) [V]: My Lords, in the absence of a hydrogen office or the proposed heat and buildings strategy, and given that so-called hydrogen-ready replacement boilers are already being marketed, is it the Government's current view that for the majority of host households currently dependent on gas for heating, some form of hydrogen-based gas heating will be the most likely longer-term future; or will other constraints on the production of green hydrogen mean that priority is given to heavy industry and transport, so that hydrogen for heating will probably be available only in the close vicinity of hydrogen-using industrial hubs?

Lord Callanan (Con): The noble Lord makes some good points, but the reality is that we do not yet know what the best make-up for heating will be further into the coming decades. It will likely be a mix of fuel pumps, hydrogen heating and heat networks.

Lord Oates (LD) [V]: My Lords, the Minister has told us that the Government are pursuing a twin-track approach between green and blue hydrogen, but they have allocated nearly £200 million to five blue hydrogen projects and none for green, despite the fact that the Government do not anticipate blue hydrogen projects coming onstream until the mid-2020s. What immediate steps do the Government intend to take to develop our green hydrogen industry and ensure we do not squander the competitive edge we currently hold in green hydrogen technology?

Lord Callanan (Con): My Lords, the reality is that we need to develop both. The UK has expertise and assets to support both electrolytic and CCUS-enabled hydrogen production, and by enabling multiple low-carbon production routes, we can drive cost-effective supply

[LORD CALLANAN]
volumes through the 2020s—in line with the 2030 strategy that I mentioned earlier of 5 gigawatts of hydrogen to be produced.

Baroness Bottomley of Nettlestone (Con): The Prime Minister said that in our decarbonised future, we will cook breakfast using hydrogen power before getting into our electric car—although perhaps a hydrogen fuel cell bus or train would be preferable. Can my noble friend update us on how soon the Prime Minister's ambition may be realised of cooking breakfast using hydrogen power? What progress can he report on the first houses to be built with hydrogen boilers and hobs?

Lord Callanan (Con): My noble friend asks her question at an excellent time, because I visited a demonstration hydrogen home last Thursday and, despite some scepticism from the Opposition Benches, I was able to cook an egg using a hydrogen hob, and I confirm that the person who ate it has so far survived satisfactorily.

Lord Grantchester (Lab) [V]: Can the Minister confirm whether the promised hydrogen strategy will include support for the steel sector to enable a long-term shared vision to develop between industry and government on the pathway to net zero?

Lord Callanan (Con): The noble Lord makes a good point, in that low-carbon steel production will be one of the areas that we will need to look at. Hydrogen is one of the fuels that could offer us an option in that area, alongside others. All of those matters will be addressed in the hydrogen strategy.

Lord Birt (CB) [V]: It is clear that hydrogen is a possible option for decarbonising maritime travel, heavy vehicles and the heating of buildings, but the likely cost of clean hydrogen as a fuel and the scale of investment needed to convert national gas infrastructure and home and building heating systems for hydrogen is not at all clear. Will the Government consider publishing an early assessment on the feasibility and cost of the hydrogen option, to ensure that the lobbying does not run ahead of the reality?

Lord Callanan (Con): I can understand the noble Lord's scepticism, and he is right: we need to take a hard-headed, practical, cost-effective look at hydrogen production. The costs of producing it are, of course, highly uncertain. They will depend on a variety of factors, which will evolve over time as it is deployed, but in the forthcoming strategy, we will indeed take a detailed look at the cost of producing hydrogen at the moment.

Lord Hannan of Kingsclere (Con): My Lords, I refer to my declaration in the register, specifically as an adviser to JCB. Batteries have their place, but they also have their limits. They cannot power planes, trains, ships or HGVs, and 73% of them are produced by China, which controls the rare earths. We have huge advantages as the leading country in hydrogen

technology. Will my noble friend commit to an expeditious publication of a national hydrogen strategy to ensure that we retain our global dominance?

Lord Callanan (Con): My noble friend makes extremely good points. We have a number of world-leading companies in these fields. Indeed, I was able to visit JCB a few weeks ago, and drive a hydrogen digger—also without apparent accident, which is quite amazing. A number of other companies are also developing excellent, innovative products in this field. We have some world-leading companies but, as I said in a previous answer, our hydrogen strategy will indeed be published in due course.

Baroness Sheehan (LD): My Lords, the energy White Paper pledges to establish the UK as a world leader in the deployment of carbon capture and storage and clean hydrogen. This clean hydrogen is, in fact, blue hydrogen, which is a by-product of the fossil fuel industry. Does the Minister believe that CCS, the process that is supposed to render blue hydrogen clean, is proven at scale and, if so, can he name just one example?

Lord Callanan (Con): There are a number of demonstration projects around the world on CCS, but we need to demonstrate it at scale and, as the noble Baroness will be aware, we will shortly be announcing our first CCUS clusters in the UK.

Lord Ravensdale (CB): My Lords, I declare my interests, as in the register. Many industry responses to the recent consultation on the renewable transport fuels obligation suggested that green fuels, such as hydrogen, produced using nuclear energy should be eligible for this scheme to help the UK meet its targets. Can the Minister confirm what further engagements the Government will hold with industry to make a decision on the role of nuclear energy in the RTFO, and when they will make a final decision?

Lord Callanan (Con): We believe that nuclear will have a role in low-carbon hydrogen production in future. The details of the hydrogen business model will be set out in the forthcoming strategy. At this stage, our aim is to remain technology-neutral. As the noble Lord indicated, under the existing RTFO, the hydrogen must be produced from renewable energy to be eligible. Changing that would require primary legislation.

The Lord Speaker (Lord McFall of Alcluth): My Lords, all supplementary questions have been asked. We now come to the fourth Oral Question.

Brexit Opportunities Unit Question

1.40 pm

Asked by **Lord Adonis**

To ask Her Majesty's Government what salary attaches to the new post of Director of the Brexit Opportunities Unit at the Cabinet Office.

The Minister of State, Cabinet Office (Lord Frost) (Con): My Lords, the Cabinet Office has advertised the post of director of the Brexit opportunities unit with a salary range of £93,000 to £120,000. That is within the Cabinet Office's pay scale of £93,000 to £162,500 for a director-level appointment and appropriate for the calibre of candidate that the role requires. The director of the unit will lead an ambitious programme of reform and address many of the most important questions facing the UK.

Lord Adonis (Lab): My Lords, I am thinking of applying for this job because it is such an exciting opportunity. I would be prepared to do it for nothing; I was wondering what the Minister might think of my application. May I give him my pitch for the job? The biggest opportunity for the director of the Brexit opportunities unit is the opportunity to reapply to join the single market and the customs union so that we can eliminate trade barriers with the European Union, eliminate the need for any trade barriers north-south or east-west in respect of Northern Ireland and extend once again to the British people the great opportunity to be able to travel, study, work, settle, live and form relationships across the whole of their continent and not be locked up in Boris Johnson's Brexit Britain. Does the Minister find that an exciting prospectus?

Lord Frost (Con): My Lords, I thank the noble Lord for his job application. Of course, it is open to him to apply if he wishes, although it will not be for me to judge whether he meets all the criteria for the job. It will not surprise him to know that I disagree with his assessment of where we stand as a country. Brexit will be hugely in the interests of everybody in this country as we take forward the exciting opportunities to reform our rules, take back control of our legislation and run our country as we wish.

Lord Moylan (Con): My Lords, quite in contrast to the noble Lord, Lord Adonis, I see one of the great opportunities of Brexit as the opportunity to diversify our trade away from its artificial and risky dependence on the European Union. In that light, can my noble friend the Minister say what plans the Government have to sponsor and support new and existing industry-led export promotion agencies, which can help in hunting down sales around the world?

Lord Frost (Con): My Lords, my noble friend is absolutely right to set out the trade opportunities now available to this country after leaving the EU. I and many of my Cabinet colleagues work closely with industry organisations of all kinds to help them in their export plans, understand any difficulties that they face and resolve those difficulties. We continue to do that expeditiously.

Baroness Quin (Lab) [V]: My Lords, I urge the Minister to look favourably on the application of my noble friend Lord Adonis. In contrast to the noble Lord, Lord Moylan, the Prime Minister claimed that his deal—the TCA—would allow our companies and exporters to do even more business with our European friends. Will it be part of the job of the Brexit opportunities

director to achieve increased trade with our nearest and biggest market, particularly in the light of the disruption and loss of trade that we have seen over recent months?

Lord Frost (Con): My Lords, we support expanded trade of all kinds wherever it is to be found. We are confident that British industry will be able to deliver on that. The figures for exports so far this year show that exports to the EU are back to normal—that is, at 2019 levels—which is what we expected. The opportunities for this country as a trading country are very great, and I am sure that it will be part of the role of this individual to get behind them.

Viscount Waverley (CB): My Lords, will the Minister ensure that central government works as a single unit over a common set of objectives? Somewhat in the same vein as the question asked by the noble Lord, Lord Moylan, will he also ensure, building on a strategy of free trade and tariff-free access to our markets from emerging and frontier markets, maximum commercial and political buy-in from those Governments to reinforce the global Britain vision? If he agrees, what does he have in mind to achieve this?

Lord Frost (Con): My Lords, as one would expect, the Government have a single voice on these questions. We are all focused on the ability to deliver the opportunities of Brexit. It is my job to make sure that many of those things happen with this new director when we appoint him or her. On trade, my right honourable friend the Secretary of State for Trade is focused on the issues that the noble Viscount mentioned. In particular, we have applied to join the CPTPP; we have published our prospectus for that and look forward to continuing those negotiations this year.

Baroness Chapman of Darlington (Lab): One of the problems that the Minister has is that he cannot even guarantee free trade within the United Kingdom at the moment. However, let us be positive. In referring to his new unit, the Minister said that he is fully behind making things happen and is prepared to look at government procurement. I welcome that. He will know that Keir Starmer recently launched a “Buy British” campaign, which included giving more public contracts to British companies and requiring public bodies to report how much they buy from British companies. To ensure that his new unit has an impact and is not all hype, will the Minister back our proposals for a “Buy British” campaign?

Lord Frost (Con): My Lords, the noble Baroness is of course right to underline the importance of procurement reform for our objectives. We have made clear that we wish to take forward a procurement Bill, which will radically simplify the arrangements that we have inherited from the European Union. We are bound by the Agreement on Government Procurement at the WTO as well as any procurement arrangements in our free trade agreements; our procurement policies have to fit within all those agreements.

Baroness Ludford (LD): My Lords, it is surprising that the Government need not just a new director but a whole unit paid for and tasked with searching for

[BARONESS LUDFORD]

Brexit opportunities. For the Minister and his like-minded colleagues, surely these opportunities are self-evident. Can he therefore list those Brexit opportunities for me now—specifically, not with some grandiose global Britain rhetoric—and say whether they are sufficient to outweigh the very specific Brexit losses, such as the difficulty of working in the EU, the hassle in exporting and importing, and the shortage of workers in a range of sectors?

Lord Frost (Con): My Lords, I am very happy to do so. For example, we have already brought in a new points-based immigration system. We have also brought in new arrangements to support our farmers, replacing the common agricultural policy. We are beginning to agree free trade agreements with a range of countries around the world. We have brought in a new global human rights sanctions regime, which has been used extensively. In the Queen’s Speech, we set out future opportunities, including the Subsidy Control Bill, a procurement Bill, the free ports programmes, the Professional Qualifications Bill and a planning Bill. The Chancellor has also set out our road map for future financial services; I could go on. There is a long list of opportunities that we will be able to take advantage of.

Lord Hain (Lab) [V]: My Lords, the DUP leader Sir Jeffrey Donaldson claimed this morning on “Good Morning Ulster” that the Northern Ireland Assembly not having any role whatsoever in the operation of the protocol undermined the very standing of devolved institutions in Northern Ireland. What plans do the Government have to give Northern Ireland elected representatives meaningful engagement in and scrutiny of decision-making about the evolution and implementation of the protocol and the trade and co-operation agreement as they impinge on areas of devolved competence?

Lord Frost (Con): My Lords, the day-to-day arrangements in the protocol for the democratic scrutiny of laws in Northern Ireland are democratically anomalous. We have said that before and it is why we had to negotiate the consent arrangements in the Northern Ireland protocol to ensure democratic support, or not, for these proposals. We will be setting out our approach to the Northern Ireland protocol more generally later this week.

Lord Strasburger (LD) [V]: While the benefits of Brexit remain so elusive, should we not instead be tackling the serious downsides of the EU trade deal, such as the huge hit to our £111 billion creative arts sector? British performers now face major obstacles to touring in Europe, including prohibitive costs and mountains of red tape. Meanwhile, musicians from Tonga and other third countries can tour freely in the EU. Since their negotiators were so much more successful than ours, should not this new director be recruited from Tonga?

Lord Frost (Con): My Lords, we stand fully behind our great creative industries and support them in touring around the European Union. As is well known,

we have launched a campaign in the small minority of member states that do not allow relatively easy touring. We are actively lobbying the member states concerned and will continue to do so, in the hope that they change their arrangements to make them as liberal as ours.

The Lord Speaker (Lord McFall of Alcluith): My Lords, the time allowed for this Question has elapsed.

Public Service Pensions and Judicial Offices Bill [HL]

First Reading

1.52 pm

A Bill to make provision about public service pension schemes, including retrospective provision to rectify unlawful discrimination in the way in which existing schemes were restricted under the Public Service Pensions Act 2013 and corresponding Northern Ireland legislation; to make provision for the establishment of new public pension schemes for members of occupational pension schemes of bodies that were brought into public ownership under the Banking (Special Provisions) Act 2008; to make provision about the remuneration and the date of retirement of holders of certain judicial offices; to make provision about judicial service after retirement; and for connected purposes.

The Bill was introduced by Viscount Younger of Leckie, read a first time and ordered to be printed.

Divorce (Financial Provision) Bill [HL]

First Reading

1.53 pm

A Bill to amend the Matrimonial Causes Act 1973 and make provision in connection with financial settlements following divorce.

The Bill was introduced by Baroness Deech [V], read a first time and ordered to be printed.

Draft Online Safety Bill Committee

Membership Motion

1.53 pm

Moved by Lord Ashton of Hyde

That it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on the draft Online Safety Bill presented to both Houses on 12 May (CP 405), and that the Committee should report on the draft Bill by 10 December.

Lord Ashton of Hyde (Con): My Lords, on behalf of my noble friend the Leader of the House, I beg to move the Motion standing in her name on the Order Paper.

Motion agreed, and a message was sent to the Commons.

Transport Decarbonisation Statement

The following Statement was made in the House of Commons on Wednesday 14 July.

“Transport decarbonisation is a dull way of describing something much more exciting and far-reaching, because transport is not just about how we get around. It is much more fundamental, as it shapes our towns and cities and our countryside.

Today we are publishing our transport decarbonisation plan, the first in the world, a comprehensive yet urgent strategy to end transport’s contribution to climate change within the next three decades, showing global leadership as we prepare to host COP 26 in November.

It is not about stopping people doing things; it is about doing the same things differently. We still want to fly on holiday, but it will be in more efficient aircraft using sustainable fuel. We will still drive our cars on improved roads, but increasingly with zero emissions. And we will still have new development and additional housing, for example, but through more careful planning we will not be forced into high-carbon lifestyles.

We know the world is running out of time to tackle climate change. Unless we take decisive and radical action now, it will soon be too late to prevent catastrophic damage to our planet, which will also threaten our security and our prosperity. At the same time, terms such as ‘decarbonisation’ and ‘net zero’ seem abstract to many people. This plan argues that transport is not just how people get around but it influences our living standards and, in fact, our whole quality of life.

Transport can shape all these things, for good or for bad. Bad is traffic congestion and pollution, which also contribute to climate change. Indeed, transport is now the single biggest contributor to UK greenhouse gas emissions. Decarbonisation is not a technocratic process; it is how we fix some of that harm. It is how we make sure that transport shapes the country and the economy in ways that are good. It is about taking filth out of the air and creating better places. It is about a second industrial revolution, creating hundreds of thousands of green jobs in places that were the cradle of the first.

Driving all this will be the consumer making greener travel choices informed by better data. The Government will work with industry to meet our carbon budgets and to keep this green transport revolution on track.

What is exciting about the plan is that for the first time we have an opportunity to decarbonise transport without curtailing our freedoms. It will not stop us driving, commuting to work or going on holiday, but we will be using zero-emission cars, motorcycles and trucks. We will be travelling in zero-emission trains, ferries, buses and coaches. We will be cycling and walking much more, and we will be flying in more efficient aircraft, using sustainable aviation fuels.

I accept that, even a few years ago, the vision that we are setting out today would have seemed over-ambitious, but such is the progress that we are making in this country in technology and engineering, in building momentum for the net zero challenge ahead, and in showing real political leadership for the biggest challenge in our lifetime that we can now commit to a

bold strategy to help wean transport off fossil fuels and reach net zero in under 30 years. We have already announced that the sale of new cars and vans powered solely by petrol or diesel will cease in 2030, and that all cars and vans will be fully zero emission at the tailpipe by 2035—a commitment that would not have been deliverable while we were a member of the EU, because our own type of proof of framework would have breached the single market had we tried.

To underpin these phase-out dates, today we have published our 2035 delivery plan, which sets out the investment and measures from government to deliver mass ownership of zero-emission cars and vans. We have published a Green Paper, one of 10 documents that sit alongside the transport decarbonisation plan, which shows our new road-vehicle CO₂ emissions regulatory framework, which will be ambitious in decarbonising road transport and tailored to the UK’s needs. This could include a zero-emission mandate for manufacturers, so that they sell an ever-increasing proportion of zero-emission vehicles before they can sell any others.

The decarbonisation plan goes further still, with a commitment to consult on a world-leading pledge to phase out sales of all new non-zero emission road vehicles, from motorcycles to heavy goods vehicles. We believe that that should be from 2040 at the latest, and it is a massive step towards cleaning up road transport altogether. By doing so, we will remove the source of more than 90% of our total domestic transport emissions. We will go further, creating a net zero rail network by 2050 and replacing all our diesel-only trains by 2040 with super-clean technologies such as hydrogen. Hundreds of electric buses are already operating in many UK cities, but soon that will be thousands, which will benefit not just urban areas but the whole country. Remote and rural areas that have not always been best served by such changes in the past will see the benefits this time.

Completely clean buses will form the backbone of our local public transport system, and we will continue to work with industry to roll out a national electric vehicle charging network as I announced at the Dispatch Box. Nearly 25,000 public charging devices have already been installed, including more chargers for every 100 miles of major, key strategic road than any country in Europe. That will include smart vehicle charging to reduce energy bills when demand for electricity in the system is at its lowest. Something that will also benefit will be the Government’s fleet of 40,000 vehicles, which we aim to make fully electric by 2027.

We will consult on phasing out sales of new, non-zero-emission-capable domestic ships too, and we will be a hub for green air travel. Today, we have launched a consultation that sets out how we will deliver net zero aviation by 2050, working with the Jet Zero Council with a target to achieve zero-emission transatlantic flight within our generation. If that seems more like science fiction, it is interesting to know that we have already flown the world’s first zero-carbon hydrogen aircraft at Cranfield airport in Bedfordshire. It took a 20 minute flight—another world-first for Britain.

We will support and incentivise green development by aligning billions of pounds of infrastructure investment with our net zero programme. This includes the billions

we are investing to build a thriving electric supply chain, to secure gigafactories here in the UK, to create more efficient aviation engines, lighter planes and sustainable fuels and to develop clean freight transport. Just as green transport will not stop us travelling, it will not hold back industry either. In fact, it will open up unparalleled opportunities for new jobs and enterprise. In recent weeks alone, we have seen both Nissan and Vauxhall commit to massive investments in electric vehicles and battery production in Sunderland and Ellesmere Port. This is the modern-day equivalent of the early investment in our railway 200 years ago or, indeed, in our fledgling motor industry a century later. What we are seeing here is the start of a second greener industrial revolution, which, just like the first, will be driven by transport, but this time delivering triple the benefits: for our economy, for jobs and for the future of our planet.

But we cannot simply rely on technology. Nor can we believe that zero-emission vehicles will solve all our problems, because they will not, especially in meeting our medium-term targets for the 2030s. The pandemic has provided a chance to rethink how we travel and how we do public transport. In fact, we have already seen a 46% increase in the number of road miles being cycled last year, the biggest increase since the Second World War. Cycling increased more in a single year than in the previous 20 years put together. With £2 billion of new funding, more than 300 cycling and walking schemes are being delivered, and many more are on the way. We have also pledged £3 billion to revolutionise local buses in England outside London, with London-style cheap flat fares and integrated ticketing. And of course we are creating Great British Railways, to bring the railway network back together and make it easier for people to travel by train. We want to make public transport, cycling and walking the natural first choice for all who can use them.

The year 2050 may seem like a long way into the future, but it is just 29 years away. That is why the pace of change will be unparalleled, and why this new decarbonisation plan is a landmark in the evolution of the way we do transport in this country. We are the first country in the world to do this, taking a firm leadership position as we host COP 26 later this year in Glasgow and going from being part of the climate change problem to a major part of the solution. That is the transformation we must deliver by 2050, and that is the transformation we will achieve with this transport decarbonisation plan. I am placing a copy of the plan in the Library of the House, and I commend this Statement to the House.”

1.54 pm

Lord Rosser (Lab) [V]: The Climate Change Committee recently commented on the need for a proper plan from the Government to deliver on their net-zero targets. Britain is behind on its goal for a 78% cut to greenhouse gases by 2035. Transport is now the biggest contributor to UK emissions. In the decade 2009-19, transport emissions fell by 1% only and there is no detail in this delayed decarbonisation plan to show how it will address the problem in the transport sector of the ever-greater pace that is now needed.

The Government now appear to be further upgrading targets on which they are already behind. Diesel and petrol lorries are to be banned in Britain by 2040 and all types of transport will be decarbonised by 2050, yet zero-emissions heavy lorries are still an aspiration rather than a reality, according to the Road Haulage Association. It is not clear who is going to meet the bill for this transition or what it is likely to be.

The Government have committed themselves to net-zero internal UK flights by 2040 but, once again, there is a gap between aspiration and reality with regard to sustainable aviation fuels and hydrogen aircraft delivering by 2040, and overcoming the need to fly less to achieve targets. Again, there is the issue of who will foot the bill for the transition and what it is likely to be. Rather than take urgent action to electrify rail, the Government cancel or defer electrification schemes. Rather than support consumers to purchase electric vehicles and create a nationwide network of electric vehicle charging points, the Government, once again, delay key decisions on all these crucial issues.

The Commons Public Accounts Committee said that the UK faces a “huge challenge” to get to 100% electric car sales by the target date, and commented on the lack of any kind of government plan to manage this major transition. That includes a plan for charging infrastructure, in particular to address the serious disparity in charger availability across the regions, and for sufficient publicly accessible chargers across the country, as a third of UK households with cars park on the street.

We will not be able to reach net-zero emissions without properly supporting the shift to electric vehicles, yet the amount given out to local authorities to fund charge point installation more than halved last year. What are the Government doing to ramp up the rollout of charging infrastructure in the UK? Will they support our plans to provide interest-free loans to help drivers purchase electric vehicles? Why are the Government allowing the sale of new polluting hybrids until 2035, which means they will be on our roads for many years to come?

During the pandemic, large numbers of people took advantage of quieter streets to take up cycling—many for the first time. Surely, we want to embed this behavioural change in seeking to reduce emissions, so why have the Government been so slow to release the funding for active travel they promised last year?

There is also little that is new in the plan to promote walking or cycling, or to help our public transport services recover after a devastating 16 months, during which the Government seem to have done their utmost to revive travel by car and suppress travel by bus and rail. The continued wearing of face masks would help restore confidence in travel by train and bus. Instead, the Government say there is no longer requirement to do so and it is just tough on other people who are deterred from travelling as a result. It is contradictory of the Government to talk about reducing emissions from aviation when they are looking at reducing air passenger duty and have instigated inflation-busting increases in rail fares, and to say they are serious about reducing road traffic emissions when they have been promoting a £27 billion road-building programme.

Road transport in the UK releases the same amount of greenhouse gases as it did in 1990. A recent analysis by the consumer group Which? also found that train fares on eight out of 10 popular UK routes were some 50% more expensive than plane fares, despite 80% lower carbon dioxide emissions. The cross-party Environmental Justice Commission has published a manifesto for hitting targets for net-zero carbon emissions, which includes a recommendation to upgrade local public transport. What is the Government's policy on the future level of rail fares compared to other more polluting forms of transport? What is the Government's decarbonisation policy on local transport fares? Do the Government agree with the Climate Change Committee that investment in roads should be contingent on their compatibility with the UK's net-zero target? If so, why are they pressing ahead with their £27 billion road-building programme, or are they now reviewing it?

The decarbonisation plan refers to numerous consultation exercises on achieving the targets, which would appear to be an admission in itself that there is as yet no clear and credible policy on what exactly needs to be done and by whom, and at what cost and to whom, to deliver these targets. On the transport front, the Government surely also have to create an acceptance across the nation as a whole to walk, cycle and use public transport more and to drive less if we are to play our part in limiting global heating to 1.5 degrees centigrade. The Secretary of State said in the Commons last week:

"We want to make public transport, cycling and walking the natural first choice for all who can use them."—[*Official Report*, Commons, 14/7/21; col. 406.]

The plan does not spell out how this objective will be achieved, what needs to change or how to bring it about.

Recent catastrophic climate events in Canada, America and across the channel in Germany, Belgium and the Netherlands have shown the true urgency of the need to address climate change now, not tomorrow. Setting dates and making assumptions about the pace and extent of technological advances to deliver in line with aspirational target dates does not constitute a carefully thought-through policy that sets out hard and credible evidence in support of the plan's projections and assumptions or a realistic assessment of the welcome increase in British jobs that should be created. Government rhetoric and aspiration are no substitute for firm, specific and credible policy. We have again had the former in this decarbonisation plan; we still await the arrival of the latter.

Baroness Randerson (LD) [V]: My Lords, there is no doubting the need for this transport decarbonisation plan and for that reason it is welcome. Transport is now the biggest single source of CO₂ emissions in the UK. Other sectors have managed significant reductions over recent decades, but improvements on transport have been marginal. That is the worrying thing about this plan, because it relies far too heavily on technological solutions. I looked in vain for reference to some of the more difficult choices that are needed.

The Statement reminds us that we are running out of time to tackle climate change and refers to the need to

"take decisive and radical action now".

Then it goes on to promise that we can all carry on doing the same things: we can still fly to go on holiday, for instance, and technology will come to the rescue by 2050. The events of the last few weeks should surely have taught us that this is a climate emergency. As Canada burns and hundreds drown in Germany and Belgium, surely we must wake up to the need for rapid change.

The Statement has an almost fairytale quality to it, with far too many vapid "world-first" and world-beating references, which undermine the genuinely good aspects of this document. When it comes to transport decarbonisation, we are not in the world's top tier. Noble Lords need not believe me on all this; the noble Lord, Lord Deben, has complained of too many long-term targets and a lack of short-term milestones, which are essential to make them meaningful.

The Rail Delivery Group makes the point that, if the Government want people to make greener travel choices, they must make use of the levers they have at their disposal to motivate public action. Rail, for instance, carries 10% of passenger miles but only 1.4% of transport emissions, so it is a climate-change winner; but only 38% of the network is electrified. Amazingly, the Government are currently consulting on cutting domestic air passenger duty. The RDG estimates that just a 50% cut in APD would lead to almost a quarter of a million fewer long-distance train journeys, with people shifting to flying as the cheaper option, leading to an additional 27,000 tonnes of carbon emissions.

The Government should use tax levers to make flying less attractive, not more. Funding for railways needs to concentrate on cheaper tickets, simpler fare structures and on making it easier to walk up and go. France has legislated to prevent short-distance flights for journeys under two and a half hours by rail, and the UK should follow this lead. The Government's first priority must be to use taxation and their own policies to get us back on the buses and trains, which are by far the most carbon-efficient means of transport. That means subsidies, ending the ridiculous 10-year freeze on fuel duty and a change in taxation.

The Government need to look beyond the transport industry to taxation on sources of power. The rail industry is being penalised for moving from diesel to electric and now pays 40% of its electricity costs in taxes, whereas 10 years ago it was only 12%. Meanwhile, air passengers pay a much smaller proportion of their fares as climate-related costs. The Government still have a £27 billion road-building programme, which simply must be reviewed if their plan is to be credible. With their current targets, there will still be many petrol and diesel cars on our roads into 2050 and beyond. The pandemic has encouraged us all back to our cars and we need the Government to be bold to reverse that.

Technology has its place, and there may well be occasional bonuses to be derived from unexpected advances, but it cannot be the sole answer. The Government cannot shirk from grappling with the difficult behaviour change in choices. They can dream up all the targets they like, but they are meaningless

[BARONESS RANDERSON]

unless the Government develop a sense of urgency, stop promising us lots of goodies and start actually doing something.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con): My Lords, I thank the noble Lord, Lord Rosser, and the noble Baroness, Lady Randerson, for their input into this crucial moment in transport decarbonisation. It is the first time that any Government have taken a holistic and cross-modal approach to transport decarbonisation. It is the first plan of its type in the world. We have set out what we need to do and how we will end transport's contribution to climate change in the next three decades.

As the Secretary of State for Transport said in the other place, this is not about stopping people doing things, banning things and all those things that the noble Baroness, Lady Randerson, is so keen on. It is about doing things differently. The plan is very much about taking the abstract—getting carbon out of our economy—and putting it into reality with actions, commitments and timings. Of course, there are many co-benefits to decarbonisation—we can have healthier and greener streets—and those too are very important.

The noble Lord, Lord Rosser, seemed to imply that consultation was somehow a bad idea. He complains that when the Government consult on this they have not made a decision. If I stood here and said that the Government had made a decision on something without consultation, I can imagine the response from your Lordships' House, and it would not be good. Consultation is key for so many of these elements, and when we published the plan it was really heartwarming to see it widely welcomed by stakeholders from all across transport. That is because the strategic themes set out therein are so important.

As noted by the noble Lord, Lord Rosser, the first strategic theme is to accelerate

“modal shift to public and active transport”.

That is precisely what he said we were not doing, but we are—it is our number one strategic theme. The second is decarbonising road transport. We know that in transport itself, roads and road vehicles are the source of the greatest amount of emissions. The next theme of decarbonising how we get our goods—whether rail freight or road freight—will be really key in the future, as is establishing the UK

“as a hub for green transport technology and innovation”.

It is often omitted, but place-based solutions will be key. National Government cannot do this on their own; they will be reliant upon interventions from local transport authorities. Finally, on reducing carbon in a global economy, we are a leader, particularly for maritime and aviation. With those strategic themes in mind, I think the plan is a good one.

I will turn to a few more comments that the noble Lord, Lord Rosser, and the noble Baroness, Lady Randerson, made. We recognise that charging infrastructure will be one of the biggest challenges of our time, which is why we have committed £1.3 billion to ensure that we can decarbonise charging at home, in businesses and in public places. The Government will publish an electric vehicle infrastructure strategy later this year.

That will set out exactly how we plan to take charging forward. We have also published our response to the consultation on smart charging, so we will lay regulations in the autumn. Therefore, all private devices will be required to be smart devices. That will benefit the energy network as a whole.

The noble Lord, Lord Rosser, talked about how he was not entirely happy with the transition between the 2030 phase-out date for petrol and diesel and the 2035 one for zero emissions at the tail-pipe. That is exactly why we published the Green Paper on the carbon dioxide regulatory framework, because we want to engage with people as to exactly what that transition will look like between 2030 and 2035. We have two big options. We could tighten efficiency-based regulations to align with the petrol and diesel phase-outs, or we could do that and make a zero-emission mandate. It is the case that carbon dioxide targets alone do not guarantee the take-up of zero-emission vehicles, or indeed that the 2030 target can be enforced. We would welcome feedback from all noble Lords on that. Within that, there will be a consultation on what vehicles should be in scope—what does it look like between 2030 and 2035? We want to hear feedback, because then we will set the most ambitious targets that we can.

The noble Lord seems not to have been reading my Twitter feed recently, which is disappointing. He said that we were not supporting public transport as we come out of the pandemic. Again, that is not entirely right. I have managed to secure well over £200 million-worth of funding for buses—that will take the bus network through to April next year—and only last week a further £56 million for the light rail sector, which will make sure that our really important tram and light rail systems can continue to operate and provide the really important services they do.

More widely, upgrading local public transport is really important. Again, buried in the small print of the transport decarbonisation plan is something that made me very excited as the Minister for Places in the Department for Transport. We will ask local authorities to provide quantifiable carbon reductions as part of their local transport planning and funding. That is game-changing; it really is. It sounds very dull but it really is not, because when local transport authorities look to do their long-term transport plans they will need to put decarbonisation at their heart. If they do that alongside their bus service improvement plans and all the other transport planning they do, it will be really key for the future.

Before I sit down I will address the phrase that is so often bandied about: the “£27 billion road-building programme”. I do not know what the noble Lord and the noble Baroness are talking about. It is a programme that provides for the operation of the roads. Therefore, traffic officers, maintenance of the roads to ensure that they are safe for users, and the renewal of our bridges, a lot of which are now about 50 years' old and need a lot of work, are included in all that. Then there is some money for enhancements. I again press the noble Lord and the noble Baroness: if they have any particular enhancements they wish me to scrub off the list, I will be very happy for them to mention them in the House next time and I will consider them.

To go back to roads—this is about not just the strategic road network but all roads—the point is that carbon is a key consideration for all road enhancement projects. When I receive the business case about whether to invest taxpayer funding into a road, we always look at carbon alongside safety, the economic case, air quality and biodiversity. All those things are taken into account when we make decisions on road investments.

I am grateful to the noble Lord and the noble Baroness for their comments. I look forward to talking about this in greater detail in the coming months.

The Deputy Speaker (Lord Haskel) (Lab): My Lords, we now come to the 20 minutes allocated for Back-Bench questions. I ask that questions and answers be brief so that I can call the maximum number of speakers.

2.15 pm

Lord Greenway (CB) [V]: My Lords, I welcome the Government's long-awaited transport decarbonisation plan, which includes shipping and aviation, but I have to ask them why they are spending less on innovation and research in the maritime sector than in automotive and aviation. The plan contains no headline commitments and no money to get on with the task confronting the marine industry. It is all very well to set ambitious targets, but the plan does not set out a clear way to meet them. There are elements of jam tomorrow. For example, the plan recognises the need to install shore power points around the coast, but why delay? Why not start now? Other countries have done it through joint investment by industry and government. Converting trucks to run on electricity will not help reduce congestion on our—

Viscount Younger of Leckie (Con): Would the noble Lord ask his question?

Lord Greenway (CB) [V]: What?

Baroness Vere of Norbiton (Con): I thank the noble Lord, Lord Greenway, for his many questions. Maritime is absolutely critical to our decarbonisation. At the moment, maritime is, unfortunately, very polluting. This is why we already have a lot of work under way. We published the *Clean Maritime Plan* in July 2019. We have committed £20 million for the clean maritime development competition. We are consulting on steps to support the uptake of shore power and, if necessary, we will mandate it. Clearly, the consultation needs to take place before we go around putting lots of plugs in ports.

Baroness Neville-Rolfe (Con): My Lords, the Government may congratulate themselves on making “a world-leading pledge” on the sale of non-zero-emission road vehicles by 2040, but the people of this country will mainly be interested in the costs of achieving it, both to them individually and to the Exchequer. When will the Government publish a detailed plan answering this question, including the many costs to consumers, drivers and the 6 million businesses in the UK?

Baroness Vere of Norbiton (Con): The Government have, of course, published the 2035 delivery plan for electric vehicles. The costs will vary significantly over time. We know what they are the moment. The

Government are providing grants to people when they purchase their zero-emission vehicles. Over time those costs will change because innovation will lead to an overall reduction in the cost of electric cars. We will of course keep those costs under consideration.

Baroness Blackstone (Ind Lab): My Lords, why is there no frequent flyer levy and why does the decarbonisation plan say nothing about demand management for flying?

Baroness Vere of Norbiton (Con): My Lords, as I said, the Government do not want to set a demand cap because it sends entirely the wrong signal. We are anti-emission, not anti-flying. We believe there will be a rapid development of technology. The more we can set out our stall as to what our expectations are, the more we expect that development to increase.

Lord Oates (LD) [V]: My Lords, what assessment have the Government made of the potential for green hydrogen in decarbonising the maritime sector?

Baroness Vere of Norbiton (Con): The noble Lord is quite right. Hydrogen will have many uses, mostly where batteries simply cannot reach. That will include heavy road freight, maritime and aviation. Therefore, we are looking very closely at what we can do for the hydrogen sector as a whole. We are funding the refuelling network and demonstration trials. I would have thought that some of the £20 million for the clean maritime demonstration competition might well go to hydrogen projects. It is really important that we remain technology agnostic. We believe that hydrogen could have a key role to play.

Baroness Meacher (CB) [V]: My Lords, the Government's transport decarbonisation plan rightly recognises that hydrogen has the co-benefits of reducing CO₂ emissions and creating jobs and growth. Will the Minister therefore confirm that the Government will take ambitious action on the renewable transport fuel obligation? Can she confirm that the bus service operator grant to stimulate millions of pounds of investment in hydrogen production will apply only to green electricity and green hydrogen to accelerate the introduction of zero-emission buses, trains, trucks, ships and planes, all of which can be made in the UK?

Baroness Vere of Norbiton (Con): The noble Baroness mentioned the bus services operator grant, which is key. Within the transport decarbonisation plan we set our plans for a green BSOG, an intervention that we believe will come into place in April 2022, but we will have a wider consultation on BSOG as a whole because at the moment it is a fossil fuel subsidy. It does not do what it is supposed to do, and therefore we need to make sure that it does in future and does not support fossil fuel use but encourages zero-emission buses.

Lord Moynihan (Con): I warmly congratulate the Minister and her colleagues on putting the strategy together. Does she agree that net zero HGVs by 2040 is aggressive? Can batteries ever be the complete solution given range restrictions versus the trade-off of the weight of the batteries versus the truck payload? I

[LORD MOYNIHAN]

understand why it makes sense to use hydrogen to store excess electricity and manage peaks and troughs, but building in an assumption that it replaces a large baseload volume of energy, which is currently taken up by diesel, by 2040 is surely another stretch.

Baroness Vere of Norbiton (Con): I have not addressed the HGV issue as yet, and it is important. That is why we are consulting: we believe there needs to be a date from which non-zero HGVs will not be able to be sold. There is another issue which we want to consult on—increasing the permissible weights for zero electric and alternatively fuelled HGVs down the road—but HGVs produce 16% of carbon emissions and we must do something about it. We are looking 15 to 20 years in the future. Leyland DAF already manufactures a 19-tonne battery electric HGV. We expect development to continue apace. That may well include hydrogen.

Lord West of Spithead (Lab): My Lords, despite the maritime sector being economically larger than aviation and rail combined, it appears to be the poor relative in the Government's net-zero drive. If we are to level up our coastal communities and bring shipbuilding home, we need the Government to invest in research and innovation on a scale similar to the automotive and aviation sectors. I hope something can be done in the autumn spending review to put the investment in place to do it. I shall push the Minister a little further on shore power points, which, after all, are very straightforward. How many are currently planned to be put in place? Can she confirm that they will be funded by industry and government together?

Baroness Vere of Norbiton (Con): Unfortunately the noble Lord is pushing me beyond my knowledge, but I will write to him about shore power points, how many there will be in future and who will fund them. On maritime as a whole, it is worth saying that the conversation has only just started. We must work with stakeholders on a course to zero for the maritime sector. We will increase our ambitions at the IMO, particularly when there is a review of greenhouse gas strategy in 2023. There are all sorts of things that we can do. This is the start of the story, not the end.

Lord Bradshaw (LD) [V]: In view of what is likely to be a chronic shortage of HGV drivers that will persist for years, will the Government urgently look again at investing in rail-freight schemes, particularly electrification schemes, which would replace road-based journeys with rail?

Baroness Vere of Norbiton (Con): The Government recognise how important rail freight is and we will be doing more work on it. We will be looking to introduce a greater target for rail freight. The noble Lord will know—we have had this conversation many times—that the Government have already invested significant sums of money in rail-freight building, and we will continue to build on the £235 million that we invested in the strategic freight network in the five years to 2019. Work is under way and there are already grants to help the shift from road to rail where road has a slight financial advantage.

Lord Krebs (CB) [V]: My Lords, how many gigawatts per annum of battery production will be required to supply the UK automotive industry by 2030, when all new cars will be battery powered, and how does this number compare with current and planned domestic production capacity? Can the Minister also tell us whether the Government have a strategy for sourcing the critical raw materials for domestic battery production in the face of competition from other countries?

Baroness Vere of Norbiton (Con): My Lords, this is rapidly turning into “Mastermind”. I cannot give the noble Lord the numbers he is after. I will go back to the department and see whether I can find any further information. It is important to understand that the Government are already investing significantly in the area of batteries. We have the £330 million Faraday battery challenge and the automotive transformation fund, which is £500 million focused on the supply chain. It has already invested in 50 feasibility projects. It will look at all elements of how we are going to make our electric vehicle production more effective.

Lord Herbert of South Downs (Con) [V]: My Lords, James Bond's next car will be the Aston Martin Valhalla, a plug-in hybrid supercar, but since 007 has no off-street parking and there are so few charging points available, he might have no choice but to ask Q for his petrol-engined DB10 back. Huge numbers of people cannot contemplate buying even a plug-in hybrid, let alone a fully electric car, even when they really want to, because we do not have anything like the necessary number of public charging points. With only eight and a half years to go before a ban on the sale of new petrol and diesel cars, what plans do the Government have for serious acceleration in the delivery of the necessary charging infrastructure?

Baroness Vere of Norbiton (Con): My Lords, the Government empathise with James Bond and indeed with all people who do not have access to off-street parking. It is one of the challenges that we face. That is why the Government introduced the on-street residential charge point scheme—the ORCS. It is available to all UK local authorities to provide public charge points for their residents. So far it has awarded money to 120 local authorities to install nearly 4,000 charge points. I reassure my noble friend that the electric vehicle infrastructure strategy will be published later this year, and I think that will provide more reassurance to James Bond and everyone else.

Baroness Warwick of Undercliffe (Lab): My Lords, the Government's build back better strategy acknowledges the UK's persistent technical skills shortage. The Automotive Council estimates the current need for upskilling at 10,000 workers, rising to 50,000 in four years and 100,000 by 2035. The Statement and plan today merely talk about building a skilled workforce for the transport industry, but how? Where is the action plan? Where is the sense of urgency? Can the Minister tell us what she and her department are doing to galvanise the production of an action plan to address these catastrophic shortfalls?

Baroness Vere of Norbiton (Con): The noble Baroness is quite right. In many areas, and as we shift to a decarbonised economy, we will need greater skills. The Department for Transport is working very closely with our colleagues in the Department for Work and Pensions and the Department for Education to build that strategy.

Lord Taylor of Goss Moor (LD) [V]: My Lords, the two big blocks to people adopting electric vehicles, now that so many are available at high quality, are access to a charger and cost. The Minister mentioned the on-street charger support given to some local authorities, but not all have taken it up. For those with off-street parking, there is a subsidy for the charge box, but people are not guaranteed any help for on-street charging through, for example, a lamppost. Can the Government speed that up? At the same time, can they give certainty to businesses that there will be continuing support for electric vehicles through support for low levels of benefits-in-kind tax?

Baroness Vere of Norbiton (Con): I think I have gone as far as I can on charging. We recognise that it is one of the greatest challenges facing the take-up of electric vehicles. My colleague the Minister for the Future of Transport is working diligently on making sure that we have the right plan in place for the £1.3 billion we will be investing in it over the next four years. That will be set out in the electric vehicle infrastructure strategy.

Baroness Jones of Moulsecoomb (GP): My Lords, one option for reducing CO₂ emissions, of course, is to travel less. The Government could make it easy for people not to travel—that is, go into the office—if they do not want to, by making sure they have a high-quality internet connection. Is that something the Government are stressing at the moment?

Baroness Vere of Norbiton (Con): The noble Baroness is quite right: we want people to travel the right amount, whatever that may be. The Government certainly have very ambitious plans when it comes to broadband connectivity. We want to roll it out to as many places as possible so that people can work from home if it is right for them and their employer.

Lord Triesman (Lab) [V]: My Lords, I think the noble Lord, Lord Krebs, is entitled to a slightly more detailed response. Can the Minister tell us what the Government's plans are for the encouragement of the development of gigafactories in all parts of the United Kingdom and what the optimum number of electric vehicles would be by 2035 in order to meet the targets?

Baroness Vere of Norbiton (Con): I will provide more information to the noble Lord, Lord Krebs, and share it with all noble Lords with an interest. The Government are dedicated to securing gigafactories, working with investors within the UK. We hope to have seven 20-gigawatt gigafactories—I am not sure I have that right—very soon. It is absolutely key to the future for electric vehicles.

The Deputy Speaker (Lord Haskel) (Lab): The noble Lord, Lord Naseby, has withdrawn, so I call the noble Baroness, Lady Ritchie of Downpatrick.

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, for the avoidance of doubt, will the Minister confirm whether hydrogen will be prioritised for hard-to-abate sectors such as shipping or heavy goods vehicles, rather than for areas that are relatively easy to decarbonise?

Baroness Vere of Norbiton (Con): This entire plan has tried to recognise that there is no one size fits all when it comes to decarbonisation. As I have already set out, hydrogen will be absolutely key when it comes to heavy road freight, maritime, aviation and maybe rail. We will also look to battery to decarbonise much of the traffic currently on the road. We recognise that to do this we need the right supply of batteries, all the components that go into batteries and the skills to produce the vehicles.

The Deputy Speaker (Lord Haskel) (Lab): My Lords, that concludes the list of questions.

Arrangement of Business *Announcement*

2.32 pm

The Deputy Speaker (Lord Haskel) (Lab): My Lords, we come now to day three in Committee on the Skills and Post-16 Education Bill. I will call Members to speak in the order listed. During the debate on each group, I invite Members, including Members in the Chamber, to email the clerk if they wish to speak after the Minister. I will call Members to speak in order of request.

The groupings are binding. A participant who might wish to press an amendment other than the lead amendment in the group to a Division must give notice in debate or by emailing the clerk. Leave should be given to withdraw amendments.

When putting the Question, I will collect the voices in the Chamber only. If a Member taking part remotely wants their voice accounted for if the Question is put, they must make this clear when speaking on the group.

Skills and Post-16 Education Bill [HL] *Committee (3rd Day)*

2.34 pm

Amendment 76

Moved by Lord Clarke of Nottingham

76: After Clause 21, insert the following new Clause—

“Provision of opportunities for education and skills development

- (1) Any person of any age has the right to free education on an approved course up to Level 3 supplied by an approved provider of further or technical education, if he or she has not already studied at that level.
- (2) Any approved provider must receive automatic in-year funding for any student covered by subsection (1), and supported by the Adult Education Budget, at a tariff rate set by the Secretary of State.

- (3) Any employer receiving apprenticeship funding shall spend at least two thirds of that funding on people who begin apprenticeships at Levels 2 and 3 before the age of 25.”

Lord Clarke of Nottingham (Con): My Lords, I tabled Amendment 76 in collaboration with the noble Lord, Lord Layard, and I am glad to see that my old friend, the noble Lord, Lord Rooker, has added his name in support.

In moving this amendment, I hope to get a reasonably sympathetic response from the Government—I am sure the Minister will endeavour to provide one—because it is very much in the spirit of the Government’s policy of trying to address the skills gap in this country and enable individuals to develop skills relevant to today’s labour market in their area. I therefore hope I can get a sympathetic and even positive response to what I propose for the category of people covered.

The Government’s policy so far, based on their excellent White Paper—to which they are slowly adding some substance as they develop it—is to concentrate particularly on the higher levels of skill to make sure we have an alternative to the traditional route through school and university for the academically able that gives equal status and value to technical and engineering skills. I very much welcome that. This amendment is tabled for a slightly different target, which does not have adequate attention: people who unfortunately did not take advantage of opportunities when they were young and should have devoted at least some of their time to their education and training, who realise that they need to improve their skills to get better career prospects and move to a more sensible job pattern in future.

Teenage angst takes a whole variety of forms, but it leads to some people completely failing to take advantage of the opportunities they had at school or wherever. There are people who have intrinsic intelligence and ability but drop out of school or the labour market because of whatever phase of the world they are going through. They even join the category given the dreadful jargon name of NEETs—people not in education, employment or training. By the time they get to the age of 25, as people begin to mature and face up to the realities of life, quite a lot of them wish to address it. I think society as a whole wishes to give them an opportunity to make themselves better opportunities in the labour market.

For that reason, we are concerned with those seeking skills at level 2, which is the equivalent of GCSE, and level 3, which is the equivalent of A-levels. Anybody who failed to take their opportunities when they had them should have a lifelong opportunity to do so in order to improve the contribution they can make to the local economy and their life prospects.

As I said, the Government are producing quite substantial proposals in the Bill, but so far there is much more support for levels 4, 5 and 6 up to degree level. This is not in any way challenging that—I support all that—but there is a gap that we seek to address in this amendment. The first component of the amendment says:

“Any person of any age has the right”

to free tuition if they wish to make up for what they have omitted so far and to take a level 2 or 3 qualification of some kind. The Government have not covered that. A statutory right would be extremely valuable.

Some financial support will be required. The Government are developing a lifelong loans entitlement for people who at any stage wish to improve their skills, but that is confined to those seeking skills at levels 4, 5 and 6. I hope I have made the case for making available some equivalent to those at levels 2 and 3. The form can be settled, but the legal entitlement would give substance to the Government’s policies. In due course, the Government could provide the sort of funding that should be made available to persons who make the sensible decision to gain qualifications at that level.

It is no good offering people government funding for courses of any kind if the providers are not supplying such courses and if the budgets of the relevant institutions do not allow them to make those courses available. This is all part of a much wider problem in the further education college and sixth-form college sector, which has been the Cinderella of our education and training system for several decades but will have to play a vital part in supplying a response to the skills gap at every level, and will certainly be very important at this level.

The problem at the moment is that, while further education colleges do try to provide relevant courses—I welcome the fact that they will be working much more closely with local employers for relevant local skills and I am not remotely hostile to the broad brush of policy—they are, of course, funded on a quite different basis from other parts of our education system. Every school gets a guaranteed sum of money for every pupil it persuades to stay on in the sixth form. Every university gets a very generous sum of money guaranteed for everybody it can entice into any sort of course. Colleges of further education, however, work to cash-limited budgets, which have not been treated generously in recent years; there is a finite limit to what they can offer and they have to make a choice.

This is why the second component of our amendment suggests:

“Any approved provider must receive automatic in-year funding for any student”

who, as we have already said, is seeking a level 2 or level 3-type qualification at a tariff rate to be

“set by the Secretary of State”.

I hope that there will be much wider moves than that to get further education funding, further education college status, and the attractiveness of employment and careers in the further education service made more attractive by the Government—but this proposal would provide automatic funding for all those courses that are taken up by an adequate number of people seeking level 2 and 3 qualifications.

Finally, on a slightly broader point, the amendment addresses the uses to which the apprenticeship levy is being put at the moment. Again, I am not just trying to persuade the Minister to be forthcoming; I very much welcome the apprenticeship levy system, the development of apprentices and the way the Bill addresses very important things, such as the quality and variety of qualifications, trying to sort out the maze of them,

and so on—and the levy system has had some extremely beneficial effects. However, in its current form, it has had some unintended side-effects. In recent years, there has been a steady drift in the use of levy money towards higher-level qualifications, and towards existing employees of companies seeking to refresh or modify their skills, go through management training and so on, and a decline in the number of young people getting apprenticeships and in the number of people getting more ordinary-level training in skills.

Management trainees, middle-ranking managers and quite senior managers can be described by large employers as apprentices—most of them are utterly unaware of the fact that they are apprentices—for the purpose of claiming levy money to cover the costs. Public sector bodies do this—as, I suspect, do government departments when they are training civil servants; some high-flying civil servant is probably being described somewhere as an apprentice, in order to recover the levy. In answer to questions from the Select Committee on Youth Unemployment, another Minister told us the other day that they have stopped funding MBA courses out of the apprenticeship levy. However, the whole thing has drifted away from its essential point.

2.45 pm

The reason why we have all got enthusiastic about reviving the idea of apprenticeships is to provide an alternative for able young people to the traditional academic route. They are going through the process of moving from education into the world of work and acquiring the skills they need—always a difficult transition for any person. This is not happening when long-serving employees are taking levy money for skills improvement. That sort of thing is part of the ordinary costs that every major business is used to incurring; the levy money should not simply be absorbed by putting these courses forward as a way of reducing the burden of the levy on the employer.

This amendment therefore proposes that two-thirds of the levy money should go towards apprenticeships for the under-25s—the 16 to 24 age group. That would transform the way we move people from education into work. It would reinforce the argument that we wish to present our school students with a genuine choice of equal status and attractiveness to the traditional academic route, and it is what the apprenticeship levy scheme should have been aimed at all along. So that is the nature of the amendment. I hope that it commends itself to the Government and the Minister. We are rather looking for a little substantive meaning to the phrase “levelling up”. I think Amendment 76 might help the Government in their dilemma, because I think it can be described as, on the whole, reinforcing a genuine levelling-up agenda in the world of education and apprenticeships.

Lord Baker of Dorking (Con): My Lords, I warmly support the amendment moved by my colleague and noble and learned friend Lord Clarke of Nottingham. We are both members of the House of Lords Select Committee on Youth Unemployment, as are the noble Lord, Lord Layard, who is a supporter of this amendment, and the noble Lord, Lord Storey, who speaks for the

Liberals. We are exploring all ways in which we can improve skills training in our country, which is pretty dismal at the moment and compares very badly with many European countries.

One aspect that the Government boast of is the lifetime guarantee. This affects in particular those people who do not have A-levels and decide in their 30s, 40s or 50s that they would like to take an A-level course. To do that they will have to pay a course fee of about £5,000 to £6,000 a year, for which they may require a loan. As they are studying, they could not apply for the minimum wage or universal credit so, if they are unemployed, they would almost certainly have to take out a maintenance loan of another £6,000 or £7,000. So we would be asking unemployed people to pay £12,000 to acquire an A-level qualification that, had they stayed at school, they would have got for free. It is simply outrageous and unacceptable, and it makes a complete farce of what a lifetime guarantee is.

I am very hopeful that the Government will accept this amendment. Why am I hopeful? Well, about four weeks ago, the Government announced a skills fund on which they are going to spend about £2.5 billion. They suggested four items on which the fund could be based, the first of which was £93 million for free A-levels. They have now said that they want to go into consultation on the skills fund, which means that those original four proposals are on ice. I suggest that they should think very carefully and put the first item back in. That would be a way for the Government to fund this. Can the Minister tell us whether the four items of expenditure on the skills fund are on ice? They have spent most of the £2 billion among them.

I would go further than my noble and learned friend has done. If you go to an FE college at 18 and you get to level 3, you will want, if you are able enough, to go on to level 4, the higher national certificate, or level 5, the higher national diploma. This is where the main skills gap in our country is. If you analyse the skills gap in digital, in engineering or in the creative industries, you see that it is greatest at levels 4 and 5. These are two qualifications just below degree level—you would describe those taking them as high-quality technicians—and we have a huge skills gap in that area. We should be promoting levels 4 and 5.

A course at level 4, which currently costs about £6,000 or £7,000, should be free. If an unemployed person is doing that, they will not be able to claim the living wage or universal credit, so they will need a maintenance grant of probably £6,000 or £7,000. So someone who wants to study at level 4 today for whom the alternative is unemployment has to find a loan of £12,000, which by the time they finish will be £15,000. I do not think that is at all reasonable. Strangely enough, neither did the Department for Education about nine or 10 months ago, because it put to the Treasury the proposal that level 4 should be free for unemployed youngsters, as should level 5, the higher national degree, which is just below level 6—a degree. The Government should consider this proposal and I hope our Select Committee will consider it as well. We have to stimulate real growth at levels 4 and 5. If we do not, our country will fall behind technologically.

[LORD BAKER OF DORKING]

I am sure the Government will accept my noble and learned friend Lord Clarke's proposal today because it would be totally illogical and unfair not to accept it, but I hope they will think a little wider and broader because we have to upskill our country and catch up with Germany, Austria and the Netherlands. We are so far behind. This is a moment at which we can make significant changes for generations of young people to come.

Lord Aberdare (CB): My Lords, I support both amendments in this group. I put my name down mainly to speak on Amendment 76, which has been so powerfully moved by the noble and learned Lord, Lord Clarke of Nottingham, and to focus on Section 3, about apprenticeship funding for young people before the age of 25, which is badly needed.

The question I am asking myself is, how will this affect the overall funding of apprenticeships and how will it help to deliver, as stated by the noble Lord, Lord Baker of Dorking, a stronger focus on levels 4 and 5 as well? Where are those apprenticeships going to come from, and what is going to persuade employers to provide those opportunities? Many employers, of course, have limited capacity to take on new staff, particularly young people coming directly from education without previous working experience, however much they might wish to do so if they could. The result has been that those employers tend to use their levy funds to upskill or reskill existing employees—although, as I have mentioned before, even that may use up only a limited proportion of their available levy funds. That creates yet another incentive for them to recast what training they need in the form of apprenticeships where they can.

So, I strongly support the amendment. My question is, where are those apprenticeships going to come from and what impact are they going to have on the ability of employers to focus on reskilling and upskilling at the same time? I suspect that a significant number of apprenticeships for young people are likely to come from SMEs, yet many are put off from offering apprenticeships because of the bureaucracy involved and a lack of time and resources to manage the process, despite the generous incentives available. I encourage the Government to look at offering specific, more generous incentives to SMEs to take on young people aged 25 or under for level 2 or 3 apprenticeships, including help with their administration and simplified arrangements for fee-paying employers to transfer part of their levy funds to SMEs for this specific purpose. There are such arrangements but they do not seem to be as effective as one might hope.

I always fail to understand why there cannot be more specific support and encouragement for apprenticeship training agencies to run apprenticeship programmes for SMEs, perhaps as a specific element of the local skills improvement plan for a particular area. That would seem a useful way in which an LSIP could contribute to the take-up of apprenticeships in its area, specifically among SMEs and new entrants to the job market, and maybe with a slight slightly broader applicability of the apprenticeship levy than it currently has.

I very much support the provisions in Amendment 80 putting the lifetime skills guarantee on a statutory footing. One of these days, I look forward to hearing an explanation of why the skills guarantee is “lifetime” and the learning entitlement is “lifelong” and what the difference may be; it would make many lives much easier if we just used one term. I hope the Government will accept the amendment of the noble and learned Lord, Lord Clarke, in particular and explain how they want to achieve a better balance between younger apprenticeships and level 4 and 5 apprenticeships, for example.

Baroness Greengross (CB) [V]: My Lords, it is an honour to speak in this group with many noble Lords who have made an enormous and outstanding contribution to the education system in this country. I support both Amendment 76, tabled by the noble and learned Lord, Lord Clarke of Nottingham, and Amendment 80, tabled by the noble Lord, Lord Watson of Invergowrie. Both amendments seek to provide skills training for those who do not hold level 3 qualifications, and I thank both noble Lords for tabling these important amendments to the Bill, which I believe really enhance it.

The amendment of the noble and learned Lord, Lord Clarke, would ensure that a person of any age has the right to free education on an approved course up to level 3, supplied by an approved provider, if they have not already studied at that level. The amendment of the noble Lord, Lord Watson, has a similar intention but would provide this training only to people between the age of 19 and the state pension age. Given the number of people who continue to work over the state pension age, and given that the Equality Act 2010 makes age discrimination illegal, I prefer the wording of the amendment of the noble and learned Lord, Lord Clarke. I also support the work of the noble Lord, Lord Baker, on level 4 qualifications.

The issue of skills training at all ages is important in our changing economy. It is estimated that 35% of current jobs are at high risk of being replaced by automation by 2040, if not earlier. This impacts on workers of all ages, but we must understand that for people who have been made redundant the situation is very difficult. According to figures from the Centre for Ageing Better, over 1 million people between the age of 50 and state pension age are not working but would really like to. One in four men and one in three women in that age group have been out of work for over five years. Many older workers find it very difficult to participate in skills training, and much more so if they left school without gaining qualifications. We must do all that we can to support older workers to participate in training.

The other component of the amendment of the noble and learned Lord, Lord Clarke, is that an employer receiving apprenticeship funding shall spend at least two-thirds of that funding on people who begin apprenticeships at level 2 and 3 before the age of 25. This specifically encourages the training of younger workers at a time when we know that the youth unemployment rate is 13.2%, compared with 4.7% for the whole population. Many young people struggle in our school system and, at the age of 16 and 17, may

not yet be in the right mindset to complete their level 2 or 3 qualifications. A few years later, when doing an apprenticeship in an area where they are interested and see the potential to progress their career, is a much better time to gain the qualifications that they were unable to get at school.

3 pm

However, we cannot just put our focus on the young. Traditionally, we have had a model of education where it is something that happens at a young age rather than throughout life. With our workforce now changing so fast, this model is increasingly out of date and we must now have a focus on lifelong learning. We have a proud reputation in this country, with the Open University and the University of the Third Age, but we still have to fight for the fact that people of any age, no matter how old, should have access to education that allows them to gain level 2 and 3 qualifications, and other skills that they are going to need in the modern workforce.

Baroness Whitaker (Lab): My Lords, I support Amendments 76 and 80, for the obvious reason so clearly set out by the noble and learned Lord, Lord Clarke of Nottingham, and others that unless full funding is available, many students who could benefit from and would in turn benefit society by attending these courses will simply not be able to do so through poverty. This applies to a significant proportion of those from the Gypsy, Traveller and Roma communities, and no doubt to other minority-ethnic students, as well as to the rest of the NEETs referred to by the noble and learned Lord. I hope that the Government will respect the powerful arguments in favour of these amendments.

Lord Adonis (Lab): My Lords, this is a hugely important debate for the future of not only our education system but our society, because unless we have a properly trained workforce in the future and young people have real prospects and qualifications, we are in for a terrible time. As the noble and learned Lord, Lord Clarke, said, there cannot be levelling up unless we have qualifications, skills and opportunities that level up. It is good that he and my noble friend Lord Watson have tabled these amendments, which give us an opportunity to explore this broad issue and to hear from the Government what their intentions are.

Amendment 76 in the name of the noble and learned Lord, Lord Clarke, and my noble friend Lord Watson's Amendment 80 are superficially similar. But I notice that as soon as you start probing them, as the noble Baroness, Lady Greengross, said, there are significant differences. I wonder whether my noble friend might elucidate, because his amendment is much more circumscribed than that of the noble and learned Lord, and I wonder why. I find the noble and learned Lord's amendment very appealing: it has a broad statement of policy objectives, which looks to be absolutely correct for the future of our workforce and society. The bold statement in the noble and learned Lord's amendment is:

"Any person of any age has the right to free education on an approved course up to Level 3 supplied by an approved provider of further or technical education",

whereas my noble friend's amendment says:

"All persons aged 19 or older and under the state pension age have the right to study a fully-funded approved course".

The noble Baroness, Lady Greengross, asked whether that eliminated all people who are over the retirement age. By the way, we need to eradicate from society the concept that once you get to the age of 60, 62 or 65, you are now unemployable and should not be eligible for proper training and the full opportunities that we extend to other people. If the House of Lords—average age 72—does not stand up for those beyond the statutory retirement age, who in this country is going to do so? The noble Baroness's point is very well made and I look forward to my noble friend Lord Watson, speaking on behalf of my party, making it clear that we are fully in favour of people post retirement being eligible for these benefits as well.

My noble friend's amendment also does not specify whether this is to be a right, which must go with funding, or simply an entitlement. The amendment of the noble and learned Lord, Lord Clarke, says:

"Any person of any age has the right to free education", whereas my noble friend's amendment says:

"All persons aged 19 or older and under the state pension age have the right to study".

The big question is: who is going to pay for that? I know that we are having a policy review at the moment. The noble and learned Lord is a former Chancellor, so he is well aware of the forms of words that need to be used when you can give no commitment that involves any spending at all. I fully appreciate that may be why my noble friend's amendment does not extend, so far as I can see, any rights that go with funding. but it would be as well to make that clear.

In the policy review which my party is conducting, it is essential that we put the rights of those who are on a path to technical and vocational education on a par with those who go on to university. We keep mouthing these platitudes about equality of opportunity but we never deliver it. When we look at the priorities facing the country, there is none more important than seeing that those on a technical education track, who at the moment too often do not get those opportunities, have them extended to them. These two amendments give us an opportunity to explore the terrain in this area.

However, the noble and learned Lord's amendment also raises the very important issue of the apprenticeship levy. In all the instances of major acts of public policy which have delivered the exact opposite of their stated intention within the last generation, I cannot think of a more significant example than the apprenticeship levy. George Osborne, the late lamented Chancellor of the Exchequer who introduced it in his Budget speech of July 2015, said about apprenticeships that the then Government were

"committed to 3 million more",

and that,

"while many firms do a brilliant job training their workforces, too many ... leave the training to others so we are going to take a radical and, frankly, long overdue approach ... an apprenticeship levy on all large firms"—[*Official Report*, Commons, 8/7/15; col. 328.]

to ensure 3 million more apprenticeships. Very few policies which came out of the Government during the past 11 years, which have been a bit of a wasteland

[LORD ADONIS]

for public policy at large, have I applauded more warmly than the apprenticeship levy. It looked to be, and I think George Osborne intended it to be, a bold step forward to raise significant additional funds that would have been available for training. The CBI was not wild with excitement when that policy was announced because it thought that was to be the case.

What then happened is what always happens when there is no one in government who really gets a grip on these things: the policy was essentially abandoned and became an orphan. As we know, Mr Osborne left the scene a year later—one of the many casualties of the Brexit disaster, which has managed to consume all its children during the last five years. The Chancellor of the Exchequer who had been behind the policy vanished and there was never an Education Secretary who was behind it. The noble Lord said that vocational education is the lesser priority of the education department, but among recent Education Secretaries I am hard put to see that it is a priority at all. As I said during the first day in Committee, there has been one Minister of Further Education each year since 2010 and the only one who showed any interest in apprenticeships, Robert Halfon, was promptly sacked because he was becoming too enthusiastic, and was shunted off to become chairman of the Select Committee in the House of Commons. There was nobody taking a grip on this policy and, as a result, two fatal flaws developed in its evolution.

The first, which the noble Lord highlighted, was that firms themselves were allowed to define what constituted training—as he said, it was anything up to and including MBAs. This is why there has been a massive decline in entry-level and level 2 and 3 apprenticeships, while all the emphasis has been on high-level apprenticeships. It is only large firms that pay the levy and that is how they best use the money which they have hoarded for apprenticeships.

The figures speak for themselves. The number of apprenticeships actually being provided is far from George Osborne's 3 million extra. In the last four years it has declined from 213,000 to 161,900. This is a decline of nearly 50,000 apprenticeships from a policy that was supposed to increase the number by hundreds of thousands: it has moved in exactly the opposite direction to the one intended.

These figures are all taken from a House of Commons research paper from 30 March this year. For the under-19s, the fall has been catastrophic: the fall over that four-year period is more than one-third. The number of under-19s going into apprenticeships has declined between 2018 and 2021 from 66,000 to 39,000. That is a colossal tale of human deprivation and misery, because this means there are 17, 18- and 19-year olds who are basically going on to no proper training whatever.

That leads to the second flaw of the apprenticeship levy. It was a design flaw that I put to George Osborne at the time; he said he was prepared to look at it but, again, things moved on. The apprenticeship levy is not, in fact, a levy. Again, I look to the noble and learned Lord, Lord Clarke, as a former Chancellor. When the Government introduce a levy, normally—in almost every other case that I can think of—the levy is

Her Majesty's Government by Act of Parliament requiring other bodies to pay a contribution to the Government or a public body for the delivery of a service, or to go into the Exchequer.

This is not a levy of that kind; it is a requirement on large firms to undertake training up to a certain level, which is the amount of the levy as a percentage of their turnover. Only if they do not provide training up to that level is the money then supposed to be volunteered under a scheme, which is very haphazard, and go to the Treasury or a designated public authority.

That was a fatal flaw in the design of the levy. It is like stamp duty being given to estate agencies, which have to pay the money to the Treasury only after they have paid all their expenses, paid into every imaginary marketing scheme that they can think of and paid vast salaries to all the agents. It was a fatal flaw and was done as a concession to business because the deal was that, if the money was first made available to the employers, this would be less of a burden on the employers. As a result, it was a huge incentive to the employers only to train their own workforce—which, by definition, was the existing workforce—so there were not many of those at entry level. This included training up to level 4, MBAs and bespoke training courses at vast expense.

There was no incentive to increase the number of apprenticeships and no mechanism for taking any of the money away from them and distributing it more fairly, nor, as the noble Lord, Lord Aberdare, so rightly said, a provision for small and medium-sized enterprises to get the money either because they do not pay the levy. It applies only to large employers, and SMEs only get any of the proceeds by the process of redistribution if money is returned to the Treasury over and above what companies spend, which is virtually nothing. SMEs are the major employers in this country and should be providing an army of new apprenticeships.

The apprenticeship levy is a complete catastrophe of a policy. It has significantly reduced the supply of apprenticeships, even though it was meant to increase them. It has particularly done so in respect of small and medium-sized enterprises and young people. Therefore, the third part of the amendment of the noble Lord and learned, Lord Clarke, which states that any employer

“receiving apprenticeship funding shall spend at least two thirds of that funding on people who begin apprenticeships at Levels 2 and 3 before the age of 25”

is vital. I would take it further and take the funds out of the hands of the employer and see that they are distributed on a fair, national, basis including to SMEs.

I look forward to the Minister's response, particularly on what steps the Government are proposing. It is a very basic question: what steps are the Government going to take to ensure that the number of apprenticeships in this country goes up rather than down? Each year at the moment the numbers are going down and we need them to go up.

What I would most like to see is the Minister accept the amendment put by the noble and learned Lord, Lord Clarke. It is an excellent amendment and comes with the great pedigree of a former Chancellor; he was not a notable high spender as Chancellor but was quite discriminating in the object of his affection when

he was in charge of the national money bags. If he thinks that this should be a big imperative national priority, then we should think so too. I very much hope that something like his amendment becomes the law of the land.

3.15 pm

Lord Lucas (Con) [V]: My Lords, it is always a pleasure to follow the noble Lord, Lord Adonis, in such fine form, but I am going to argue with his conclusion on degree apprenticeships and other higher apprenticeships. They have been a great boost to the quality of British management. We have needed for a long time to put more effort and skill into that level of business. We needed better management; we needed more and better managers. The money going in that direction has not been a waste—it is just that we needed rather more money in addition to go towards young people.

I am not sure whether the pattern of apprenticeship that we dreamed up, and now have some experience of, has really proved itself. If I understood the Minister aright on a previous day, we are going to make a serious attempt to provide apprenticeship-style funding and opportunities for people in the creative sector where the pattern of employment has so far precluded apprenticeships. We are going to look at, I believe, something much more akin to a series of shorter-term training opportunities, with something that glues it together into a career progression, such as a relationship with a learning provider or someone else independent of an employer.

That is a much better pattern for a lot of young people than an apprenticeship. They can get the skills they need to get into a job and to regularly have opportunities to upskill, not a year or three years at a time, but two or three months at a time. It is a pattern that has evolved quite successfully in the IT and creative industries. The lack of support and effective government funding has had some unfortunate socially exclusionary consequences—people have to be able to afford the training themselves rather than having support. I am delighted that the Government are coming into that area.

I do not think we should assume that, just because we dreamed up apprenticeships at levels 2 and 3, in a lot of cases they have proved themselves. They have in some places, but it would suit young people in particular and employers better to have something made up of shorter-term elements with the pastoral care—particularly for small companies—being provided by experts rather than randomly through an overstressed corporate HR department.

That would provide quite a good structure for looking after the interests of returners and career changers. We ought to be providing these people with a real opportunity to contribute to the economy in the way they can. That will involve a degree of retraining. There should be no hurdles as to the level someone has reached previously. They might well have a degree in Greats but want to retrain as a motor engineer, and it does not help if they are not able to access the right level of provision for that change. We ought to be supporting that.

We ought to do it through grants initially. I agree with my noble and learned friend Lord Clarke that for someone coming out of education and into their early years of economic life with no substantial qualifications, to have a chance to get something under their belt is important. However, it should be what is necessary to get on the ladder for the career they are looking at. That may well be a level 2 or 3 qualification, or it may be something much shorter.

If you are looking at doing something more substantial than that, I do not think that we need do more than make sure that people can access the loans system to get themselves on track. However, we ought to be being fair. I like the spirit of these two amendments, and I hope that the Government will move in their direction.

Lord Layard (Lab): My Lords, I rise to support Amendment 76. As the noble and learned Lord, Lord Clarke, has argued so powerfully, we are, as a nation, very good at producing graduates and pretty bad at producing skills for the other 50%.

I start with a quite extraordinary statistic: if you ask what proportion of all the 18 year-olds in our country are not in any form of education or work-based learning, the answer is 30%. That is an absolutely incredible situation, and it really is time that we addressed that problem. It is a problem for our national productivity and, of course, it is a big problem for the subsequent incomes of those people. If we are looking for priorities, which is what this is all about, the central aim of post-school policy development must now be to deal with that problem and get more of our young people up to level 3—or at least level 2.

The lifetime skills guarantee is of course a very welcome proposal towards that end—giving a first level 2 or 3 to everyone, free of charge, irrespective of age—but it should be put into law. If the Government are serious about it, they should have no reservations on that point. That is covered in the first bit of this amendment. However, the more substantial issue, to which my noble friend Lord Adonis referred, is how to deliver that guarantee. Unless the places are there, there is no point in a person feeling that they have the right to free education if, when they look around, they see nothing that they like. They would not, in effect, have a right—they have that right only if the money automatically follows their choice.

What we are saying to the Government—I hope that the Minister will reflect on this—is that there is actually no chance that the guarantee can be delivered through the existing system of contracting with the colleges. In that system, each college has a capped budget, the size of which it negotiates annually with the Education and Skills Funding Agency. That agency, in turn, has a capped total budget, which, currently—even taking into account recent increases—is half of what it was in 2010. So that is what our present funding system enables us to do for the other 50%. We can do whatever we will, but, unless we do something about that funding system, we will not be able to deliver the right to a lifetime skills guarantee.

The contrast between what faces those people and what faces people going down the academic route is extreme because if you go to university or sixth form, the money of course follows you automatically. That

[LORD LAYARD]

is why our academic education is among the best in the world. It is difficult to think of anything more completely unjust in our social arrangements in this country than the comparative treatment of people going down the academic route and of those wanting to go into further education.

We have to dynamise the system of further education in the same way that we have dynamised universities: by enabling any institution that thinks that it can attract the people who are entitled to put the course on, knowing that the money will automatically follow. It is very nice that we have the “lifetime skills guarantee” expression because we can say that any student who is accepted by a college should automatically be funded for exercising their guarantee. What is a guarantee if the money does not come with it? It should be a guarantee of free education, funded in an automatic fashion. We want our colleges to lead in transforming the skills of our non-graduates, which, as I say, is more important than any problem relating to graduates. Let us take the colleges off the leash and pay them for any eligible student who they can attract—that is the only way that we can implement the lifetime skills guarantee. I hope that the Minister can reflect on how that guarantee could be implemented in any other way.

I turn finally to apprenticeships. Again, as many noble Lords have already said, we have to be clear about what the really big problems are, as opposed to other things that would also be desirable but are not of the highest priority. As I said at the beginning, the biggest problem is that so many young people are entering adult life without any proper training—we absolutely have to address that. The key moment occurs before people are 25; we must do better for people at that stage. To put that in context: 30% of people have had no form of work-based training or education. This is a problem of opportunity and of places. We are still trying to get the figures, but we know that there is huge excess demand from young people for places on apprenticeships. There are people who want apprenticeships and cannot get them. Finding a mechanism to generate those places is absolutely critical. At the Youth Unemployment Committee, to which the noble Lord, Lord Baker, referred, we constantly have evidence of this huge excess demand. We are trying to get the numbers; we do not have them yet, but everyone says that that demand is there.

We can only solve that problem if we use the apprenticeship levy to generate those places. One could imagine all kinds of subtle ways to incentivise employers to spend the apprenticeship money on younger people, but I do not think that they would work. That is why this very simple rule—two-thirds of apprenticeship funding going to people under the age of 25—is the most direct approach. Of course, it has to be for people taking apprenticeships at levels 2 or 3 because, if we said “under 25” but not the second part, we would see that they would want to fund degree and graduate apprenticeships. They would want to recruit bright young graduates and not bother about the other half of the population.

I stress the need to focus not just on the places but on the money for the places, because places for younger people are cheaper than those for the older people. As

the amendment says, two-thirds of the money should go to people starting at levels 2 or 3 when aged under 25. Of course, I am very keen on degree and graduate apprenticeships but, if employers want to do those, they should come from the other third of the money or their own resources.

This whole amendment is about how to generate the places for young people to get the proper start in life that we want them to have and, thereby, earn a decent wage and contribute to national productivity. Such things do not happen just by saying, “You’ll have a guarantee”; you have to put it into law, as the other amendment also says, and then have proper ways of funding both the guarantee and the apprenticeship.

It is true that the Government now have the right aspirations. We are in a new situation with huge opportunity, and the skills White Paper absolutely heads in the right direction, but this amendment is, in a sense, a test of how serious the Government are about actually realising their admirable aspirations. I hope that the Minister will find the amendment helpful.

Baroness Garden of Frognal (LD): My Lords, I added my name to Amendment 80 from the noble Lord, Lord Watson, but I also strongly support Amendment 76 from the noble and learned Lord, Lord Clarke, and the noble Lords, Lord Layard and Lord Rooker. It is a great pleasure to follow the noble Lord, Lord Layard; we are among some of the giants of the education world here.

If the Government are serious about wishing to reskill and upskill the nation, lifelong learning is an absolutely essential component. I would say to the noble Lord, Lord Aberdare, that “lifelong” is the word we are more used to—but I agree with him that we should sort out before we go much further whether it is lifelong or lifetime. As we shall discuss later, adults are much less likely to wish to take on repayable loans, so the right to free education up to level 3 is a very positive measure.

3.30 pm

As the noble and learned Lord, Lord Clarke, set out so eloquently, we also strongly support the idea that apprenticeship training funding should be spent on those beginning levels 2 and 3. These are essential stepping stones to higher levels, but too often overlooked. Apprenticeships always used to be about people starting out in employment, not about middle managers. However, as the noble Lord, Lord Adonis, set out, the numbers of young people starting apprenticeships has declined appallingly; government policy is simply not working in this respect.

I would also like to see support for level 1 qualifications, which can be the eye-opener for people who have been left behind by traditional education, who have never been awarded any national certificate but find themselves with a first taste of recognised educational achievement. It can be a really powerful incentive. I remember when NVQs first came out and we were giving NVQ level 1 to care and health workers, there were people with tears in their eyes because they had never before been awarded a national qualification. It can be an incentive; we must not overlook the lower levels in the interests of looking after the higher levels.

Amendment 80 refers to a qualification up to level 3 which, again, would cover the early stages of training. I tend to agree with the noble Baroness, Lady Greengross, that we should not really have stopped at retirement age—just think of the number of skills that we pensioners in this Chamber have had to learn over recent months. It also makes provision for those who need to retrain in another business or discipline, whether or not they already have a level 3 qualification. The old system of ELQs should be a thing of the past.

We need to make provision for people to acquire new skills as the employment market changes. Currently, for instance, the hospitality sector is woefully short of workers, so why could not someone who has been an office worker, possibly made redundant, not be given the opportunity to reskill where there are jobs, even though they may have substantial skills in a different field? But of course employers—particularly SMEs, as the noble Lord, Lord Aberdare, pointed out—need to be incentivised to take on younger people. The funding proposed in these amendments should significantly help in enabling them to do so. The Government need to look positively on all the issues that are encompassed in these two amendments, such as lifelong learning and reskilling.

Lord Watson of Invergowrie (Lab): My Lords, again, we have had a stimulating debate, with many insightful contributions. I have to say that we support Amendment 76, in the names of the noble and learned Lord, Lord Clarke, and my noble friends Lord Layard and Lord Rooker. It is similar in its first provision to ours, which references

“All persons aged 19 or older”,
while theirs states:

“Any person of any age has the right to free education ... up to Level 3”.

Below the age of 19, that right is already there through school or college or via an apprenticeship, although I accept the points made by my noble friend Lord Adonis about apprenticeships since the levy was introduced.

I acknowledge the important point about the pension age made by the noble Baroness, Lady Greengross, reinforced by my noble friend Lord Adonis. As they rightly said, many people now have no alternative but to work beyond—perhaps in some cases far beyond—that point in their life. That has given food for thought for these Benches, if we decide to return to this at Report. It is a valid point.

We also support the other two provisions in Amendment 76, the first concerning funding through the adult education budget. Of course, what happens to the adult education budget is a great unknown, as much of it has been devolved to the metro mayoral authorities, which we know the Government, probably for political reasons, want to keep at some distance from this Bill. We think that is a great shame and is quite wrong, but perhaps the Minister can clarify the Government’s view of the role of the adult education budget going forward.

The third provision in Amendment 76 relates to the apprenticeship levy and attempts to right a wrong that has developed since the levy was introduced in 2017 that not enough of it has been used to pay for apprenticeships for young people. The noble and learned

Lord, Lord Clarke, highlighted some of the anomalies that have resulted, for instance, with MBAs. I disagree with the noble Lord, Lord Lucas, that the points made in the amendment point to a more important misuse of the levy. I really do not think that MBAs were anybody’s intention when it was introduced.

We also support the stated objectives of the Bill as a whole to

“make it easier for adults and young people to study more flexibly - allowing them to space out their studies, transfer credits between institutions, and take up more part-time study”.

The Prime Minister’s lifetime skills guarantee was a central plank of the Queen’s Speech and the build back better and levelling-up agenda. Last week, we hoped to find out more about levelling up and what it actually meant, when the Prime Minister made a speech, but I have to say that, having heard that speech, we are still waiting. The lifetime skills guarantee forms an integral part of this legislation but, to the disbelief of many people across your Lordships’ House and the FE sector, the Government’s flagship policy is not in the Bill. Our Amendment 80 aims to rectify this oversight by placing the lifetime skills guarantee on a statutory footing. As the Federation of Awarding Bodies has said:

“Support for adult education in future could be as comprehensive as access to the NHS, but only if we get the passage of the legislation right.”

The lifetime skills guarantee is welcome, but it needs to be a much wider guarantee, supporting retraining and learning in a range of levels. It is beyond my comprehension why the Bill is silent on qualifications below level 3, as other noble Lords have said. At present, 13 million in the UK do not have a level 2 qualification, and around 9 million adults lack functional literacy and numeracy skills, leaving them more vulnerable to job loss and making it harder for them to secure alternative work if that happens—yet they are being offered no support in this Bill. Why?

There is no recognition of the value of qualifications below level 3 in creating progression pathways for students. The report from the Department for Education, snappily titled *Measuring the Net Present Value of Further Education in England 2018/19* and published two months ago, revealed the return on investment of these qualifications and concluded that the net present value of qualifications below level 2 is actually higher than for level 3. Why have the Government ignored their own evidence?

Six million adults were identified in the Augar review as not having qualifications at level 2, yet the total number of adult learners has fallen in recent years. If we want people to reach level 3 and above, surely more of them need to achieve level 2. To repeat: we are particularly concerned that no support is provided for any qualifications below level 3, despite lower level qualifications offering many adult learners key progression routes.

Nor do the proposals support subjects outside a narrow band of technical disciplines. A list of 400 qualifications is too restrictive; 1 million priority jobs will be excluded from the lifetime skills guarantee in sectors facing a major skills shortage, including retail, hospitality and the arts. Jobs in sectors such as

[LORD WATSON OF INVERGOWRIE]
veterinary care, building and architecture, as well as computer programming, which have been designated by the Government as priority for work visas, are also excluded from the guarantee offer.

Last week, we saw the Government's response to the level 3 qualifications reform. Despite all the consultation responses that the Department for Education received, it was disappointing to see the Government continue to focus on the number of regulated qualifications instead of supporting course diversity and real careers choices for young people post-16. The suggestion that the number of qualifications made available can be reduced from around 75,000 to a mere handful is surely fanciful. If the Government listened to college leaders, learners and parents as much as they do to employers, they would know that. As the Federation of Awarding Bodies also said

“The outcome of this particular review”—
that is, the level 3 qualifications reform—
“is taking the country in the wrong direction. It will not help level up across the regions of England and it will result in less opportunities for disadvantaged learners in future.”

We are seriously concerned by the Government's intrinsically flawed conception of how to measure value in post-16 education and that it will prevent the proper funding of socially useful and valuable, if lower earning, professions and paths in life. Our Amendment 80 ensures that all adults aged 19 and over without an A-level or equivalent qualification, or who hold such qualifications but would benefit from reskilling, can study a fully funded approved course, and requires the Secretary of State to consult on and review the list of approved courses to ensure that they are compatible with national skills strategies.

We also believe that the lifetime skills guarantee should be extended to include subsequent level 3 courses to unlock retraining for even more people. Eligibility for retraining is all the more important given the impact of the pandemic and ever-changing market needs. This is why the amendment allows for flexibility for a provider, perhaps on the recommendation of a Jobcentre Plus work coach or a qualified careers adviser, to allow for a subsequent level 3 course of study if the person would benefit from retraining in an area where there is a demand for skills. This is more important than ever before, given rapidly changing market needs and to support industrial decarbonisation goals.

The entitlement to a first full level 3 qualification for those under the age of 25 was introduced by a Labour Government in the Apprenticeships, Skills, Children and Learning Act 2009. As things stand, the Bill would do away with it. The Augar review recommended an all-age level 3 entitlement, and the Government have now put this into effect with a guarantee, but only to a limited list of level 3 qualifications and only for those who do not have one. An adult who is made unemployed and needs to retrain but already has a level 3 qualification—an A-level perhaps, or BTEC equivalent—will not be able to access the entitlement.

Why are the Government shutting the door on people who want and need to retrain for the future needs of the economy that the Government tell us the Bill is intended to prepare for? It simply does not make

sense. These amendments are necessary if, as my noble friend Lord Layard said, the Government's stated aim of parity of esteem between the academic and technical routes is to be meaningful. I look forward to the response from the Minister.

Baroness Penn (Con): My Lords, I thank noble Lords for the opportunity for this important debate on the provision of skills to those who may not have got them earlier in their lives or who are seeking to retrain. I hope I can give noble Lords quite a bit of comfort in that the Government broadly concur with many noble Lords' ambitions around lifelong learning in this area. That is backed up by some clear policy statements and funding commitments. It is not necessary to specify such requirements in the Bill.

Amendment 76, tabled by my noble and learned friend Lord Clarke of Nottingham, seeks to provide free access for approved courses up to level 3 for any person if they have not already studied at that level, including automatic in-year funding to providers to cover these students. It may help if I explain the current position. Up to the age of 18, participation in education and training is fully funded. For adults aged 19-plus, the adult education budget fully funds or co-funds provision from pre-entry to level 3, to support adults in gaining the skills that they need for work, an apprenticeship or further learning. This includes a significant amount of fully funded provision, including English, maths and digital courses, the first full level 2 and level 3 for learners aged between 19 and 23, and fully funded training up to and including level 2 where learners are unemployed or in receipt of low wages. The noble Baroness, Lady Garden, referred to this category of learner, which includes learners who have already achieved level 2 or above but need to retrain to improve their job or wage prospects. I will cover my noble friend's final but important point about level 3 funding for those aged 24 and above, which I have not covered yet, when dealing with Amendment 80, in the name of the noble Lord, Lord Watson.

A number of noble Lords spoke to the part of the amendment relating to apprenticeships. From August 2020 to January 2021, 16 to 24-year olds accounted for 53% of apprenticeship starts. In the same period, level 2 and level 3 starts made up over two-thirds of starts, so across the programme we are already meeting the aims of this amendment by focusing on younger and entry-level apprenticeships. However, that does not mean that every employer should meet that goal. Legislating in the way proposed will reduce employers' ability to meet their individual skills needs, and reduce opportunities for individuals, including older workers who may need to retrain or want to progress in their career.

3.45 pm

Noble Lords made a number of further points around apprenticeships. I was sad that the noble Lord, Lord Adonis, was not here in Committee on the day when we had an in-depth discussion in response to his question about what the Government are doing to encourage the take-up of apprenticeships. However, I am happy to repeat some of that for him today. Since last August, as part of our plan for jobs, the Government have had incentive payments in place for employers

taking on new apprenticeships: £2,000 for under-25s to focus more support on younger apprentices, and £1,500 for those aged 25 and over. Over 52,000 incentive payments have been claimed so far and, from April until the end of September, that incentive has been increased to £3,000 per apprentice of any age.

As my noble friend Lord Lucas alluded to, we are also launching a £7 million fund to support more apprenticeships through the flexi-job apprenticeships scheme, which is aimed at sectors with more flexible employment models, such as the creative industries, to encourage them to take up the apprenticeship offer. All small and medium-sized enterprises can now reserve funding for up to 10 new apprenticeship starts in 2021-22, and from August, employers who pay the levy will be able to transfer levy funds in bulk to other employers, including SMEs, with a new pledge function supported by a new online service to match them with SMEs. Noble Lords are right that we must do more to have a wider range of employers and to encourage young people to take up the opportunities of apprenticeships. The Government are very conscious of this and are acting on it.

Amendment 80, tabled by the noble Lord, Lord Watson, and the noble Baroness, Lady Garden, among other things, seeks to put the lifetime skills guarantee on a statutory footing and provide retraining opportunities. Noble Lords will know that, in addition to the entitlements through the adult education budget, which I have just described in response to my noble friend, as part of the Government's skills reforms and as in the skills White Paper, any adult aged 24 or over can access about 400 free, fully funded level 3 courses, as part of the lifetime skills guarantee.

It is right that we focus first on those who have not already achieved these advanced level skills, as they have a significant amount to gain. An estimated 11 million adults aged over 24 are currently without a level-3 qualification. We know that there are real benefits to people getting a level 3. Achieving a full level 3, on average, gives an adult wages that are 16% higher, and a 4% increase in the chance of being employed. However, I know from the amendment that noble Lords have a keen interest in ensuring that people can not only train but retrain throughout their lives. The lifetime skills guarantee offers opportunities not just to gain a level 3 qualification through this "free courses for jobs" offer but to train and retrain in digital, construction and other technical skills through expanded skills boot camps, which are co-designed with employers and offer a guaranteed interview to participants. Those who wish to retrain through studying for a further qualification at level 3 may apply for an advanced learner loan, for which repayment is dependent on income.

Additionally, my noble friend Lord Baker raised the skills gap at level 5. The Bill is bringing forward the legislation to incorporate levels 4 to 6 in technical qualifications into the lifelong loan entitlement, as part of the lifetime skills guarantee. As noble Lords will be aware, this will be introduced from 2025, providing individuals with a loan entitlement that is the equivalent of four years of post-18 education, to use over their lifetime.

I will now respond to a few more specific points raised by noble Lords. The noble Lord, Lord Baker, asked some questions about the national skills fund, on which I hope I can give him some reassurance. We launched a consultation on the national skills fund, which will run until 17 September, to gather evidence that will inform future investment in adult further education. That is focused on the free courses for jobs offer, skills bootcamps and meeting critical skills needs. However, funding is still available through the national skills fund this year while that consultation is under way, including £95 million for the free courses for jobs offer, which is the level 3 entitlement that all adults can access.

The noble Lord, Lord Watson, referred to the fact that the level 3 entitlement is an entitlement to a level 3 course from a list produced by the Government; he said that there may be gaps in that list or other courses that are not addressed through that offer. We have focused the level 3 offer on courses which offer good wage returns or meet strategic skills priorities, or offer a combination of both, and which are focused on skills that employers need. However, we have committed to regularly reviewing the courses included, twice over the coming academic year, to ensure that the list continues to meet labour market needs. Where mayoral combined authorities, the Greater London Authority or others have suggested additions to the list, they should make submissions supported by evidence and of course we will consider those as part of our review work.

Finally, on the point about the FE funding system, which is also covered in the initial amendment from my noble and learned friend, we recognise that the system is often perceived as complex and inflexible. That is why the White Paper published earlier this year committed to reforming the system. We are looking at how we can deliver a funding system which is simpler and clearer, places fewer burdens on providers, is more closely aligned with the needs of the economy and society, and delivers high-quality outcomes for learners. So, while we may not agree with the precise mechanism in this amendment to address funding, we are committed to looking at that through the skills White Paper.

I hope my remarks have provided noble Lords with some reassurance that the Government are looking at improving the skills offer for those who will benefit from it most, that the new lifetime skills guarantee extends level 3 qualifications to those aged over 25 who could not previously access a free entitlement to a level 3 qualification, and that we are doing more to encourage apprenticeship opportunities and support employer choice. I therefore hope that my noble and learned friend will feel comfortable in withdrawing his amendment and that other noble Lords will not feel the need to move theirs when they are reached.

The Deputy Chairman of Committees (Baroness McIntosh of Hudnall) (Lab): I have received one request to speak after the Minister, from the noble Lord, Lord Adonis.

Lord Adonis (Lab): My Lords, the noble Baroness said that there was now a scheme for enabling large employers to transfer part of the proceeds of the apprenticeship levy to SMEs. What is the incentive for

[LORD ADONIS]

them to do that? It was not clear to me why they would do it, apart from just good will—they may do it for good will, but it is good to have some incentives. Also, although she issued a lot of warm words about younger apprenticeships, she did not—unless I missed it—directly address the third part of the amendment from the noble and learned Lord, Lord Clarke, which requires employers receiving apprenticeship funding to spend “at least two thirds of that funding on people who begin apprenticeships at Levels 2 and 3 before the age of 25.”

What is the Government’s view on an actual requirement that two-thirds of the funding be spent on those who are under 25?

Baroness Penn (Con): As noble Lords will be aware, when large employers pay the apprenticeship levy, those funds stay in their account for up to two years and, if unspent, return to the Government. They fund wider apprenticeship provision, such as the provision of maths and English tuition, the administration of the scheme and other aspects of it. However, we know that large employers have unspent funds. They may, for example, want to transfer those to other businesses in their supply chain that would benefit from taking up apprenticeships in that form. That is one incentive they may have to transfer the levy funds.

On the point about obliging employers to have two-thirds of their apprenticeships filled by young people, while we want to ensure that young people and employers are incentivised to take up apprenticeships and are working towards that, one piece of feedback we get from employers about the unspent levy is a lack of flexibility on how to spend it. There is always a balance in ensuring that there is sufficient flexibility for how employers can use their levy while making sure that it delivers on the aim: high-quality, technical apprenticeship schemes that deliver the skills that employers need.

The Deputy Chairman of Committees (Baroness McIntosh of Hudnall) (Lab): My Lords, I have received no further requests to speak after the Minister, so I call the mover, the noble and learned Lord, Lord Clarke of Nottingham.

Lord Baker of Dorking (Con): My Lords, I asked specifically about the skills fund. When it was published, the fund said that it had four items of expenditure—it is a huge fund of over £2 billion, and the first item was £93 million to pay for free training for A-levels. The Government are consulting again on the skills fund; is that proposal on ice or has it been withdrawn?

Baroness Penn (Con): My Lords, I will have to undertake to get more detail for the noble Lord on that specific point. I can confirm two things: the current consultation on the skills fund does not mean that existing funding committed under that fund for this year has been put on ice. I referred to the national skills guarantee for level 3 qualifications—of course, a full level 3 is equivalent to A-levels—and the skills bootcamps, which are also funded this year. I undertake to write to him to address his specific point about A-levels.

The Deputy Chairman of Committees (Baroness McIntosh of Hudnall) (Lab): I believe I have no further requests to speak after the Minister. I apologise to the noble Lord, Lord Baker; I am afraid the message arrived rather tardily, but I am sure that that was the technology. I now call the mover, the noble and learned Lord, Lord Clarke of Nottingham.

Lord Clarke of Nottingham (Con): My Lords, I am grateful to my noble friend for her reply, and I realise the constraints a Minister has in replying to a debate of this kind in the Lords. She was obviously trying to be helpful. I was very grateful for the wide level of authoritative support that the amendment received. I hope that, before we return to this subject on Report, she will try to come back with a little more substance in response to the points that were made.

Very briefly, on the first point in the amendment, that we should put the Government’s lifelong learning guarantee on a statutory basis, my noble friend’s only reply was that she saw no need to put it in the Bill. Well, given the problems that often arise between Governments announcing noble intentions and the actual delivery of things on the ground, I beg leave to doubt that. Of course, one can ask the opposite question: what exactly is the reason for resisting putting it in the Bill if the Government are all in favour of it? Given that I so welcome the lifelong learning guarantee, perhaps the Government would consider signing up to it—not in blood exactly, but at least putting themselves under a legal obligation to those who should be entitled to it.

On the questions of expenditure that we have been asking, it is certainly the case that noble Lords kept referring to my being a former Chancellor. I am also a former Minister of Employment and Secretary of State for Education. As a former Chancellor, I am quite traditional; I am fiscally responsible—a bit of a fiscal hawk, sometimes—but I do think there are two subjects on which it is unavoidable for the present Government to spend more money. That means I would probably be at least as hawkish as the present Chancellor in resisting all the other lobbies which are inevitably piling in as the atmosphere of free money prevails. Social care and skills training—filling the skills gap—are irresistible things to which we must devote more resources.

4 pm

I shall consider the Minister’s reply carefully. She explained some of the financial help that is now given. Somebody—I think it was the noble Lord, Lord Adonis, but it might not have been—gave the figures on the effect of the levy scheme in practice; the decline in opportunities and the number of apprenticeships for younger people seems to show that this is somewhat inadequate. I hope that, between now and Report, she will see if she can put more substance on her response to the very large number of young people who really are not going to do well if they think they are going into the lifelong employment market, as they leave their youth, completely lacking the level of skills that so many have. The figures have been given, and they are pretty bad. Of course, I will withdraw my amendment, but I think we should return to this because it is a hugely important social and economic issue.

Two groups of people have been particularly hit by the Covid pandemic, which has made things worse. The first are the young people leaving education expecting to go into the job market. They could not have had a more terrible time to blight their prospects; there is no worse time to leave education—school, or even university—if you have a rather inadequate level of skills. The others are those made redundant at the age of 50, or thereabouts, who thought they had secure, lifelong jobs and desperately want to get back into employment but need the retraining that my noble friend Lord Baker emphasised.

I hope that the Government can come back on this. As I said before, it is plainly in line with the Government's stated principles and intentions, but there can be a big gap between policy declarations and substantial delivery on the ground. Some more substantial response to these amendments might reassure us that the Government are more likely to achieve that.

Amendment 76 withdrawn.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): We now come to the group consisting of Amendment 76A. Anyone wishing to press this amendment to a Division must make that clear in debate.

Clause 22: Further education in England: intervention

Amendment 76A

Moved by Lord Lucas

76A: Clause 22, page 26, line 25, at end insert “including academic qualifications, taking into account other provision accessible locally.”

Member's explanatory statement

The purpose of this amendment is to make it clear that the role of an institution in the further education sector is to ensure that there are no gaps in local provision, and that the Secretary of State must take account of provision from other providers that can reasonably be accessed locally e.g. online.

Lord Lucas (Con) [V]: My Lords, the question I ask with Amendment 76A is: who is making sure, in this new world that we are creating, that the overall educational provision at sixth form and beyond is as it should be? I hope we are not dividing the world into academic and technical; there is such a broad stretch across that divide. I hoped that we were trying to heal that divide, but we seem to be creating new structures for driving technical education that do not obviously or easily fit into the structures we have for driving academic education.

On technical education, the Minister told me last time we were here that the Sussex Chamber of Commerce would be a trailblazer. That is an area that is not obviously different from the South East local enterprise partnership. The main differences for the constituent parts of Sussex are that this is a new entity unused to this sort of responsibility; that it has none of the old associations, familiarities and relationships that go with, in this case, either of the local enterprise partnerships that cover the area; and that it is not congruent in any way with the providers of ordinary education, which are, at that level, East Sussex and West Sussex. It is not clear how they will have a co-ordinated voice in dealing

with academic provision, because a lot of the academic provision in our part of the world is provided by further education institutions.

If we look at what is happening in Eastbourne, where I live, we are a town of 130,000 people with no substantial academic sixth form provision. There is one fine free school, but it is small. There is an excellent FE college, whose A-level provision consists of business studies, English, history and sociology. In this new arrangement that we are looking at, who will be responsible for making sure that the young people of Eastbourne have the educational opportunities they deserve? It is not clear to me that there is anyone effective to do that without making a change, such as I have suggested in this amendment, to ensure that the FE colleges sweep up where the schools have failed to provide. I beg to move.

Lord Adonis (Lab): My Lords, the points from the noble Lord, Lord Lucas, are very well made regarding the need to see adequate local provision of technical education, including, as his amendment would provide, “academic qualifications, taking into account other provision accessible locally”.

I would like to raise one very specific matter. I do not expect the noble Baroness to be able to answer me immediately, but I would be very grateful if she could write to me about it. A very significant aspect of further education—by which I mean post-16 academic education—is the availability of the international baccalaureate. I would be grateful if the noble Baroness could write to let me know what the recent trends are in the availability and provision of the international baccalaureate—availability in terms of how many providers there are in the state system, and provision in terms of the take-up of places over recent years.

I see this as a very important part of academic further education provision. There is a bit of history here that I would like to draw to the attention of the House, because this may be an issue we wish to return to on Report. One issue being debated in respect of this Bill, and which is a live debate in the whole of the post-14 education arena, is what should happen to GCSEs and whether we should move to a more baccalaureate-type system. I am sympathetic to the argument in both respects: that we should conceive of the phase of education from 14 to 18 or 19 as a single phase and that we should move to a broader provision of subjects as part of the mainstream academic curriculum—and indeed the vocational post-16 curriculum—rather than the very traditionally narrow curriculum we have had, with the emphasis typically on three A-levels or technical subjects.

A generation ago, the introduction of the international baccalaureate sought to deal at the post-16 level with this very narrow academic subject focus by introducing a now well-established international course, which is taught in international schools and many schools within national jurisdictions. The international baccalaureate requires six subjects to be taught and studied between the ages of 16 and 18, leading to the diploma of the international baccalaureate, which must include mathematics, a science and a modern foreign language besides, obviously, the language which students study as a matter of course.

[LORD ADONIS]

It is my view—and the view of a large number of educationalists—that the international baccalaureate is a superior course to A-levels. When I was the Minister responsible for these matters, the judgment we reached was that it was too difficult a reform to carry through, for all kinds of reasons, to replace A-levels entirely with a baccalaureate-type system. It was our policy to make the international baccalaureate much more widely available—and available in state schools as well as private school. As the Minister may know, the international baccalaureate is quite widely available in the private sector but, going back 15 years, it was hardly available at all in the state system.

At the time, we provided a significant incentive for the teaching of the international baccalaureate by requiring that each local education authority area should have at least one provider of the international baccalaureate in either a school, sixth form or further education college. This led to quite a big take-up of the IB, which was a positive development in the education sector and led to a raising of the skill level and an extension of choice.

However, after 2010, the requirement for there to be at least one IB provider in each local education authority area was dropped—not, I think, because the then Education Secretary, Michael Gove, was against the IB but because of funding cuts and insufficient funding in the system to provide for it. My understanding is that the number of providers offering the IB and the number of students studying it have plummeted. I see this as a retrograde step and a significant denial of choice in the education system, particularly for students in the state system because, as I said, there are providers in the private sector and parents can choose to pay for their children to study at schools or colleges that provide the IB.

Can the Minister provide—either to the Committee now or, if she unable to do so, in writing to me and other Members; I perfectly understand that she may not have the figures in her brief—an update on the actual position with the IB in terms of numbers of providers and students and how those numbers have changed in recent years?

Lord Watson of Invergowrie (Lab): My Lords, on Thursday—day 2 of Committee—I asked the noble Baroness, Lady Penn, about the need for the new section to be introduced by Clause 5. It states:

“The governing body of an institution in England ... must ... from time to time review how well the education or training provided by the institution meets local needs, and ... consider what action the institution might take ... in order to meet those needs better.”

I said that I did not think this necessary because, to me, it is self-evident; that is what local further education colleges are about. I asked on what basis the Government felt it necessary to draft Clause 5 if there were many failing FE colleges. The noble Baroness made it clear to me that that was not case.

I feel the same about Clause 22 because, again, it seems to be based on the assumption that, for some reason, a number of colleges are operating on a day-to-day basis oblivious to what is happening in their own back yard. I just do not think that is the case. I repeat what I

said on Thursday: not every further education college is perfect, does everything it has to do and does everything well, but there seems to be an impression by the Government that there is an attempt to undermine what the FE sector does—quite apart from the fact that, as we heard in the debate on the previous group of amendments, that sector has been seriously and serially underfunded, which can only inhibit what it is able to deliver for its local area.

I find myself a bit uncomfortable with this clause because, if a further education college does not ensure that there are no gaps in the local provision, as this amendment seeks to ensure, then what does it do? I cannot believe that such colleges just turn a blind eye. I cannot argue with Amendment 76A but I must say something to the noble Lord, Lord Lucas. He used the example of Eastbourne, which he mentions, along with its 130,000 inhabitants, often. I must visit it some time; it must be a very attractive place. However, even in that local example—and, by all means, use local examples in these debates—I do not think he made the case for there being widespread failure. I repeat the point I made on Thursday: the vast majority of FE colleges know what they need to do for their locality and do it well.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): My Lords, before I call the Minister, I remind Members that, for this week at least, they should send an email to the Table if they wish to speak after the Minister.

4.15 pm

The Parliamentary Under-Secretary of State, Department for Education and Department for International Trade (Baroness Berridge) (Con): My Lords, Amendment 76A relates to intervention in FE college and sixth-form college corporations and designated institutions.

The measures that we set out in Clause 22, to which the amendment relates, will enable the Secretary of State to intervene where the education or training has failed adequately to meet local needs. It is, as the noble Lord, Lord Watson, outlined, a new duty under Clause 5, and the corresponding change to the enforcement powers comes in response to putting that duty on local providers. This builds on the existing intervention powers under the Further and Higher Education Act 1992 by enabling the Secretary of State to direct the governing body to restructure. This measure is part of a package of reforms, including the introduction of local skills improvement plans and the new duty under Clause 5. However, I can assure noble Lords that the statutory intervention powers are intended to be used only as a last resort—that is, when all other alternative courses of action have failed to secure the improvements necessary to deliver for local learners.

The amendment from my noble friend Lord Lucas seeks to ensure that the Secretary of State takes into account academic qualifications and other local provision when considering how well local needs have been met. I join the noble Lord, Lord Watson, in being fascinated by my noble friend's descriptions of Eastbourne. I can confirm for him that, at East Sussex College, 118 students are enrolled on A-level courses as their core study course, which is more than 50 in each of the two years. He also mentioned Gildredge House, a free school

with around 65 students on level 3 academic programmes. I understand that East Sussex College is undertaking on each of its campuses a review of the specialisms offer that it makes to ensure that it best fits with local needs, and that it is considering enrolment activity and the level of demand from young people.

The assessment we envisage under the Bill will therefore not be restricted to a particular type of provision. Although the Secretary of State must consider the priorities set out in any LSIP, this does not exclude other provisions that are relevant to local needs—including academic provision specifically—also being reflected in the assessment. If there is a failure to meet needs in a local area, there is a responsibility on all the providers serving that area to work together to agree the changes required to bring about improvement. Every college involved in meeting the needs in a local area should be accountable for how well those needs are met.

I hope that these brief remarks provide some reassurance to my noble friend, and I ask him to consider withdrawing his amendment.

Lord Lucas (Con) [V]: My Lords, I am grateful to my noble friend for that answer. I would be delighted to entertain her in Eastbourne for a day or two, particularly in this weather; I think she would enjoy it.

I understand that there are processes that are supposed to deliver what a local area wants, but they seem to be becoming ever more remote and fractured under the arrangements in this Bill. I remain unconvinced that what we are setting up in this Bill will deliver better provision than we have at the moment, but I will read my noble friend's answer carefully and with interest. I beg leave to withdraw the amendment.

Amendment 76A withdrawn.

Clause 22 agreed.

Clauses 23 to 25 agreed.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): My Lords, we now come to the group beginning with Amendment 76B. Anyone wishing to press this or anything else in this group to a Division must make that clear in debate.

Amendment 76B

Moved by Baroness Berridge

76B: After Clause 25, insert the following new Clause—
“Relevant date for purposes of fee limit for certain higher education courses

In paragraph 3(3) of Schedule 2 to the Higher Education and Research Act 2017 (the fee limit where the provider has no access and participation plan), omit “before the calendar year”.”

Member's explanatory statement

Certain fee limits for academic years of higher education courses depend on whether the provider had a high level quality rating on a particular date. This new Clause changes that date to 1 January in the calendar year in which the academic year begins from 1 January in the previous calendar year.

Baroness Berridge (Con): My Lords, I speak to government Amendments 76B and Amendment 101 in my name. They relate to the high-level quality rating, which is currently the teaching excellence and

student outcomes framework, known as TEF, for providers without an approved access and participation plan.

Higher education providers with a TEF award currently benefit from an uplift to their fee limit, meaning they are able to charge a higher level than higher education providers without a TEF award. Despite the best efforts of noble Lords and the Government, there is an error in the legislation that could prevent a timely link between TEF awards and a provider's fee limit. For example, currently, where a provider does not have an approved access and participation plan, whether the provider is entitled to the TEF fee uplift in any academic year is dependent on whether it had an award on 1 January in the calendar year before the relevant academic year. This means that a provider seeking to charge the TEF fee uplift in academic year 2022-23 would be able to do so based on an award in force in January 2021, rather than January 2022, which was the original intent of the legislation. This amendment will correct this and ensure a more timely link between fee limits and TEF, helping to further incentivise excellence in higher education. These amendments are of benefit to the institutions that I outlined.

Amendment 101 is a related consequential amendment to Clause 27, which sets out that the proposed new clause in Amendment 76B will come into force two months after Royal Assent. I beg to move.

Lord Adonis (Lab): My Lords, in the previous group on Amendment 76A, the noble Baroness did not reply to my point about the international baccalaureate at all. I fully accept that she may not have the data I was after, but I would be grateful if she could put on record a commitment to write to me about it.

Lord Addington (LD): My Lords, having had a look at this amendment, I really put my name down to speak to ensure we can thank the Government when they correct things on the go. It is a precedent that should be encouraged as we go through this, so I thank them for doing it. The description of the amendment the noble Baroness gave made sense to me, so more power to their elbow. I hope they will correct things as they go, with great rapidity.

Baroness Sherlock (Lab) [V]: My Lords, I thank the Minister for her explanation of these amendments. From what she said, this appears to be a minor change to Schedule 2 to HERA. I gather it will apply only to providers that have a TEF award but not an access and participation plan, which therefore can charge only the basic fee plus a TEF supplement. The legislation currently says that they have to have held the TEF award on 1 January in the year before the course starts, but I presume it should have said on 1 January before the course starts. That is a good lesson to all of us on the importance of careful drafting. Although it went through in 2017, I am glad they have now been able to correct it.

I take this opportunity to ask the Minister a couple of quick questions. First, will any current providers be affected by this? I imagine that none will be, as the last TEF assessment exercise was in 2018-19. All TEF

[BARONESS SHERLOCK]

awards had been due to expire this summer, but were extended to 2023 to give the Government time to create a new TEF scheme and make assessments under it. I imagine that means that the only people who will be affected by this amendment, any time soon, are new providers applying for provisional TEF awards. Could she confirm that? Since that provisional award process has only just opened and the awards will not be confirmed until September, I imagine it will only affect courses starting in 2022, but it seems a sensible move.

We are now in the strange position of most providers having a TEF award but being told by the Office for Students not to advertise it, because the assessments that led to them are now out of date. This is a rather sad state of affairs for a system launched with such fanfare, so could the Minister take this opportunity to give the Committee a brief update on what is happening with TEF and when we can expect to see proposals for a new TEF system?

Baroness Berridge (Con): My Lords, I thank noble Lords for their contributions, particularly the comments of the noble Lord, Lord Addington, and his thanks for this technical amendment to fix an error in the existing legislation. In relation to the points raised by the noble Baroness, Lady Sherlock, as far as I understand it, the most recent TEF assessments were from 2017-18. This is a change to make the legislation fit for purpose for when the new round of TEF is announced. I will write to her with any update of the course for the new TEF.

I had hoped, given that these amendments would not affect any underlying policies, that noble Lords would be able to support them but, in the circumstances, I beg the leave of the Committee to withdraw Amendment 76B.

Lord Adonis (Lab): What about the IB?

Baroness Berridge (Con): At least I am consistent in forgetting twice. I beg the noble Lord's pardon. We have no intention not to fund the IB going forward, but I will write to him with the statistics.

Amendment 76B withdrawn.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): We now come to the group consisting of Amendment 77. Anyone wishing to press this to a Division must make that clear in the debate.

Amendment 77

Moved by Baroness Garden of Frognal

77: After Clause 25, insert the following new Clause—
“Offence to provide or advertise cheating services

- (1) A person commits an offence if the person provides, offers to provide or arranges for a third person to provide an academic cheating service to a student enrolled with a further, higher or post-16 education provider on—
 - (a) a course of study at such an education provider in the United Kingdom, or
 - (b) an overseas course of study provided at such an education provider in the United Kingdom, and

the academic cheating service is for commercial purposes.

- (2) A person commits an offence if the person advertises or causes an advertisement to be published, either directly to a student enrolled with a further, higher or post-16 education provider, or through an intermediary.”

Baroness Garden of Frognal (LD): My Lords, I bring apologies from my noble friend Lord Storey, who is in foreign parts but assured us, before he went, that he would be able to get connectivity and come in and join us on this and other amendments. He self-evidently is not here, so my noble friend Lord Addington and I will try desperately hard to fill the gap he leaves.

I support this amendment in the name of my noble friend Lord Storey and the noble Baroness, Lady Sherlock. He has been assiduous in his efforts to tackle cheating in all its forms. His research has resulted in a “Panorama” programme following foreign student colleges that collected large sums of money to accredit bogus students with qualifications, which were awarded by reputable awarding organisations that had taken their eye off the ball in their scrutiny of candidates and processes. It was horrifying to see how much money changed hands by falsifying student records and buying certificates with no shred of competence. We saw classes of foreign students who could barely say their names in English, with no language or professional ability, yet who, on payment, could obtain genuine certificates with utterly false credentials. Those awarding bodies have now been tasked and scrutinised, and had their processes significantly tightened.

This amendment is aimed at those who seek to part students from their money in return for validation that has no reality. Cheating has become easier in the technological age. It was more arduous when you had to go to a library and photocopy material—literally cut and paste—but there are those with money and very few brains who aspire to qualifications. It is in the interests of those of us who admire our education system that cheating is stopped, at all costs. If this is not already an offence, it should be. This amendment will ensure that those who seek to cheat in this way can be taken to task and it surely has a place in the Bill. I beg to move.

Baroness Neville-Rolfe (Con): My Lords, I speak on the subject of cheating partly because I have a son who is an academic and I know what agonies this creates for conscientious tutors. I offer two insights. First, cheating at universities and elsewhere is made much easier by the prevalence of coursework, which means there could have been an increase during Covid, to add to our woes.

As the noble Baroness, Lady Garden of Frognal, rightly said, it is easier in the technological age. The safest thing is to base assessments on exams in person and, if that is not possible, to have tight turnaround times for papers, because that makes cheating harder. The penalties should also be clear—whether being chucked out of university or made to do another year—and whether they apply to essays, which are under examination with this amendment, or to exams only.

Secondly, it is an international problem. An amendment banning services in the UK, which this seeks to do, will just move these services overseas. It is an important

issue and I look forward to hearing from the Minister about how it is best tackled. I very much thank those who have brought the amendment to the House today.

4.30 pm

Lord Lucas (Con) [V]: My Lords, these essay mills are getting ever more sophisticated and are employing in some cases quite high levels of artificial intelligence to disguise what they are creating based on existing sources so that the cheating software cannot find it. I suspect that there is no reasonable solution if we are to continue with a system where essays produced in unsupervised conditions count towards a qualification. However, there is some hope, and I encourage the Government to look down this avenue in the work that has been done, for instance, by FutureLearn on analysing the pattern of keystrokes made by a particular individual typing an essay and working on that essay while they are in the course of preparing it. That sort of analysis is very difficult to duplicate and defeat. If we use technology to defeat technology, we can again be confident about the quality of essays.

Lord Addington (LD): My Lords, my noble friend—despite the fact that he has been defeated by the wonders of technology—here addresses one of the other problems we have. Something went from students who knew certain essays would come up in certain courses at certain times, and vaguely plagiarising them—that went on just about everywhere—to an industry that means students can gain a qualification. Continuous assessment is reckoned to be quite a good way of learning or of assessing somebody’s ability, or has been in many cases. That is particularly vulnerable to some of these services. The sums of money involved are considerable, because people are paying for it. Furthermore, a student who does this is then open to blackmail for the rest of their professional career. Their qualification, which is the way they make their living for the rest of their life, could be invalidated or they could have a black mark against them. They might not have to pay just a few hundred pounds but could end up paying tens of thousands over the course of their lifetime.

I hope that the Minister will give us a positive answer. My noble friend is quite assiduous on this—he has a Private Member’s Bill going through. If I may appeal to those who are planning government business, it might be a quicker and easier way to accept this amendment or one like it than to have to have an entire Bill go through Parliament. There is not much hope of that but let us try.

Can we find out what the Government are planning to do about this? Technical checking of every essay might be possible—I do not know the state of play of the technology—but everything will have to be entered to be assessed by it, and I am not sure how long that takes. We will have to look at this and at things such as dissertations, or studying by oneself, which are a traditional part of long-term studies in further and higher education. These cannot really be done in any other way than a person working independently, unless there is a lot more monitoring or a lot more time spent on it by staff.

We will have to deal with this problem, or at least learn to live with it and minimise its impact. I hope that the Minister can tell us that there is a coherent plan to at least display the dangers of blackmail and coercion that people are exposed to throughout the rest of an academic career. This is a real problem, and if we can solve it or at least make it slightly better now, surely we should.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): The noble Lord, Lord Adonis, has withdrawn from this group so I call the noble Baroness, Lady Sherlock.

Baroness Sherlock (Lab) [V]: My Lords, I thank the noble Baroness, Lady Garden, for stepping into the breach and introducing this amendment and thank all noble Lords who have spoken. I may try to fill in some of the gaps left by the absence of the noble Lord, Lord Storey. I should say at the start that we fully support the outlawing of cheating services.

The Minister needs to address three questions: is there a problem, is it getting worse, and what is the right policy response? I think we now all agree there is a problem. We discussed this recently at the Second Reading of the Private Member’s Bill of the noble Lord, Lord Storey. In responding to that debate, the Minister—the noble Lord, Lord Parkinson of Whitley Bay—acknowledged the growing availability of cheating services and said that this

“puts vulnerable students at risk and threatens the reputation of our world-class higher education sector ... it is reprehensible for essay mill companies to profit from a dishonest business that exploits young people’s anxiety and can undermine our world-class institutions.”

Yes, we have a problem. Is it growing? Again, yes, it is. The QAA believes there are now over 1,000 essay mills in operation.

In that debate, the noble Lord, Lord Parkinson, told me that he had not read the paper by Lancaster and Cotarlan published this year in the *International Journal for Educational Integrity*. I hope that the noble Baroness, Lady Berridge, has read it or that at least she has been given a summary in her brief. It cites the 2015 work by Ardid et al which found no difference in the results students got when they took exams in person or online, provided that both types of exams were supervised. But when students took an exam online and it was not supervised, they got higher marks. That raised the obvious question as to whether students were using contract cheating in online exams. Lancaster and Cotarlan took up the challenge raised by the noble Baroness, Lady Neville-Rolfe, and analysed how one website, Chegg, was used during the pandemic by students in five STEM subjects.

They found that students were using it to request answers to exam-style questions and that these could be put live and answered within the duration of an exam. The number of student requests posted for those five subjects increased by almost 200% between April and August last year compared with the same period the year before. Of course, that was exactly the time when many courses moved to being delivered and assessed online. They conclude that

“students are using Chegg for assessment and exam help frequently and in a way that is not considered permissible by universities.”

[BARONESS SHERLOCK]

In 2016, the QAA said it that would approach the main search engine companies and ask them not to accept adverts for essay mills and to block them from search engines. That does not work. This week I did a search, and loads of them appeared. I visited the Chegg website today and it still says:

“Ask an expert anytime. Take a photo of your question and get an answer in as little as 30 mins.”

There is even a website which acts as a comparison site for essay mills. I went mystery shopping on one website before the Second Reading of the Private Member’s Bill, and last week I tried another one. This time round I priced up an undergraduate essay on Anselm’s ontological argument for the existence of God, with three sources and Chicago referencing. With a new customer’s discount, I could have had 750 words in just three hours for £72. A full 2,500-word essay could be mine in 12 hours for £193. I did not even have to subscribe to find that out.

The noble Lord, Lord Addington, is quite right: if I were a student and I succumbed to this, as well as risking my academic career, I could be putting myself at risk of being blackmailed. The HE blog wonkhe.com has given examples of students who had problems either because they felt the quality of the work was not good enough or they got cold feet, and were told that if they did not pay the fee, and sometimes pay more money, the site would tell the university that they had used an essay mill.

We accept that we have a problem and that it is growing. What is the policy solution? In the past, Ministers have insisted that legislation was not needed, and they would get sector bodies to get tough and issue guidance and penalties. The noble Lord, Lord Parkinson, said that the Government have been working with the HE sector and tech companies but concluded:

“Despite that work, cheating services remain prevalent.”

That takes us to legislation. It is now three years since 46 vice-chancellors wrote a joint letter calling for these websites to be banned. Meanwhile, other countries have banned essay mills, including New Zealand, South Africa and, most recently, Australia and Ireland.

On 25 June, the noble Lord, Lord Parkinson, mentioned emerging evidence from Ireland and Australia which

“suggests that those laws are deterring essay mills from providing services to students, and regulators there have reported that having the legislation has provided them with more tools to engage students, higher education providers and cheating services”.— [Official Report, 25/6/21; cols. 536-37.]

Can the Minister tell the Committee why the Government do not think British students deserve the same protection from being preyed on as students in those countries? Contract cheating is a growing problem which puts students at risk and threatens academic integrity. If it keeps growing, it will start to disadvantage students who will not cheat, and that is a problem for all of us. We need to know that our doctors, engineers and lawyers have qualified based on their own merits, not on those of strangers on the internet.

So when will the Government act? If the Minister does not like this amendment, fine: she can bring her own back on Report. But if she does not, how long

will we have to wait for another legislative opportunity to deal with a problem which even Ministers acknowledge is real and growing? I look forward to hearing her reply.

Baroness Berridge (Con): I begin by thanking the noble Baroness, Lady Garden, for moving Amendment 77 on behalf of the noble Lord, Lord Storey. It would make it a criminal offence to provide or advertise academic cheating services in connection with post-16 education. I pay tribute to the tenacity and detail with which the noble Baroness, Lady Sherlock, has given your Lordships examples of the situation, which the Government accept is a growing problem. The noble Lord, Lord Storey, is obviously to be commended for his unstinting efforts to clamp down on essay mills, where unscrupulous online operators write assignments and other pieces of work for students for financial gain.

The Government have consistently made it clear that using these services is unacceptable. Research indicates that cheating services are prevalent, and the evidence suggests that higher education is the area of greatest risk. This is despite the Government working closely with the higher education sector to clamp down on the cheating services, and we have worked with the Quality Assurance Agency for Higher Education, the National Union of Students and Universities UK to produce guidance for providers on how to combat contract cheating. On a specific point raised by several noble Lords, we have worked with the National Union of Students, which has also provided advice for students so that they are aware of the consequences of contract cheating, sending a clear message that these services are not legitimate.

The use of plagiarised assessments is, of course, unacceptable and, as my noble friend Lady Neville-Rolfe said, it devalues the hard work of those who succeed on their own merit, as well as potentially undermining the reputation of our world-class higher education sector.

As the noble Baroness, Lady Garden, will know, that is why the Government welcomed the principles set out in the Private Member’s Bill of the noble Lord, Lord Storey, the Higher Education Cheating Services Prohibition Bill, at its Second Reading, and we agree that we should put an end to the scourge of essay mills.

However, the noble Lord’s amendment would make the provision and advertising of cheating services to all post-16 further education and higher education a criminal offence. Although we support the principles behind the amendment, there is little evidence to suggest that cheating services are a problem in post-16 and further education providers, as they are for higher education. We are therefore of the view that this Bill is not the appropriate vehicle for this important policy.

To note the points made by the noble Lord, Lord Addington, the amendment lacks sufficient legal detail and precision to demonstrate how it would work in practice. We shall, however, be working with the noble Lord, Lord Storey, on his Bill, which covers much of the same ground. It is important that, when we legislate in this area, we legislate correctly and make clear the implications for those who use these services. Sometimes, that can be a response of support for vulnerable students; but, in certain situations, that will be a

sanction. We need to make clear, as the amendment does not, what will be the penalties for either advertising or being a service that offers cheating services, or essay mills, and what sanction will follow. I therefore hope that the noble Baroness, Lady Garden, will feel comfortable in withdrawing the amendment.

4.45 pm

Baroness Garden of Frognal (LD): My Lords, I thank the Minister for that positive reply, and those who supported the amendment, the noble Baroness, Lady Neville-Rolfe, and the noble Lord, Lord Lucas, for their contributions—and the noble Baroness, Lady Sherlock, not only for filling in the gaps but for her substantial research and powerful reasons for legislating on these matters. I come back to the point made by my noble friend Lord Addington about how cheating can completely blight your future career, making you open to blackmail and the like.

I sort of accept the reasons that the Minister gave for not accepting the amendment, particularly with her encouragement that my noble friend's Bill may receive government backing, because I do think this is an incredibly important issue. We are at risk of undermining our higher education and further education systems if cheating continues at this incredible level. Meanwhile, I beg leave to withdraw the amendment.

Amendment 77 withdrawn.

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): We now come to the group beginning with Amendment 78. Anyone wishing to press this or anything else in this group to a Division must make that clear in debate.

Amendment 78

Moved by Lord Addington

78: After Clause 25, insert the following new Clause—
“Further education colleges: careers advice

- (1) In carrying out inspections of further education colleges, Ofsted has a duty to take into account the careers advice provided to students by colleges, including for the delivery of LSIPs.
- (2) Ofsted may only give a good or outstanding rating to a college if it considers that the careers advice provided by the college is of a good or outstanding standard.”

Member's explanatory statement

This amendment aims to ensure that young people are supported in their career choices with good careers guidance by making poor careers provision a limiting factor for grading in inspections.

Lord Addington (LD): My Lords, this group of amendment refers to careers guidance. They are very appropriate to go into the Bill, and many different options run through them. The one tabled by my noble friend is more compact, but with more information than we find in some of the others. Any one of these approaches is valid, because we need to get something in the Bill that gives some guidance through our system of education.

At the moment, our teachers have gone through a series of exams—GCSEs, A-levels and university—and know what they are doing there. The system knows what it is doing. If we can provide a better service that takes people through the various aspects of what is on

offer to various people—particularly in further education—they will get a better idea of what their options are as a student or person going through training, and can go back to refer to it.

The principle has had almost universal agreement; it is just about how we implement it. How will we make sure that somebody knows this quite complicated series of routes? It is further complicated by the fact that, at the moment, further education is the thing you do if you are not academic. The Bill suggests that there are ways forward for which a degree of academic rigour will be required but which are actually training—they are level 4 and 5 qualifications.

As has already been stated today, I have heard that we have been short of people qualified at technician level for 30 years—and I think the shortage goes back further than that. We have always had this problem. There has always been this approach of “Well, you can if you want to”, or “If your A-levels aren't quite good enough to get to university, you can take on this.” There are myriad qualifications lower down—justifiably, because you have myriad training paths to go down. We will need somebody who studies the options to explain to students and parents how to proceed. I hope that we will get an idea in the debate about the Government's thinking on this and how they will change the process because, at the moment, it does not matter what you do in the other sector if you do not let anybody know about it in a coherent and planned pattern.

If I remember correctly, my noble friend's amendment would introduce interventions in certain years before students make decisions, which may well be a valid approach; certainly, it is as good as any I have heard so far. We must make sure that people understand, know, make decisions and plan their lives and the various steps so that they are taking these options on board—or at least are not ruling them out.

Most people generally know where they are headed in education by the age of about 14, so some form of intervention from about then onwards would be sensible, but it will be a difficult job and will require specialist, trained people with a great deal of knowledge to do it properly. It is something we should have done a long time ago, and I hope that, when she replies, the Minister will give us at least a coherent steer as to where the Government's thinking is. At the moment, we are dealing with something that simply does not work and should have been dealt with a long time ago. I beg to move.

Lord Baker of Dorking (Con): My Lords, first, I owe an apology. Normally when I speak in this House I ad lib from a handful of notes and do not read out a written speech. The last time I read out a written speech that I had written myself was 29 years ago, when I was a Minister. So I am breaking my record, and I am reading it out only because this matter involves the law. Not being a lawyer, I remember some advice my father gave me a very long time ago. He said, “When you grow up, be careful what you say to a priest, a doctor or a lawyer”. So I ask noble Lords' forgiveness.

I declare my interest as chairman of the Baker Dearing Educational Trust. In 2017, the Government accepted my amendment to the Technical and Further Education Act to allow providers of alternative education,

[LORD BAKER OF DORKING]

such as FE colleges, apprenticeship providers, private learning and training course providers, and university technical colleges, to go into secondary schools and explain to students the various alternative education pathways for their education and training. At the time this was looked on as a breakthrough in careers guidance.

When my old department was devising the legislation, I asked it to make it a statutory duty for schools to provide such meetings, but I was told that the Department for Education would depend on giving ministerial guidance to all secondary schools, and the secondary schools would follow. The advice was largely disregarded by schools and, when complaints were made to Ministers about schools refusing access to specific providers, such as university technical colleges, the department did not act on these complaints to insist that the meetings should take place. There has been no help from the department for the last three years.

This amendment would make it a statutory duty for all secondary schools to provide meetings with their students between 1 September and 28 February in each academic year. These dates are essential because school recruitment lists end on 31 March. By then, students will have selected which school/education pathway they wish to attend. The amendment specifically provides for years 8 and 9, year 11, and year 13, which means that 13 and 14 year-olds, 15 and 16 year-olds, and 18 year-olds will be advised of the various alternatives available for their education and training.

The amendment has secured cross-party support from the noble Baroness, Lady Morris, and the noble Lord, Lord Adonis, from the Labour Party, the noble Lord, Lord Storey, from the Lib Dems, and the noble Lord, Lord Field, from the Cross Benches. I have taken separate legal advice and I am assured that this amendment would work satisfactorily.

I acknowledge that improvements to implement the Baker clause have been taken by Ofsted and the Government. Ofsted has said:

“If a school is not meeting the requirements of the Baker Clause, inspectors will state this in the inspection report. They will consider what impact this has on ... CIEAG and the subsequent judgement for personal development.”

That is most welcome, although it does not directly say whether this would influence the inspectors' judgment of the overall position of the school.

Robert Halfon, the chair of the Education Select Committee in the Commons, has said that, if a school has not implemented the Baker clause, it should not be rated either good or outstanding. I understand that he has support from members of his committee on that position. This is putting Ofsted's judgment very close to the judgment on safeguarding, which merits inevitably an “inadequate”. It should also be remembered that only a relatively small number of schools get inspected each year, and some heads may be encouraged to delay a meeting so that it does not take place and risk whether that will be noticed. One should never underestimate the determination of heads of secondary schools to prevent their students knowing about alternative pathways and so keep them in their school's sixth form, even knowing that several of them would do much better in alternative education.

The Government have also significantly improved the guidance, which was issued only on Friday in a document of 43 pages. I might be the only Member of the House who has read it from beginning to end. I do not recommend it for light reading. Page 7 confirms that the Baker clause has not been implemented; page 14 makes it clear that any complaint against a refusal of access should be heard locally and made to the governing body of the school, which will make a decision on it. This could be a lengthy and expensive process.

The case can then be referred to the Department for Education, but the department recognises that it cannot change an academy's decision about a complaint—it does not have that power. The role of the department is solely to ensure that the complaint has been handled properly. This means that it is clear that the Baker clause does not impose a statutory duty to provide a meeting, because if it did the department could tell the school that it must arrange a meeting forthwith. No such direction has been given by the department over the last three years. So the present law is defective, and the Government recognise in this document that it has to be changed.

Page 35 makes it very clear that the department wants to see the Baker clause implemented. It says it will “consult on policy proposals” and announce these in September, and it plans to change the law for January 2022. I, of course, welcome that.

My amendment would provide a solution to this problem. I invite the department and the Minister to study it very carefully, as it would clearly create a statutory duty for a school to provide a meeting for all students of the appropriate ages between 1 September and 28 February. Those dates are very important as school admission lists close on 31 March. Therefore, a meeting in the summer term would be futile. Moreover, in the summer term schools are preoccupied with revision, and in June and July, as a result of exams, they are half empty.

I am also glad that the Government make it clear that heads cannot select to attend these meetings those students they want to off-roll and send to other schools. That is an improvement on what they have said in the past.

The guidance, which is good, goes on to say that all students must be able to attend to hear post-16 and post-18 options. This seems to exclude university technical colleges, studio schools and FE colleges that wish to recruit at 14. Year 8 students at the age of 13 must also hear these options. This is recognised in the guidance document on page 41, which says that events for UTCs should take place in the autumn term for year 8 students—a quite specific statement. That should also apply to studio schools and FE colleges—I hope that the Minister or the officials are noting that—because they also recruit at 14. I very much welcome that clarity. I am satisfied that it does make quite clear that UTCs can apply to have meetings in the autumn term, but I suggest that this could be extended to the spring term as well. It is a matter of logistics for the local school as to whether it is more convenient.

This is a very clear statement of the policy that the Government want to pursue, but it must be backed up with a statutory duty that schools must comply with

the guidance. I suggest to the Government and to the Minister that, during Recess, I could meet with her—I have not had the chance to meet with her personally, which I am sure I would enjoy—and her officials, as they have made it clear that they would welcome views. When we return in September for Report, we will know what the legal position is. If it is satisfactory and the duty of the school is clearly defined, it will not be necessary to submit this amendment for debate. But if it is not clear and there is not a very clear duty for the schools to arrange these meetings, this amendment will be retabled and put to a decision of the House.

5 pm

Lord Patel (CB) [V]: My Lords, I am delighted to follow the noble Lord, Lord Baker of Dorking, and I support his amendment. If he has to bring it back, I will support it and join him in the Lobby.

I will speak to Amendments 83 and 84, which would ensure that there is always an up to date careers advice strategy in England. I referred to this in my short Second Reading speech, saying that simply offering more further education and training courses alone, although clearly important, will not deliver on the levelling-up agenda and improve the UK's skills picture. I made the point that advice and guidance on how to access courses and the pathways into certain careers are central to the Government's ambitions and to the ambitions of the Bill.

In 2017, the Government published a careers strategy, which acknowledged that careers advice had for some time been unevenly distributed across the country, hindering opportunities for some groups to gain insights into different career options. Its aim was to make Britain a fairer place and promote social mobility by ensuring that everyone, regardless of their background, has the opportunity to build a rewarding career. It also promised to assess the breadth and effectiveness of current careers provision in schools and colleges on STEM subjects, and test new approaches if necessary.

The strategy provided a central role for the Careers & Enterprise Company—CEC—tasking it with co-ordinating support for schools and colleges across all the Gatsby benchmarks. It asked schools and colleges to meet the standards set out by the eight Gatsby benchmarks, and introduced the National Careers Service. Assessments of the impact of the careers strategy to date have highlighted the progress made in terms of careers provision in schools and colleges in England as a result of the strategy, and the impact it has had on young people.

A recent report published by the Careers & Enterprise Company, which looked at the impact of schools following the Gatsby benchmarks on post-16 destinations, found that there is a positive relationship between schools using Gatsby benchmarks and where young people end up post 16. The report asserts that improvements made in relation to the Gatsby benchmarks have led to fewer young people becoming NEET—I agree with the noble and learned Lord, Lord Clarke, that that is a terrible acronym—saving the Government about £60 million a year in lifetime NEET costs alone.

A different report, by EngineeringUK and seven other STEM and careers organisations, and the Royal Academy of Engineering report, which I mentioned at

Second Reading, also highlighted the importance of good careers provision in schools and colleges in England in the drive to encourage more and more diverse groups of young people to choose a career in STEM, and in particular engineering. For example, it praised the positive impact that careers hubs have had on STEM careers provision in schools and colleges. I will come back to that point in relation to Amendment 84. However, the report from the Royal Academy of Engineering also highlights some of the challenges that still persist. It shows that Covid-19 has had a profound impact on how schools can—and do—deliver employer engagement, for example, and it draws attention to the capacity and funding issues hampering the ambition to provide insights into the kinds of careers on offer in the STEM sector to all young people, rather than a select few.

For the Government to succeed in making the UK a science superpower, to achieve net zero and to experience economic success, they need young people and adults to know what careers are on offer and how to get there. As it stands, many pupils leave school unaware of the exciting career opportunities available to them, for example, in the STEM sector. A misunderstanding of STEM professions among many young people and a lack of awareness of the pathways that can be taken into STEM careers mean that many pupils, particularly those from disadvantaged backgrounds, still do not visualise themselves being successful in these roles. In order for the Bill to succeed, we need to sort out the loans system, and make sure that the lifetime skills guarantee is truly that—but we also need to make sure that young people and adults have access to information, advice and guidance and are inspired to go into the careers that this country needs.

The 2017 careers strategy came to an end in 2020 and there is as yet nothing to replace it. Although the White Paper implies that the Government will continue with this strategy, I would like to know from the Minister what the plans are. My amendment aims to ensure that careers provision will continue to be considered an important piece of the education and skills puzzle, and will have the status and funding it requires to succeed. The noble Lord, Lord Baker, also mentioned schools and, although my amendment does not include schools or secondary education for skills advice, I think that should be included.

I will now move on very briefly to Amendment 84, which follows on from Amendment 83. The proposed new clause looks to ensure that all further education providers in England—and, through that, by default, all secondary education providers—will be able to access the support, training and guidance that careers hubs can offer. As defined on the CEC website, a careers hub is a group of between 20 and 40 secondary schools and colleges in a dedicated area which work together to deliver the Gatsby benchmarks. Collaborating with business partners, the public, education and voluntary sectors, they help deliver the Gatsby benchmarks and improve careers outcomes for young people.

As I mentioned in my earlier contribution, career hubs play a pivotal role in the careers provision landscape. Schools and colleges that are part of a careers hub generally perform better in the Gatsby benchmarks. They also fare better on certain aspects of STEM

[LORD PATEL]

careers provision than those not in the hub. For example, among schools and colleges in careers hubs recently surveyed by EngineeringUK, 80% said their pupils received at least one STEM employer encounter every year, compared with 53% among schools and colleges not in the careers hubs. The *Skills for Jobs* White Paper, which predates the Bill, made a commitment to continue with the rollout of careers hubs in England. However, the White Paper was much less clear on timelines and the extent to which the network will be expanded. The Bill itself makes no mention of careers hubs, so I ask the Minister: is it the Government's intention to continue with the careers hubs, and will they support the CEC in rolling out this programme? Will it be rolled out by the end of 2022?

Lord Aberdare (CB): My Lords, I have added my name to Amendments 83 and 84 in this group, from the noble Lord, Lord Patel, and it is a pleasure to follow him. I will also speak in support of Amendment 78, in the name of the noble Lord, Lord Storey, and Amendment 82, in the name of the noble Lord, Lord Baker. My approach tends to be the opposite of that of the noble Lord, Lord Baker; I tend to start with a written speech and then have to try to update it in line with what people have said before—which sometimes results in a greater degree of incoherence than might otherwise have been the case.

A comprehensive, well-informed and properly funded system of careers information, advice and guidance for people of all ages and stages should be an integral part of our education and skills system. Such a system needs to be based around professional advisers who, firstly, have a very good awareness and information about the opportunities and skills available in their area and, therefore, should be properly engaged in the local skills improvement plan process; and, secondly, are capable of giving personal advice to the individuals they work with. That means, firstly, being able to understand the interests and abilities of those individuals and, secondly—by no means the lesser part—understanding the different pathways and approaches to pursuing those interests and achieving the aims that the individual seeks.

The Bill is designed to create the framework for the post-16 education system going forward. As the noble Lord, Lord Addington, said, it would seem extraordinary if such a framework made no reference to careers guidance. The four amendments in this group seek to ensure that the proposed new arrangements under the Bill include essential provisions relating to careers guidance. The one I would perhaps add to those—or at least to the planned guidance on LSIPs—is a requirement for careers guidance professionals to be fully involved in the development of local skills improvement plans, along with the other partner organisations.

Amendment 83 would introduce a duty to publish a careers strategy for England, with updates every three years. As my noble friend said earlier, the careers strategy launched in 2017, which expired at the end of last year, has played an important part in improving the quality of careers guidance over recent years, largely through the efforts of the Careers & Enterprise

Company, the National Careers Service and other bodies, including LEPs, careers hubs and the Career Development Institute, representing careers professionals. One of the key elements of that was including a requirement for employer engagement and workplace experiences, which again links to the Bill's aims.

Careers guidance nationally is now less patchy than it was, and schools are making steady progress towards achieving the eight Gatsby benchmarks of good career guidance. I hope the Minister will indicate in response how that momentum will be maintained, with a careers strategy that properly integrates national and local needs and provides the resources and professional support to schools and colleges to deliver careers guidance in line with those needs.

Local careers hubs have been a central feature of the strategy and currently cover 45% of secondary schools and colleges in England, with a focus on areas of disadvantage. As the noble Lord, Lord Patel, mentioned, they have proved highly effective in careers education delivery, with results better than those in areas that do not have careers hubs, and should be available to all education providers across England, as required by Amendment 84.

Other aims of a new careers strategy might include ensuring lifelong availability of personal, face-to-face, professional careers guidance for everyone who needs it; boosting the pipeline of qualified careers development professionals to provide that personal guidance—the Government have put resource into the National Careers Service, but other professional advisers need funding as well; increasing co-operation between the Careers & Enterprise Company and the National Careers Service—I would be interested to hear when we are going to hear some of the results of the work that Sir John Holman is doing in that area; and including the role of careers guidance in initial teacher training, so that new teachers are fully aware of the importance of that role.

Of course, the strategy would also need to ensure that there is adequate funding so that schools and colleges can access the support they need to deliver high-quality careers guidance. A while ago it was the responsibility of schools—it still is—but they do not have all the resources or skills they need to deliver it.

Amendment 78 would require Ofsted to take into account the careers advice provided by FE colleges in conducting its inspections, and further would make it impossible for a college to receive a good or outstanding rating unless its careers advice were also rated good or outstanding. This would provide an important incentive for colleges to give proper focus to their careers guidance efforts. I hope the Minister will either accept it or at least explain what other mechanisms the Government might use to ensure that careers guidance in colleges meets required standards.

Finally, Amendment 82 from the noble Lord, Lord Baker, provides another vital brick in the construction of a strong careers guidance system. As he said, the Baker clause inserted into the Technical and Further Education Act 2017 is honoured more in the breach than the observance, so Amendment 82 would make it a statutory duty for secondary schools to provide such access and is more specific about the precise form it should take.

The great majority of apprentices I encounter still have not learned about apprenticeship opportunities from their schools. This amendment could make a real difference in making more young people aware of the technical education, training and employment opportunities available to them, including apprenticeships, and I strongly support it. I look forward to hearing from the Minister how the Government will ensure that high-quality career guidance will be an integral part of the system created by the Bill.

5.15 pm

Baroness Whitaker (Lab): My Lords, I support all the amendments in this group, particularly the detail of Amendment 82 in the name of the noble Lord, Lord Baker of Dorking, because of its focus on the years before further education comes into play. These are the years when choices are determined and motivation aroused. If we want to make a success of further education and produce the skills our economy would so much thrive on, we need to extend the reach of these opportunities to all our children and attract those who might not otherwise have the confidence or aspiration.

This is particularly important in light of the Covid pandemic. The Bill could have been brought before the pandemic, so little account does it take of the effects on education. Indeed, it probably was worked out before the pandemic—but Covid mattered to education. Its damaging effects on achievement, participation and morale mean that many young people have quite lost sight of what careers they might strive for, so these amendments are all the more important, quite apart from their general value to access to higher technical education.

Baroness Morgan of Cotes (Con) [V]: My Lords, I draw attention to my entry in the register of interests as a non-executive director of the Careers & Enterprise Company. It is a pleasure to follow noble Lords in speaking to these four amendments. As others have said, their overall purpose is to ensure that all pupils get the best possible advice about future careers that may be open and attractive to them—that they get information about all types of education establishment, including those offering technical education, and the steps needed to get there, and are inspired about their futures.

As I said in the last Committee session, although the Bill looks particularly at post-16 education, careers education is vital right the way through, even from the earliest stages, including the upper levels of primary school. Indeed, that inspiration about the future is why I wanted the Careers & Enterprise Company to be set up: to bridge the gap that had emerged between the world of work and employers and that of education. It was based on a model I had seen operating in Loughborough called Bridge to Work.

I thank the noble Lord, Lord Patel, and other noble Lords for their remarks about the Careers & Enterprise Company. In November 2020 the company published a report, *Careers Education in England's Schools and Colleges*. It said:

“England now has the foundations of a coherent and well-established careers education system, driven nationally by the internationally recognised Gatsby Benchmarks, and delivered

locally through The Careers & Enterprise Company’s strategic partnerships with Local Enterprise Partnerships, Mayoral combined authorities and Local Authorities.”

Previously in Committee we have discussed the importance of involving mayoral combined authorities, local authorities and others in the local skills improvement plans.

In relation to the amendments before us, I urge noble Lords to look at the research reports on the Careers & Enterprise Company website, in particular one dated 23 June this year, *Careers Leadership in Colleges*. I also encourage noble Lords to find out more, perhaps locally, about the work done by the magnificent careers leaders in our schools and colleges across the country—particularly, as the noble Baroness, Lady Whitaker, just reminded us, in the face of the Covid pandemic.

I welcome the mention of careers hubs in Amendment 84. The noble Lord, Lord Patel, has already set out the significant improvements, and the success that careers hubs are having. His amendment calls for the Secretary of State to ensure that all further education providers give enough access to the support offered by careers hubs. That should already be happening—careers hubs provide a central plank of the skills for jobs White Paper and are designed to bring together employers, schools and colleges, apprenticeship and training providers and others aligned with national skills and local jobs—but clearly there is some way to go, so the sentiment of Amendment 84 is absolutely right.

Noble Lords have mentioned the importance of the eight Gatsby benchmarks. The measurement that schools and colleges are doing against those Gatsby benchmarks is the reason why we are able to say that over the last five years, we have had the strong foundations and coherent careers strategy that we have not had before.

I listened with great interest to the speech by my noble friend Lord Baker. Although he has not met the current Education Minister, he met me several times when I was Education Secretary and I enjoyed our conversations very much. I absolutely understand the rationale behind his amendment. I would just draw attention to what he is proposing with Gatsby benchmark 7, which is about ensuring that schools and colleges make sure that there are encounters with further and higher education providers, including independent training providers. Schools and colleges are not able to show that they have achieved that Gatsby benchmark if they have not ensured that their students understand the full range of learning opportunities available to them, both academic and vocational routes to learning. Schools have to satisfy six criteria, including providing information on the full range of apprenticeships, encounters with further and higher education, including independent training providers, and university visits. My noble friend might say that if colleges and schools are aiming for that Gatsby benchmark, Ministers should accept his amendment, which would enable them to fulfil it. I will listen to with great interest to the Minister’s response.

My noble friend Lord Baker also rightly drew attention to the Department for Education’s very recently updated statutory careers guidance that it has just issued, drawing attention to schools’ and colleges’ legal requirement to provide an access duty, commonly known as the Baker clause, and to make sure that they have put arrangements in place to comply fully with

[BARONESS MORGAN OF COTES]

the law, but also with the Ofsted school inspection handbook. Ofsted has made it a legal requirement to comment on the careers guidance at the further education colleges that are at the heart of the Bill.

Lastly, although we are talking about careers advice and guidance in education settings, we should never forget that some of the most influential people in helping young people to find their future inspiration are the adults around them—parents, families, carers and others. Who knows? For some, it may even be a visit to Westminster that leads them to decide that a career in politics is for them.

There are undoubtedly valid points in all these amendments and I hope the Minister will reflect on them. However, I also hope that noble Lords will appreciate that much is now working in careers provision in England, thanks to the consistent approach over recent years. The need now is to keep up the momentum and to ensure that any extra asks of the careers system are rooted in evidence.

Baroness Neville-Rolfe (Con): My Lords, it is a particular pleasure to follow my noble friend Lady Morgan of Cotes and to hear of her practical support for career hubs.

I support those who have emphasised the importance of careers guidance in schools and colleges, particularly technical options and employer engagement. These are one of the issues that I always mention when I do Speakers for Schools. I make a point of visiting the arts, crafts, music, photography and other non-academic facilities because the creative sector is hugely important to individuals and to UK success.

The issue is particularly difficult for those who do not have parents who know much about career options. You can find yourself on the wrong path unless you talk early on to a knowledgeable adviser. Funnily enough, I know this from my own experience. Having been to Oxford University, I wanted to set up a landscape gardening business but discovered that I would have to go back to an educational institution to fill the science gaps in my convent education before I could do the necessary training. Eventually I joined the Civil Service instead.

Many people less fortunate than me fall through gaps in the education system. So I should add that I very much endorse the thrust of what my noble and learned friend Lord Clarke of Nottingham said earlier, in a brilliant speech, about the need to find a way of helping those who missed out, particularly at levels 2 and 3—some of them no doubt because they did not receive careers advice at the right stage of life.

I am not sure that the answer to the problem is yet another strategy, as proposed in Amendment 83. We just need Ministers to require all pupils to be given careers advice—for example, a minimum of twice in schools, once before they start GCSEs and once before A-levels or, in either case, the equivalent. Technical colleges and universities should also be required to have career hubs of some kind, as the noble Lord, Lord Patel, has argued. Visits from businesspeople and other role models should be positively encouraged as part of a rich curriculum. Such a system might also require some extra funding.

I look forward to hearing the Minister's plans. I will listen carefully to her responses to the various options, including the mechanisms that would be needed for enforcement, particularly the idea of a statutory duty that was put forward by my noble friend Lord Baker of Dorking, who has given us a lifetime of educational innovation and achievement, for which are most thankful.

Lord Adonis (Lab): My Lords, the noble Baroness's remark that she wanted to become a landscape gardener but ended up as a civil servant could make the brilliant first sentence of an autobiography, with us all intrigued as to how the intent to become the one ended up in the more humdrum reality of the other. I only hope that, maybe by utilising all the opportunities of lifelong or lifetime learning, she is able to indulge her passion. She has great artistic genius and this may be the moment when she could set up a new enterprise.

There are two issues here. The first is the careers guidance to students in schools and colleges about what should happen after they leave that institution. The second is the more specific issue raised by the noble Lord, Lord Baker, of advertising options to students in secondary schools for moving to alternative providers, including between the ages of 11 and 16—when they might be better served by, for example, one of the noble Lord's university technical colleges—and seeing that that advice is made available to them.

We need to accept that, as is the experience of all of us in the House, careers advice and guidance has never been done well. The truth is that schools with a more academic bent—which I am glad to say is now most schools, but even until quite recently, they were in the minority—have always been pretty good at giving advice and guidance on universities. That is because teachers are graduates and know about universities, and schools are judged on the university destinations of their more able students. However, those schools have traditionally been poor or worse at providing options for technical and further education. That is partly because they are not incentivised to do so, since public authorities and the inspectorate mostly do not notice whether they do or not, but also because teachers by definition have very little experience of these areas. There are almost no teachers who themselves have done apprenticeships or gone on to further education.

So we need to accept that this has never been well done. I suppose that in all areas of policy there is golden-ageism—"30 years ago it was done brilliantly and it has all degenerated since"—but we must accept that the old-style careers service was not great. It did not turn up in most schools, and when it did it was pretty haphazard. It was not regarded as a high priority by local authorities, and schools' engagement with it was generally a low priority too.

The various incarnations of the careers service—up to and including the Careers & Enterprise Company, which came partly from the wholesale privatisation of the old careers service and the requirement that it be disbanded, which was a draconian step that I would never have taken—have not led to great careers guidance in schools. All those who do good work in this area should be applauded, and the Gatsby benchmarks are great. The noble Baroness, Lady Morgan, and the Careers & Enterprise Company, which I hear some

good accounts of and some accounts that it barely infringes on the work of schools at all, are to be encouraged. However, there is a systemic problem that we have never properly addressed, which is how we ensure that within each institution there is a facility—which in my experience always means a person—responsible for delivering careers guidance, including technical education guidance.

5.30 pm

In this respect, it is important to understand that colleges and schools are very large institutions. A college is an institution of £10 million-plus a year with many hundreds of staff. Secondary schools are by and large now institutions with turnovers of £5 million, £6 million or £7 million and usually 100 to 150 teachers. It is perfectly reasonable to expect that each school as well as college should provide directly—not by having a haphazard relationship with some external provider—good-quality careers advice and guidance which is about both university destinations and technical options, apprenticeships, employment and enterprise education opportunities for students. This goes with the grain of all the reforms to the education system since the noble Lord, Lord Baker, and the noble and learned Lord, Lord Clarke, and the move towards much more independently managed schools with their own budgets, which is a reform I took forward further in the academies programme. It is very important because it means that the managers of these schools are directly responsible for the staff and the outcomes.

The conclusion I have reached from engagement in this over many years is that it is probably conceptually wrong to think that the answer is having an external service that engages with these very large institutions of schools and colleges. The right way of thinking about it is that part of the core function of the school and the college should be to provide good-quality advice on apprenticeships, university destinations and employment thereafter. I see many former Ministers and educationalists here, and those of us who have engaged with this know that the breakthrough moment is what you see on the ground. When I was Education Minister, I visited Thomas Telford city technology college, one of the original technology colleges set up by the noble Lord, Lord Baker, with Sir Kevin Satchwell, its phenomenal principal. I believe he is still at the school and has been its head since it was founded by the noble Lord, Lord Baker, in 1988 or 1989. I think he must have been there for well over 20 years. It is a phenomenal achievement.

I took the whole of the CTC model forward in the academies programme, learning from the best of what the previous Government had done. The sponsors of Thomas Telford CTC included Tarmac, which was then a big employer—and a very big local employer, which is part of the reason why it sponsored the city technology college. From memory, I think it was the former chief operating officer of Tarmac, who had taken early retirement and had been part of the original project team which set up Thomas Telford CTC, who worked four days a week as what was called the enterprise and employment director at the school. He had a big, open-plan stall—it was not one of those cubby-holes that you often get for the careers service

which has dust and kids may visit once or twice a year—right by the cafeteria where the students were passing all the time. He set up for three hours a day and accosted all the kids as they were coming by and asked them what they were doing. He knew them all. He had a great catalogue of apprenticeships that were available. He organised placements for the students in local employers—proper enterprise education which, of course, gave ambition to the students afterwards—and he handled all the universities. As he had been in business and understood that area really well, he was providing first-hand professional knowledge.

The conclusion I drew from that is that you need every secondary school to have its own enterprise and employment director who has significant business experience, particularly local business experience, who knows the local employers and can organise the work placements and the enterprise education as well as doing the more systemic things, such as the catalogues of apprenticeships and university destinations. That person's experience base should be with local employers, and they should not be a conventional teacher. My only regret is that, having seen this idea working in the Thomas Telford CTC and having told all my officials it was brilliant and we should be doing more of it, it never really took root. It is the usual situation: the very well-run schools provide this and often have people filling this role while the less well-run schools, particularly in more deprived areas, tend not to, so they are much more dependent on the shadowy successor bodies of the careers service which may or may not be providing decent advice and guidance.

My strong advice is: go to Thomas Telford CTC, look at what it does and copy it. That is what should happen. Some people read *Hansard* and I hope that they pick that up. We do not need the whole paraphernalia of legal changes and duties on people to do this and that, involving them liaising with bodies outside schools and colleges. Every head teacher—I meet head teachers at the moment—should be appointing as an equivalent of a deputy head a director of enterprise and employment to fulfil these functions.

I come to the specific issue of the noble Lord, Lord Baker, and university technical colleges. I should declare an interest, in that I am on the Baker Dearing Educational Trust. I pay tribute to him, as he has done outstanding work in this area for 30 years. There were technical schools promised by the 1944 Butler Act but never established, which is one of the great tragedies of post-war education. The university technical colleges will start filling that need.

There is a particular systemic malfunction in the system at the moment which can be described very simply. It is that university technical colleges rightly start at the age of 14 because that is when, by and large, students start forming technical interests and deciding where they want to go. For many of the areas on which the UTCs focus—engineering, performing arts, media, technical media skills and the rest of the list, all of which are enormously worth while—specialist education is not provided by mainstream comprehensive schools. The issue is whether it is sensible for students to transfer at the age of 14. For many it is very sensible, but the problem is that schools have a massive

[LORD ADONIS]
disincentive to allow UTCs or other providers to come in to market their wares because they lose the students and the money.

As we discovered with UTCs, schools have some slight incentive to allow difficult and disruptive children to transfer. The noble Lord was reading from his prepared text—he is much better when he is full and frank without his prepared text—and said that there are certain categories of students that head teachers are often prepared to push in the direction of UTCs. What he was perhaps not sufficiently frank about is that, as he and I know, it is often students that the schools want to offload that they push in this direction, but many of the students who could benefit most from it are not getting those opportunities. We have been around the block a few times on this and we thought that the Baker clause would deliver this belt and braces three years ago. It has failed to do so because it is not a statutory obligation. Although we always have to be very careful about imposing statutory duties on schools, it is reasonable that there should be an opportunity for all students at the ages of 13, 14, 16 and 17, which is what this amendment provides, to meet the heads of local colleges, including UTCs, and hear a presentation of what they are offering, to work out whether it is better for them. Their parents should have the opportunity to see that too. I strongly commend the amendment to the Committee.

However, there is a big underlying problem at the heart of the English education system at the moment. It is the reason why there is such a problem of incentivising pupils to understand the routes to technical and further education and the weakness of providers in making students aware of what they have to offer: there is not a sufficiently strong and well-established apprenticeship route in this country.

Universities do not, by and large, have a problem getting through to schools. To be absolutely blunt, middle-class students and their parents know that they want university for themselves and their children, they know the university world, the teachers know it and the arrangements are made. In the case of apprenticeships, however, the route is weak and there is very little awareness of the apprenticeship opportunities in each area. Changes are being made at the moment—maybe the Minister can tell us more about that—but, until recently, UCAS did not make any apprenticeship opportunities available through its service. Whereas you can go through a national brokerage system for university places, you cannot do so for apprenticeships. I understand that this is changing, and it would be good to have more information about that, but until we sort out this problem and have a strong apprenticeship route, which is prestigious and understood locally by employers, students and schools, any amount of tinkering with the law will not make a great difference.

The noble Lord, Lord Baker, tells me that the House of Lords Youth Unemployment Select Committee is looking in particular at this big crisis issue of apprenticeships and the apprenticeship levy. While these remedial changes are very welcome and I hope they will be agreed by the House—in particular, the new clause proposed by the noble Lord—we must sort out the fundamental, underlying problem of the

inadequate supply of high-quality apprenticeships, particularly to young people. This is not being sorted out at the moment. Nothing the Minister said in response to the earlier debate was adequate. She gave figures for how a high proportion of the apprenticeships being provided is for young people, but the figures I gave the House earlier speak for themselves. There has been a massive fall in the total number of apprenticeships on offer and, as King Lear put it many years ago:

“Nothing will come of nothing.”

We must sort out this big issue. I hope that the Select Committee looking at these issues will be extremely robust on this massive supply-side failure. It is a failure of the state because it is ultimately the job of the state to see that young people have proper opportunities for their own training and formation. The Bill itself is pretty weak and ineffectual, but out of the consideration of it I hope will come a full-scale reform of the apprenticeship system; that is what we need to put right the fundamental problem of technical education in this country.

Lord Lucas (Con) [V]: My Lords, I start with the areas where I agree with the noble Lord, Lord Adonis, and principally join in his praises for Sir Kevin Satchwell, a truly extraordinary, outstanding head; there are only ever a very few people like him in the system. The more we can listen to and learn by him the better. I certainly agree with the noble Lord, Lord Adonis, that the core to getting careers education right is to have someone strong in each school charged with that responsibility. The focus of parents' interest in schools is: where am I sending my child in life? What is their future? Where will they end up? What am I equipping them to be able to do? University is just a stepping-stone; it is the quality of insight and advice available in school that is really important, as is the status given to that within the school. Taking an interest in a pupil's career has to be a high-status activity—up there with sport in some schools and mathematics in others. It is just as important. The people doing it should be painted wearing just as much purple as their academic colleagues.

This is something that ought perhaps to be secured by making it clear that Ofsted will take a real interest in the quality of the advice being provided in schools. None the less, looking at the history of careers advice, something has always been greatly lacking, because, unless they have had an extraordinarily broad career, someone working in a school has access only to a pretty partial view of what is going on in the world; certainly not a broad view of what areas are developing and how things are changing. It would be good to use the opportunity of this Bill. I hope that others will agree on an amendment for Report that puts careers advice and guidance right at the centre of this process.

5.45 pm

We should build on the careers hub structure created by the Careers & Enterprise Company. We need something that has access to a national picture of what is going on, but which is also local enough to be useful as an interface with the expertise in schools. Looking at it from outside, I think that what the Careers & Enterprise Company has done so far forms the basis for that, and we ought to go nap on it. These structures need to be

there for the long term. The CEC has built some pretty good foundations. We ought to say, “Okay, that’s what they will be, this is what we’ll work with. We will use this as the foundation for establishing the kind of strength within schools that the noble Lord, Lord Adonis, wants.”

I would make one other change, perhaps not in this Bill. I would show in a school’s performance tables data the performance of children who have left the school for other destinations. A school ought to be incentivised to do the best for its pupils, not the best for itself; or rather, those two things should be the same. At the moment, if you lose a good pupil to another provider, you lose the benefit of their performance, so you are reluctant to show great kids options that might take them away from a school. That should not be allowed to continue. Merely a technical change is needed to how we display information in the performance tables; it does not take a lot to align schools’ interests with pupils’.

To come back to the subject of these amendments, good careers advice and guidance is—in a way that it has never been in my experience—within our grasp, if we do the right things over the next five years. We should commit ourselves to that and make sure that the foundations for it are in the Bill.

Baroness Wilcox of Newport (Lab): My Lords, as furlough ends, no community will be untouched by unemployment. It is vital, therefore, that a joined up, place-based employment, skills and careers system offers adults and young people the recovery they deserve by providing access to quality education and training opportunities. We know that all FE colleges and sixth-form colleges have been required to secure access to independent careers guidance since 2013. However, the quality of careers advice has been subject to frequent criticism and reforms have been made since that time including, as mentioned, the establishment of the National Careers Service and the government quango the Careers & Enterprise Company.

In 2019, the Local Government Association called on the Government to

“end the patchwork of careers activity in England”,

and hand funding and control of employment schemes to local authorities, as they were responsible for providing a careers service prior to the Education Act 2011. It fell on deaf ears. In 2019, the Augar review of post-18 education stated that it believed secondary school careers support to be “still underfunded” and recommended that every secondary school become part of a careers hub run by the Careers & Enterprise Company to work with schools. My noble friend Lord Adonis has taken that idea much further and talked about individuals within schools. I was very lucky to work for 20 years with an inspirational careers teacher called Helen Lima about whom, in our last inspection, an Estyn inspector said, “That is the best careers lesson I have ever seen”. So we were able to give the best hands-on, quality careers advice to our pupils.

My first question for the Minister is: why are schools not already allowing a range of providers to have access to young people as part of their careers education? The Government introduced something similar to this a few years ago in an earlier amendment to the Technical

and Further Education Act 2017, introduced by the noble Lord, Lord Baker, who got the Government to accept his new clause as an amendment. However, having to bring this back again clearly demonstrates that it has not worked in practice, and that is why we caution so assiduously about so many parts of this unrefined Bill.

Many assurances have already been given by Ministers on previous days in responses to proposed amendments, saying that we should not be probing about this and seeking to improve the glaring deficits that can be changed only by further legislation. However, let us pause and look at what happened here with careers education. The noble Lord, Lord Baker, has had to revisit his earlier work from four years ago because, unless instructions are on a statutory footing, advice will be ignored.

This clause mandates schools and colleges to give training providers the opportunity to talk to students of certain ages about technical qualifications and apprenticeships. As mentioned by my noble friend Lord Adonis, UTCs have this is problem because they only start recruiting at the age of 14.

In a report published in May this year, the universities admissions service warned that one-third of students are not told about apprenticeships, despite this being a legal requirement for schools. It claimed that only around half of those currently studying in FE colleges receive their entitlement. A survey by UCAS found that three-quarters of students said that it was “easy to find information” about higher education, compared to only a quarter who said the same about apprenticeships. Is this acting in the students’ best interests? I think not.

The UCAS report states:

“While most people appreciate that apprenticeships are there as an option, they are not sure either how to get information ... or indeed where they can lead.”

Oli de Botton, the chief executive of the Government’s careers quango, the Careers & Enterprise Company, told the AELP conference recently that it was

“true historically that there hasn’t been enough access for ITPs or enough information about apprenticeships and technical routes for young people”.

The eight Gatsby benchmarks have been mentioned by several noble Lords. The first is “A stable careers programme”. Despite assurances, I believe that we are some way off this stability.

On 16 June 2021, in the other place, the Member for Workington presented his Private Member’s Bill, the Education (Careers Guidance in Schools) Bill, which would extend the duty to provide careers guidance in schools. Mr Jenkinson stated that the Bill would extend the requirements to provide careers guidance to children in year 7 and would also implement the proposals in the skills White Paper.

Therefore, the key here is to ensure that the amendments proposed by the noble Lord, Lord Baker, and others in the Bill are as good as they can be after proper and considered scrutiny by Her Majesty’s Opposition. The key is also to ensure that the Government take full account of past mistakes when legislating in this area, ensure that it is properly put into practice this time and act in the best interests of students, instead of an ideology that serves little purpose or is not rooted in the reality of actual practice in education.

Baroness Penn (Con): My Lords, the Government strongly believe that young people and adults at all stages of their careers need to be equipped to make informed choices and able to gain the qualifications they need to progress in their chosen field. That is why we already have a legal framework in place that requires schools and colleges to provide independent careers guidance to all 12 to 18 year-olds.

My noble friend Lord Baker's amendment, which led to the commencement of the Baker clause in 2018, referred to by several noble Lords, also means that schools now have a statutory duty to provide opportunities for pupils to meet apprenticeship providers and learn about technical education options.

We are investing over £100 million in 2021-22 in careers provision. This includes funding for the National Careers Service to provide careers guidance to people of all ages, and funding for the Careers & Enterprise Company, to support schools and colleges to meet the Gatsby benchmarks, the Government's framework for young people's careers guidance.

I turn first to Amendment 78, so well introduced by the noble Lord, Lord Addington, on behalf of his noble friend. Section 125 of the Education and Inspections Act 2006 already requires Ofsted to consider the quality of the careers offer at further education colleges when conducting standard inspections. Ofsted also comments on it in the inspection report. This applies to all 16 to 18 year-olds as well as students aged 19 to 25 for whom an education, health and care plan is maintained and who attend institutions in the further education sector.

Ofsted's grade descriptors set out an expectation that a good FE and skills provider will provide high-quality, up-to-date and locally relevant careers guidance and unbiased information about potential next steps to everyone.

Local skills improvement plans will provide a source of independent information to strengthen Ofsted's monitoring and inspection of providers' performance and outcomes, including their contribution to meeting the skills needs of the local area. FE colleges will be able to take the plans into account when delivering high-quality careers guidance. We will encourage careers leaders in colleges to interpret data on emerging and changing skills needs for their students.

The noble Lord, Lord Aberdare, asked about the reverse interaction, with careers leaders in colleges being able to input into the local skills improvement plans. We will explore that through the trailblazers, as we discussed in earlier parts of the Bill, and, depending on what we learn from that process, it may be best placed in the statutory guidance that will be put in place to guide the development of LSIPs.

My noble friend Lord Baker's Amendment 82 seeks to make it a duty for schools to allow access to alternative education providers. As my noble friend set out, we are committed to implementing and strengthening the Baker clause, which is already in place, so that all pupils receive information about apprenticeships and technical education qualifications.

In the *Skills for Jobs* White Paper, we announced a three-point plan to strengthen the clause. First, we are introducing a new minimum requirement, covering

“who is to be given access to which pupils and when”.

Secondly, we are introducing

“tougher formal action against non-compliance”.

Thirdly, “government-funded careers support” for schools will be made conditional on complying with the Baker clause. We want to make sure that any changes that we make are the right ones, which is why the department plans to consult on proposals to strengthen the legislation, with the intention of then introducing secondary legislation.

I do not think that now is the right time to introduce new primary legislation here, when we are still working to strengthen and ensure compliance with the first Baker clause and have a legislative route by which we can do so. I would love to meet my noble friend to discover more about this; however, I go on maternity leave on Thursday, so I might have to make provision for officials to reach out to the noble Lord to discuss our new proposals and make sure that, ahead of Report, we have had full engagement with him on what our plans are.

Amendment 83 from the noble Lord, Lord Patel, seeks to ensure that there is always an up-to-date careers strategy in England. The Government have already taken steps towards this—for example, in the *Skills for Jobs* White Paper, we announced measures to deliver our long-term vision of a high-functioning national careers system. Professor Sir John Holman has been appointed as the independent strategic adviser on careers guidance. He is advising on greater local and national alignment between the National Careers Service and the Careers & Enterprise Company and will advise on the development of a cohesive careers system for the long term. I am afraid I do not have an update for the noble Lord, Lord Aberdare, and other noble Lords on Sir John's work at this time. However, we continue to make progress on delivering our careers commitments.

This leads me to Amendment 84, which seeks to ensure that “all further education providers” in England can access careers hubs. In the same skills White Paper, we confirmed our ambition to extend access to careers hubs to all secondary schools and colleges in England, including special schools and alternative provision. This year, we expect to increase the number of schools and colleges in careers hubs by 1,050, taking the total to at least 3,300.

This has been an important discussion on the provision of careers guidance and advice in our education system. The Government are in the middle of delivering some wide-ranging reforms in this area and, as noble Lords have noted, delivery is really the name of the game on a lot of these measures. I therefore hope that noble Lords are reassured that the Government are taking steps towards this, that the noble Lord, Lord Addington, is able to withdraw the amendment on behalf of his noble friend, and that other noble Lords will not feel the need to move their amendments when they are reached.

6 pm

The Deputy Chairman of Committees (Baroness Barker) (LD): I have received notice from the noble Lord, Lord Adonis, who wishes to speak after the Minister.

Lord Adonis (Lab): My Lords, is the noble Baroness able to give us any information about the provision of apprenticeship options through UCAS? I appreciate that she may not have that information available, so could she write to Members of the Committee about it? There is quite an important issue about actual availability and pathways for young people going through vocational and technical education routes.

Baroness Penn (Con): I am aware that that was one option being looked at to improve the way that young people can navigate their next steps, post school. I do not have the specific outcome of that investigation to hand, so I will happily write to the Committee on that matter.

Lord Addington (LD): My Lords, this has been an interesting debate and one which brought, I am afraid, horrible reminders for me about the situation on special educational needs. Something should happen, and we have done something that should correct it, but it has not. The noble Lord took us through the appeals process. I felt that most pupils would have left school by the time it had finished, which does not give a parent or the person driving it that much incentive to follow it through, to be perfectly honest.

Will the Minister take on board the intentions behind this, because at the moment it is not working? We do not have that breadth of knowledge going in to inform pupils and parents about the options. We just do not have it and, although it might be slightly better under this direction of travel—the Minister said “In a little while”—there will still be lots of holes, judging by the past record. We are going into a culture that does not want to change because it is quite comfy with where it is, thanks very much. It quite likes getting people X grades and on to X institutions, then forgetting about it.

If we are talking in the Bill about giving a broader aspect to what people can get out of this—I come back to levels 4 and 5, the underplayed bit of the education system—we are going to have to educate pupils and teachers, and everybody else, that they have something that can give them a career pathway that may well be more rewarding than, for instance, higher education. It has to go a lot wider than apprenticeships; apprenticeships have been the silver bullet that has successfully missed the mark. We have even run out of ammunition because we are not getting people there. We have got to do better.

If I had to choose a favourite from this little pack of amendments, I would probably run with the amendment from the noble Lord, Lord Baker. With his level of experience on this, I do not suppose that is any surprise to anybody. I would suggest that we will have to look at this in further detail on Report. There is no disagreement here about the fact that more work needs to be done. There is disagreement only about what progress and

what weight has to be put behind the process of change. Bearing that in mind, I beg leave to withdraw Amendment 78.

Amendment 78 withdrawn.

Amendment 79

Moved by Lord Watson of Invergowrie

79: After Clause 25, insert the following new Clause—
“Credit transfer arrangements

- (1) The Secretary of State may by regulations make provision to facilitate credit transfer arrangements to allow students to move between education providers.
- (2) Regulations under this section are to be made by statutory instrument, and a statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Member’s explanatory statement

This amendment allows the Secretary of State to facilitate credit transfer arrangements to allow students to move between education providers.

Lord Watson of Invergowrie (Lab): My Lords, credit transfer relates to the assessment and recognition of prior qualifications and credit by institutions and their transferability between institutions. Currently, they make their own assessments of a student’s previous study by comparing it with their own curriculum and awarding credit. Credit is common but not universal in the UK. Not all higher education institutions are modular or make extensive use of credit; the exceptions, perhaps unsurprisingly, include some high-profile universities. Even so, thanks to the credit framework, degrees from these institutions can be confirmed as similar in overall size and form—if not necessarily in content or learning approach—to the sector standard, with at least a quarter being at the highest level of learning for that degree. This is why a permissive approach was adopted in the credit framework for England, which describes rather than prescribes how credit can be used.

There are already national frameworks for credit in the UK. The national credit transfer system covers accredited qualification in England, Wales and Northern Ireland. It comprises all eight levels—nine, including entry level—from secondary education to vocational and higher education qualifications, with every level consisting of qualifications of similar difficulty. The regulated qualifications framework includes qualifications which have been accredited by: Ofqual in England; the Council for the Curriculum Examinations and Assessment in Northern Ireland; and the Department for Children, Education, Lifelong Learning and Skills in Wales. In these three countries, higher education qualifications validated by universities and other HE institutions are covered by the framework for higher education qualifications, which sits beside the RQF.

Scotland has its own credit transfer system, which is known as the Scottish credit and qualifications framework. It covers all qualification levels in Scotland; unlike other systems, the one used in Scotland has 12 levels. In terms of strengthening pathways between further education and higher education, Scotland has an effective system of articulation, where students who gain sub-degree qualifications in college progress

[LORD WATSON OF INVERGOWRIE]

to degree-level study at university, and go straight into the second or third year in recognition of their prior learning.

The UK Government consulted on this in 2016, seeking to gauge demand from students for more switching between universities and degree courses. One result of the consultation that noble Lords may recall was the legislation on accelerated degrees, introduced when the noble Lord, Lord Johnson of Marylebone, was the Universities Minister. Since 2019, the OfS has had a statutory duty to monitor and report on the prevalence of student transfers and to encourage the development of such arrangements. This was set out in the Higher Education and Research Act.

Our Amendment 79 would allow the Secretary of State to facilitate credit transfer arrangements to allow students to move between education providers to ensure consistency. As more flexibility is introduced into the education system, particularly modular funding, can the Minister say what frameworks and incentives the Government intend to introduce to ensure that lifelong learning has what might be termed a “common currency”? Given that England lacks an integrated credit and qualifications framework, how might developing one be balanced against institutional autonomy in curriculum design?

The lifelong loan entitlement implies that people will want to adopt a “hop on, hop off” approach to their learning throughout life, which makes it essential that all learning counts for something. I would like to probe what steps the Government are taking, or intend to take, to consult on this. I understand that the Cabinet Office was considering this last year. I am not clear why it was the Cabinet Office, rather than the DfE, but can the Minister also clarify the Government’s intentions there? Do they envisage a UK-wide approach in the shape of a universal credit transfer system? As well as supporting credit transfer within higher education, what are the implications of supporting it between further education and higher education?

A universal credit transfer system would have significant benefits to many students, especially from a widening participation perspective. It would help them to study flexibly by making it easier to break study into bite-size chunks, bank that credit and top it up elsewhere at some point in future. Such a system would certainly support lifelong learning, giving students confidence that they could pause their studies and/or change provider if they needed to, for whatever reason. It would also incentivise innovative models of provision that could be better tailored to students’ needs. An example of this would be the Open University’s OpenPlus programme, where students initially study at one institution before completing their studies at another.

The benefits of credit transfer are many, while other developments could follow the establishment of an effective and accessible scheme. For instance, there could be guarantees that students would be able to progress from a higher technical qualification to a degree course in a similar subject without having to start again from scratch. This is the articulation method, mentioned earlier with respect to Scotland. Students could also be assured of being able to exit easily from

institutions that are not providing good value for money, without having to go back to square one, which would be a powerful disincentive.

Any future methods of allowing students to use credit flexibly need to enable transferability across the UK and internationally. The international context is important, because international perceptions of a coherent UK sector are influential in attracting international students, academics and researchers to the UK and in exporting services through transnational education. There are similar advantages in retaining alignment with European and other international frameworks. Were that to be lost through quality being diluted following the progress of this Bill, it would be damaging to the higher education sector. I will be interested to hear the Government’s intentions with regard to maintaining a UK-wide approach, not least because of the perception that the shape of the new system that emerges will project to those beyond our shores.

It is important to move beyond the impression that leaving a higher education institution without completing a full degree is an indicator of failure, either for the student or the institution. The form that this Bill eventually takes will decide the extent to which people can develop their skills with confidence, at a time and a place convenient to them and their family. I look forward to hearing the Minister articulate—in another meaning of that word—her Government’s ambitions in that regard and describing what credit and qualifications framework they intend to have in place, hopefully before 2025, to support the introduction of the lifelong loan entitlement. I beg to move.

Lord Adonis (Lab): My Lords, my noble friend Lord Watson has made a compelling argument for enhanced, nationally recognised and organised credit transfer arrangements. I do not want to repeat the points he made except to note that, in the context of the move towards more degree-level apprenticeships, the issue of credit transfer becomes particularly important because many, indeed, probably the generality of students starting out on apprenticeship programmes leading to degree-level qualifications will start in further education colleges.

Many of these have not conventionally offered higher education but are good apprenticeship education providers and will start providing the level 3 and 4 education which can lead to degree-level apprenticeship programmes. If we want to encourage more students through the apprenticeship route and for them to regard this as something they can progress to degree level, the issue of credit transfer is going to become a still more significant one in the education system in future years. The points my noble friend made are especially compelling.

Baroness Garden of Frognal (LD): My Lords, this amendment seems such a good thing, but I really doubt whether all the administration it involves is actually necessary or desirable. Governments are not always very keen on looking at what happened in the past, whether it succeeded and the reasons why not if it did not. Of course, that is never a reason not to try again, but it does seem pointless to spend time and money re-enacting things for which the criteria have not changed. This is one of the reasons I deplore the

crash introduction of T-levels with no regard for other vocational initiatives—I am thinking of diplomas in particular—that were introduced unsuccessfully without consideration of past mistakes. I am afraid I do have quite a long memory of such things.

In the olden days of polytechnics, all accreditation was carried out by CNAA, the Council for National Academic Awards. In theory it should have been a very simple matter for students to transfer credits between organisations, as obviously there was a level playing field for credits. In practice, very few students ever transferred from one institution to another, and the mechanisms for doing so were by no means straightforward.

In 1992, polytechnics disappeared and were reincarnated as universities. For some this was not a great advantage: Oxford and Hatfield polytechnics, for instance, had tremendous names and becoming universities was certainly not initially a help to their well-earned reputations.

I was working for City & Guilds in the early days of national vocational qualifications in the 1980s. The Government gave permission for a large number of awarding organisations—some with pretty dubious credentials—to award NVQs. All awarding organisations had to agree to recognise any units awarded by any awarding organisation. City & Guilds, as the premier vocational awarding organisation, was not delighted by this, but conformed by spending a great deal of time and money ensuring that its highly protected accreditation mechanisms could accommodate units from another organisation. In practice, this arduous work proved largely unnecessary. There were few, if any, requests to transfer between awarding bodies.

6.15 pm

My work at City & Guilds involved forming partnerships with universities and professional bodies for this very purpose: to try to recognise how vocational qualifications might be used as credits to transfer to university programmes or for professional memberships. We had some very successful partnerships, but it was by no means universal and they each had to be done individually because no one organisation would accept a credit that had been agreed by another organisation: you had to work with them one at a time.

Some education providers will always be happy to accept credits from another organisation where they are assured that these credits meet their own criteria, but we really do not need this in legislation. It must be left to each provider to decide whether it will accept the standards and credits of another body. I readily acknowledge that credit transfer could be useful and positive but I have no wish to see education providers compelled to accept credits from other bodies where they are inappropriate, dubious or extremely difficult to accommodate administratively—which is another aspect of this. Let us be happy for those organisations which do accept the standards and credits of others, but please do not put credit transfer into legislation.

Baroness Berridge (Con): My Lords, I thank the Noble Lord, Lord Watson, for tabling this amendment and have great sympathy with its purpose. The

Government know that many learners need more flexible access to courses helping them to train, upskill or retrain alongside work, family and personal commitments, as both their circumstances and the economy change. We also recognise that the current lack of a systematic and widely used practice for building up credit across different providers is a key barrier to flexible lifelong learning.

The Bill will deliver that flexibility, underpinning the Prime Minister's lifetime skills guarantee. This is part of our blueprint for a post-16 education system that will seek to ensure that everyone, no matter where they live or their background, can gain the skills they need to progress at any stage of their lives. We want people to be able to build up learning over their lifetime and have a real choice in how, where and when they study to acquire new life-changing skills. In particular, as the noble Lord, Lord Adonis, outlined, this will hopefully lead to an expansion of provision within further education colleges and other providers.

To enable flexibility, learners must, where appropriate, be able to accumulate and transfer credits between providers to build up to meaningful qualifications over time. The Bill and the government amendments tabled on the LLE provide the building blocks of a modular and potentially credit-based loan funding and fee limit system. It is precisely defining what a module is that will ensure consistency across the system.

We are working closely with the sector to understand current incentives and obstacles to credit transfer and recognition. Obviously, the system is not simple or straightforward, as the noble Baroness, Lady Garden, outlined. We intend to consult on the scope and policy of the lifelong loan entitlement. We will examine how to support easier and more frequent credit transfer between providers, working towards well-integrated and aligned higher and further education provision, with flexibility that enables students to move between settings to suit their needs.

It is important that we consult and engage closely on this to ensure that we build a system that works. The consultation will be later this year and it is important we get the detail right. Although higher education is a devolved matter, we are of course engaging with the devolved Administrations. It is important that any system in England provides consistency and works alongside the other three nations. We must not pre-determine the outcome of any consultation and pin the Government to a path that the sector and learners may tell us in consultation is not what is needed. I therefore hope that the noble Lord, Lord Watson, will feel comfortable withdrawing his amendment.

Lord Watson of Invergowrie (Lab): My Lords, I am not comfortable withdrawing my amendment, as the Minister suggests. The amendment has been rather too easily dismissed by the Minister and by the noble Baroness, Lady Garden. I recognise the experience of the noble Baroness with City & Guilds, but I also recognise her experience as a Minister in the coalition Government—and that sounded very much like a ministerial speech. She was drawing on her experience of those years when she counselled against legislating in this respect.

[LORD WATSON OF INVERGOWRIE]

There is a greater need to give people confidence when they are trying to provide what the Minister called building blocks for a degree or qualification, so they have a guarantee that there is somebody whom they can call on to make sure that they can use those effectively. I noticed that my noble friend Lord Adonis made the point about the degree apprenticeships. Many of us are a bit dubious about degree apprenticeships, but clearly they will have a role in this. He drew the line, and I think he was drawing the dots from a practical apprenticeship and moving it on bit by bit, perhaps banking some of the experience to go to do something else—perhaps raise a family—and then come back to it, ultimately with a degree. That is very important.

The way in which the Minister says that the Government will consult, as I understand it, meant only that they would consult on the scope of the lifelong loan entitlement. There has to be something specific on credit transfer. Like other noble Lords, I have had briefings from organisations in the sector which are very concerned and want to make sure that there is something of a solid nature on which they can build in future. I heard no mention of the international aspect, which was certainly raised with me by the QAA. It is concerned about the international reputation if we do not have a UK-wide structure that people in other countries can look at, understand and then have the confidence to come and use.

The Minister was saying that this was a bit premature and talked about another consultation. We will be inundated by consultations as a result of the Bill. As an aside, let me say that the noble Baroness, Lady Penn, mentioned earlier a consultation that concluded in September, and we have a consultation on initial teacher training in schools which concludes in August. When we have consultations, can we please not have them over the summer holidays? It may help officials, but it does not help those seeking to put together a response to consultation and it surely dilutes the amount of response received.

I hear what the Minister says, but I am not convinced. I shall come back on Report to try to tease out some of the arguments a bit further and invite her to respond in a bit more detail to the points that I put after she has had her chance, with her Ovaltine this evening and a copy of *Hansard* by her side, to consider them in greater detail.

Amendment 79 withdrawn.

Amendments 80 to 85 not moved.

Amendment 86

Moved by Lord Touhig

86: After Clause 25, insert the following new Clause—
“16 to 19 Academies: designation

- (1) The Secretary of State may make an order under section 69(3) of the School Standards and Framework Act 1998 (relating to the designation of foundation or voluntary schools as having a religious character) by virtue of section 124B(1) of that Act in respect of a 16 to 19 Academy as if it were an independent school.
- (2) Any 16 to 19 Academy so designated is a school.

- (3) In section 4(1B) of the Education Act 1996, after “16 to 19 Academy” insert “, other than a 16 to 19 Academy designated by an order made under section 69(3) of the School Standards and Framework Act 1998.””

Member’s explanatory statement

This amendment aims to allow sixth form college corporations with a religious character to convert to Academies without losing their religious character.

Lord Touhig (Lab) [V]: My Lords, this is very much a probing amendment, allowing me to highlight a particular unintended consequence in existing legislation and allowing the Minister the opportunity to give what I hope is an encouraging response.

Representatives of the Catholic Bishops’ Conference have been working the Minister’s officials on this issue for some considerable time in anticipation that there would be some education legislation going through Parliament where an amendment can be made to resolve the problem that I will now outline. As things stand today, Catholic sixth-form colleges benefit from several protections set out in the Further and Higher Education Act 1992 relating to issues such as governance, collective worship, religious education and many others. These protections are vital for maintaining the Catholic ethos of the colleges and provide a choice for those who wish to be educated in a religious setting.

Any sixth-form college can become a 16 to 19 academy. However, the definition of “school” in the Education Act 1996, as amended by the Education Act 2011, excludes 16 to 19 academies, which means that they are currently ineligible for the protections and freedoms needed to remain Catholic. If a Catholic sixth-form college were to become a 16 to 19 academy, it would therefore lose those protections and freedoms.

Catholic dioceses across England that oversee schools and colleges have strategies to bring the Catholic community together by creating families of schools within multi-academy trusts. This supports the schools to work in partnership and share resources. Many other sixth-form colleges around the country have now converted and are benefiting from the advantages of academy status, and the 14 Catholic sixth-form colleges across England wish to do the same. Without being able to become academies, the Catholic sixth-form colleges are isolated from the opportunities of joining a multi-academy trust. Allow me to quote Danny Pearson, principal of Aquinas College in Stockport and chair of the Association of Catholic Sixth Form Colleges:

“We are disappointed that Catholic Colleges are unable to take part in the school improvement and systems leadership processes that the Academy system champions. Many of our settings are in areas of high deprivation and Catholic colleges do much for social mobility. As leading performers within our sector, we currently cannot use our expertise for the benefit of our communities. As a matter of fairness, equity and parity across our education system it is important that measures are quickly taken to allow Catholic sixth-form colleges to both maintain the statutory protections they currently hold while being able to become academies if they so wish.”

This amendment to the Bill would empower the Secretary of State to allow sixth-form college corporations to convert to academies without losing their current statutory protections. This will guarantee the religious character of the Catholic sixth-form colleges when

they convert, and enable dioceses to include these new sixth-form academies within their strategic planning of Catholic multi-academy trusts.

Lord Adonis (Lab): My Lords, this issue goes back some time. When I was a Minister, there was an issue about whether voluntary-aided schools—of which a high proportion are Catholic, as my noble friend says—could maintain the protections afforded to them in terms of their designated religious character and appointment of governors with a religious background and associations, and so on, as they transfer to academy status. The case he makes is overwhelmingly powerful. At the time there was also the issue of whether we would allow sixth-form academies at all because, in the original academy conception, until there was a change in the law, that was not possible. Now sixth-form academies are possible and, as my noble friend said, there are quite a few of them. Indeed, there is one just 200 yards from your Lordships' House, Harris Westminster, a sixth-form academy sponsored by the noble Lord, Lord Harris of Peckham, and Westminster School. It is an outstandingly successful institution, right by St James's Park station. Noble Lords will see the students going backwards and forwards every day. It is excellent and exactly the kind of institution that we want to encourage more of, so it seems perverse that it is not possible for a Catholic promotor, including promoters of existing sixth-form colleges, to take advantage of the status.

As my noble friend says, encouraging sixth-form colleges—both the Catholic Church and the Church of England have their own sixth-form colleges; the Church of England is of course a major educational promoter in its own right—to become part of multi-academy trusts seems a very worthwhile step. This seems a straightforwardly technical issue, which perhaps the Minister can resolve with the stroke of a pen.

Baroness Garden of Frognal (LD): My Lords, I briefly add my support to the amendment of the noble Lord, Lord Touhig, which would ensure that any conversion to academy does not mean abandoning the religious affiliation of any colleges. As the noble Lord, Lord Adonis, said, this issue goes back a long way. He mentions only Catholic schools, but I presume this would apply to other faith groups as well.

If we were starting from scratch, we might well decide to divorce education from religion, as many other countries do—the French seem to manage this quite successfully—but that is not where we are. Churches and other faith organisations have long played a very significant part in the lives of our students, to the very great advantage of young people and the country.

6.30 pm

Academy status should not mean throwing out babies with the bathwater. This amendment seems very sound; it should be straightforward to ensure that colleges could continue their religious affiliation even while acquiring the advantages of converting to academies.

Baroness Wilcox of Newport (Lab): My Lords, I support Amendment 86 in the name of my noble friend Lord Touhig, which would grant the Secretary of State the power to allow sixth-form college corporations

to convert to academies without losing their current statutory protections. It would secure the religious character of the Catholic sixth-form college when it converts and therefore enable dioceses to include these new sixth-form academies within their strategic planning of Catholic multi-academy trusts. It will be on very few occasions during the passage of this Bill that I will support the Secretary of State taking back power and centralising control, but this is one of those rare occasions.

The immense change in the education landscape brought about in the English education system by the Academies Act 2010 has required all schools and colleges to consider their future with the Government's intention to move towards a fully academised system. We have no academies in Wales; we have comprehensive schools run by local authorities. I look forward immensely to the introduction of the dynamic new curriculum—the four areas of learning developed by teachers being introduced to all schools in Wales this September. However, we are talking about England.

While schools and FE colleges can become academies, the 14 Catholic sixth-form colleges in England are prohibited by the current legislation from planning strategically to secure their future. This is a result of the earlier academies legislation, as other noble Lords have mentioned, which failed at the time to address the unique legal structure of these 14 colleges. This amendment would grant Catholic sixth-form colleges the same academy opportunities that all other schools and colleges currently have to strategically plan their future. It is a good example of the unintended consequences of a Bill that is inadequately prepared to work in practice once enacted.

Baroness Berridge (Con): My Lords, I thank the noble Lord, Lord Touhig, for bringing forward his amendment. Although it is always a pleasure to stand at the Dispatch Box on behalf of the Government, it is a double pleasure when—for I think the only occasion in the Bill—the issue falls within my ministerial responsibility. It is a pleasure to speak to it. The noble Lord, Lord Adonis, made reference to Harris Sixth Form; my old sixth-form sadly closed but was reopened a few years later as a 16-19 academy called Harington school, which is an outstanding school in Rutland.

There has been a really vibrant place in the system for sixth-form academies, but there has also been the situation which the amendment seeks to address: sixth-form colleges with a religious designation, if they were to convert to academies, would not retain that designation and would lose some of their religious character and associated freedoms. The Government are committed to supporting existing sixth-form colleges to convert to academy status. I am pleased that a significant proportion of sixth-form colleges have already taken this step and have made a strong contribution to strengthening the academies sector. It was a pleasure to meet Bill Watkin and James Kewin of the Sixth Form Colleges Association, who mentioned the situation with the other section of sixth-form colleges and expressed their desire to look at academisation.

We recognise that there are currently barriers preventing sixth-form colleges with a religious character from converting to academies. This is because it is not

[BARONESS BERRIDGE]

presently legally possible for 16-19 academies to have a religious designation, which is of course necessary for Catholic sixth-form colleges in order to retain their religious character around collective worship, RE, recruitment of staff and so on, as the noble Lord, Lord Touhig, outlined. At present, any sixth-form college with a religious character converting to an academy would lose that designation.

We remain keen to take action to facilitate all sixth-form colleges, including those with a designated religious character, to convert to academies. I know that existing Catholic designated sixth-form colleges are keen to join Catholic multi-academy trusts, and I am sure they would make an excellent contribution. We have received further communication from Bishop Marcus Stock, who is the lead Catholic bishop on education and supports the principle of allowing these Catholic sixth-form colleges to become academies. As the noble Baroness, Lady Garden, outlined, if there is any change in the law, it would ensure that other faith groups that establish 16-19 academies can designate them as having a religious character appropriate to them.

The Secretary of State for Education made clear, when speaking in the other place, that we would look at all legislative opportunities to see how this can best be done. We are committed to making this happen at the earliest opportunity. Sadly, however the amendment as drafted could have undesired effects, as it provides that any 16-19 academy so designated is a school in law. This will create legal uncertainty as to the status of 16-19 academies, which are expressly defined in legislation as not schools. A new power would be required to achieve what the noble Lord, Lord Touhig, wants from his amendment.

However, we none the less want to facilitate access to academy status for all sixth-form colleges that wish to convert by enabling the religious designation of 16-19 academies. While this amendment is not the vehicle for it, we remain supportive of the principle. I hope that the noble Lord, Lord Touhig, feels able to withdraw his amendment.

Lord Touhig (Lab) [V]: I have observed the contributions of Members on a host of amendments in these last hours and pay tribute to everyone in the Committee for their hard work and commitment in making this a better Bill. I thank my noble friends Lord Adonis and Lady Wilcox, and the noble Baroness, Lady Garden, for their reasoned, informed and encouraging support. I am most grateful.

I hope the Minister might have something more to say as the Bill progresses. I assure her that, if she does, she will be on my Christmas card list. I await further developments and look forward to working with her and her officials to achieve what we all want from this legislation. I beg leave to withdraw.

Amendment 86 withdrawn.

The Deputy Chairman of Committees (Baroness Barker) (LD): My Lords, we now come to the group consisting of Amendment 87.

Amendment 87

Moved by Lord Addington

87: After Clause 25, insert the following new Clause—

“Review of Kickstart scheme

- (1) The Secretary of State must review the operation of the Kickstart scheme.
- (2) The review under subsection (1) must consider—
 - (a) extending the lifetime of the current scheme; and
 - (b) extending the criteria of those eligible to benefit from the scheme beyond those receiving universal credit.”

Lord Addington (LD): My Lords, once again I find myself stepping into the shoes of my noble friend Lord Storey. Regardless of how comfortable those shoes are, I will do my best. This is something where we are saying that the Government have done something pretty well and asking if they will carry on doing it—that is the essence of what is in front of me. The Kickstart scheme seems to have started well and at the right time because, when any job market goes into a state of convulsion, the people who are shed are the young and less qualified. You take a chance on people coming into the job market, but you might not want to take quite that degree of chance.

Kickstart seems to have done well. It is not perfect, but it would surprise nobody who has been looking at this for any length of time that, when a new government scheme comes in, smaller firms have trouble accessing it. We would expect that, to be honest. Things like this are smoothed out by planning them, looking at them and making sure they go on. If the Government are not prepared to do that, we need an explanation of why because, with the job market in flux, as I said before, we will need things like this to get people involved. If the Government do not like what they are seeing in this scheme, they should tell us why. It was supposed to end in December, but I think we have 150 jobs promised, from the information I have. The CBI has come out and said that it is a good scheme which it likes, and others have said that before. So why are the Government not taking that on board and improving it? We could use it for a little longer.

The amendment itself basically just calls for the Secretary of State to review and consider the Kickstart scheme:

“The review under subsection (1) must consider ... extending the lifetime of the current scheme; and ... extending the criteria of those eligible to benefit from the scheme beyond those receiving universal credit.”

The Government had a good idea and did some good work. It seems to be working, so can they now build upon it, not stop it? That is essentially what this is about. I beg to move.

Baroness Fox of Buckley (Non-Affl): My Lords, I broadly support Amendment 87, although I will probe rather more on what we could get out of Kickstart moving forward and what some of the issues are. I started off as quite an enthusiast for KickStart, but for me it has failed to live up to its promise. However, there is a chance that by reviewing it, it could be made more positive and make a positive contribution to this

Bill. That is why I am keen on the amendment. If the last time I spoke regarding the Bill I worried out loud about the dangers of too short-term an approach to skills and training and too much power being given to employers to define what skills are needed, conversely I now note that sometimes, short-term and immediate issues, from the threat of mass youth unemployment to skills shortages in the here and now, require a degree of urgency and a more central role for employers. Sadly, Kickstart has slightly missed out on this and does neither.

To remind ourselves, the challenges facing young people in the labour market in the here and now have been exacerbated by Covid-19. Policy decisions have effectively closed down whole sectors in which young workers are overrepresented. The highest job losses have been in accommodation and food, wholesale and retail, and arts and entertainment—the three industries with the highest percentage of young people in the workforce. We must recognise that the non-Covid collateral damage of lockdown is indeed young people's job prospects. In that sense, Kickstart should have been a godsend, but it is rather misnamed. It sounds urgent and dynamic, but the take-up has been sluggish. Despite the promise of a quarter of a million new jobs for the young and claims of 195,000 jobs approved, fewer than 20,000 people have started jobs created by the scheme, and even with scrapping the ludicrous requirement for employers to create 30-plus opportunities, forcing the SMEs into a bureaucratic labyrinth of those gateways, it has not really speeded things up enough.

I would like a review of this because there is still too much red tape. To quote a couple of employers, they are keen to avail themselves of this scheme, but it has been “like pulling teeth” and “extremely frustrating”. They say that the application process is lengthy with a lot of paperwork and an extremely saturated line of communication. I have not given up on Kickstart and I am glad to see, as the noble Lord just mentioned, that the CBI seems to be united with the TUC and a lot of business federations in still seeing Kickstart as useful, but it needs some time. As the amendment argues, I am mystified as to why this scheme would end in December 2021, since it is only just kicking in.

The DWP says that the hiring process will be ramped up as lockdown unwinds, unlocking key sectors, but as unlocking has been constantly delayed, only starting today and even then hesitantly, if the Government close Kickstart in December, they are giving it less than half a year to have any real effect. That is important. The amendment also tries to free up Kickstart and not confine it to those in receipt of universal credit. This is an important point, for a number of reasons. The young, most in need of work and training related to employment progress, are often working, but they might be on zero-hours contracts or picking up part-time work stacking shelves. Therefore, the initiative should not exclude them from Kickstart. We also know from the latest furlough data that the young are more likely to be furloughed. Realistically, when furlough ends, many could be jobless. Why insist on them having a six-month gap on universal credit before letting them access Kickstart for their job prospects?

6.45 pm

There is another problem with the link to universal credit, because it gives far too much power, in my mind, to jobcentres, especially on candidate selection. Employers complain of waiting for up to five months for jobcentres to get adverts out, and a backlog of applications. Every applicant has to be referred by a work coach—one job creation scheme that seems to be exponentially growing—but employers and unemployed youth have on occasion dubbed work coaches “slow coaches” as they slow the whole process down.

I do not understand why, in this instance, employers cannot have more autonomy in the Kickstart hiring process. Could this be part of the review referred to in the amendment? One employer says that if employers could source and vet their own applicants—with jobcentres in the loop, of course, to ensure no foul play—it would be a more efficient system.

Kickstart has also added a perverse clause to the universal credit condition—to qualify, you have to be shown as being at risk of long-term unemployment. I am not sure how that is judged. This broadly reflects the danger we have with the Bill in terms of how we understand helping the young and whether we get a bit moralistic about it. One young graduate desperate to get on to the employment ladder who had applied for Kickstart to improve his job prospects after being unemployed for a time because of Covid explained, “I went to the jobcentre and was told ‘You don’t qualify for this because you are not at risk of long-term unemployment’”. The reason given was because he has a degree, which would indicate that we maybe need to have a conversation about graduates not getting jobs. That person asked, “How would you even objectify that?” It would make me squeamish if the scheme ended up being designed for a type of young person, not a situation—a welfare intervention rather than a genuine bridge or route into high-quality jobs and training.

It also raises a nervousness about what job training comprises. It is always worth interrogating throughout the discussion on this skills Bill what we mean by “skills”. Much of the advice to would-be Kickstart employers is to ensure that the six months make the young person more employable at the end, but then it often recommends a banal list of skills—setting goals, CV construction, prep for interviews, timekeeping et cetera. This is thin gruel, and hardly likely to kick-start a young person's job chances. Even in six months you can give people a real taste of specific jobs and skills that would also tackle some of the concrete and pressing economic issues that have been thrown up by the pandemic.

One barrier is the stipulation that Kickstart must not replace existing or planned vacancies. I understand the motives—the scheme should not be used cynically to replace existing employees—but this is far too prescriptive and, to be frank, has led to a range of SMEs struggling to come up with made-up new jobs in order to access the scheme. Rather, I hope the Bill, or perhaps the way it focuses our minds on job training more broadly, can kick-start Kickstart and make it fit for purpose with an additional investment boost, for example, in giving people tasters for apprenticeships and workplace training where there are real skills gaps.

[BARONESS FOX OF BUCKLEY]

Take, for example, the near crisis over the shortage of HGV drivers. There is a 100,000 shortfall, according to the Road Haulage Association. Of course, this is partly caused by Brexit, which I campaigned for, but before remainder glee sets in, successive Governments and corporates had until now responded to such shortages by sometimes poaching foreign workers, which diluted the pressure domestically to address skills shortages. So I am glad to see that drivers are now able to negotiate an improvement in their pay and sometimes in their conditions, but maybe Kickstart could help. That is my point.

As the average age of HGV drivers in the UK is 55, why not use Kickstart to initiate apprenticeship tasters in the driver and transport logistics world? I was inspired by Jennifer Swain, the head of talent and operations at Road to Logistics, who elaborated her vision for transforming an industry traditionally employing older males and talked about reaching out to those who normally face barriers to employment. I wonder whether Kickstart could be a vehicle for reaching out to Miss Swain and opening up the kind of careers that young people might consider.

I think that Kickstart is not over yet, but it needs to be reviewed. I hope the Bill and this probing amendment might make us think again about how it can be improved, expanded and give real opportunities.

Lord Aberdare (CB): My Lords, I am a believer in the value of the Kickstart scheme and would like to see it extended in the manner suggested by Amendment 87, in the names of the noble Lords, Lord Storey—Lord Storey-cum-Addington—and Lord Shipley, following a review of its operation and experience to date.

My own former employability training business was involved some years ago in the delivery of the Labour Government's Future Jobs Fund, which, like Kickstart, enabled employers to take on young people for six months, with their salary paid by the Government. Many of the young people involved had never worked before and faced significant challenges in entering the job market, including lack of work-readiness and employability skills, poor educational attainment, lack of funds for travel or even suitable clothing, chaotic lifestyles, lack of aspiration, substance abuse, and records of offending and imprisonment. A period of six months' employment, with employers willing to make initial allowances for their circumstances and much personal support from the organisations delivering the programme—including Barnardo's and Nacro, by which we were contracted—was enough for many of them to acquire the skills and behaviours needed to become reliable and useful employees, often with those same employers they had been with for six months. This is not a low-cost approach and not for everyone, but I believe it is an effective way of enabling many young people in these specific circumstances to make a successful transition into work.

Kickstart has got off to a rather bumpy start, as we have heard from other noble Lords, with delays and difficulties both in employers being accepted on to the programme—initially through the gateway process, which has fortunately been removed, but there are still quite a few hurdles to get over—and, more particularly,

in recruiting candidates through the rules of the Jobcentre Plus scheme. But I believe it offers the right approach for the young people in the target group I have described. I hope the Minister can tell us what plans the Government have to review the scheme so far and to consider whether, and in what form, it might be further extended to perhaps meet the specific needs of the most challenging young people within the overall skills system created by the Bill.

Lord Lucas (Con) [V]: My Lords, I too am a fan of Kickstart, and I hope that the Government will consolidate and build on it. A review, as proposed in this amendment, seems a timely suggestion. I support a lot of what the noble Baroness, Lady Fox of Buckley, said, and I would add only two emphases. First, there are certainly some occasions when a Kickstart six-month placement ought to be combined with a course of training. For instance, if we employed Kickstarters to do environmental work, it would not do them much good if they had not achieved their chainsaw certification and other necessary qualifications to enable them to continue in the industry. Sometimes the Kickstart placement ought to be bundled in with training, and that ought to be made easy.

Secondly, £1,500 for looking after a Kickstarter is really not much. You have to have spare employee time substantially beyond that value to make good use of a Kickstarter and to give them a really good experience. I hope the Government will review people's experience on that front and consider what it would take to really recompense employers—particularly small employers, who often do not have a lot of spare capacity—for the effort they are making, day to day, looking after a Kickstarter.

Lord Adonis (Lab): My Lords, all three noble Lords who have spoken, and the noble Baroness, Lady Fox, have made pertinent points. I will make a suggestion and ask a question. Unusually, the House has it within its powers to cause an inquiry into Kickstart, because a Select Committee is currently proceeding on youth unemployment. Indeed, my understanding is that it is being chaired by the noble Lord, Lord Shipley, who is a colleague of the noble Lord, Lord Addington. May I therefore suggest that he asks his noble friend to ensure that that Select Committee examines Kickstart and makes recommendations to the House on its future, which of course will carry weight with both the House and the Government? My question for the Minister is this. I assume that an independent evaluation of Kickstart is taking place. Can she confirm whether that is the case? If not, obviously it is desirable that one should.

Lord Watson of Invergowrie (Lab): My Lords, I am pleased to signify our support for Amendment 87 in the names of the noble Lords, Lord Storey and Lord Shipley, because a review of the Kickstart scheme is certainly necessary. I regret to say that I cannot endorse the view of the noble Lord, Lord Addington, in introducing this group, that the scheme seems to have done well. More than nine months after its launch, it has so far failed to have any meaningful impact.

The Kickstart Scheme provides funding for employers to create new job placements for 16 to 24 year-olds on universal credit who are deemed to be at risk of

long-term unemployment. Employers can apply for funding to cover 100% of the national minimum wage for 25 hours a week for a total of six months, as well as employer national insurance contributions and automatic enrolment contributions. However, in a Written Parliamentary Answer in June, the DWP Minister Mims Davies stated that the scheme had helped only 20,000 people into work since its introduction last September.

On 16 June I asked the noble Baroness, Lady Penn—I am sure she remembers it will—in an Oral Question what action the Government would take to overhaul the Kickstart Scheme, not just by widening access but by beginning the drive towards equalising its impact on black, Asian and minority ethnic communities and women. In response, she told me that the scheme had been adapted and improved in a number of ways to improve take-up, although all that she mentioned was that in February, the 30-vacancy threshold for a direct application to Kickstart had been removed. She went on to say:

“The figures I have show that there are more than 140,000 approved vacancies under the Kickstart scheme. We hope that take-up will improve as it goes on in delivery.”—[*Official Report*, 16/6/21; col. 1893.]

I fear that more than hope is needed.

Is the Minister aware of the report from the Economic Affairs Committee of your Lordships’ House published in December 2020? My noble friend Lord Adonis just suggested that the committee sitting at the moment might produce a report on Kickstart. Just seven months ago, a committee did just that, and recommended that access to Kickstart should not be limited to people who have been on universal credit for six months. My caution to my noble friend is that that committee’s recommendation was not given much weight. The effect of the six-month rule is that a young person who loses her or his job has to wait for as long as nine months before they have the chance of training. Surely that cannot make sense and it must be demoralising for young people. Local authorities and other civil society partners should be able to refer young people who are not on benefits to the scheme.

The charity Mencap told the Economic Affairs Committee hearing that making only young people on universal credit eligible had excluded many with a learning disability, who are still claiming legacy benefits and who are unlikely to move to universal credit in the near future. The Learning and Work Institute said that the scheme should be

“open to young people, including apprentices made redundant, not on benefits”

and that

“partners, such as local authorities, should be able to refer young people in this group to Kickstart”

also.

As I said earlier, it seems that the committee’s recommendations fell on deaf ears, but one step that the Government should certainly take is to build a link between Kickstart and apprenticeships. One means of doing so would be to encourage Kickstart employers, perhaps with incentives, to offer apprenticeships for those completing their Kickstart placement—this may have been what the noble Baroness, Lady Fox, was suggesting in describing a link between Kickstart and

more permanent employment. That would have the extra benefit of increasing the number of apprenticeships, which, as we know, have reduced sharply since the introduction of the levy in 2017.

Perhaps the Minister can update noble Lords on the approved vacancies and say how many of the 140,000 that she quoted in answer to my Oral Question a month ago have since been filled. Whether or not she is able to do so, one thing she cannot rationally do today is to deny that the Kickstart scheme is in need of, well, a kick start—the noble Baroness, Lady Fox, rather stole my thunder with that line. The review must begin as a matter of urgency. I look forward to hearing that, despite this amendment being withdrawn, the Government intend to do as it suggests.

7 pm

Baroness Penn (Con): My Lords, the Kickstart scheme was created and deployed rapidly to provide urgent jobs for young people to support their long-term work prospects. Kickstart will help to reduce the long-term effects of unemployment caused by the pandemic.

To be effective, the scheme must be targeted. It is for that reason that Kickstart funds the creation of jobs for people aged 16 to 24 on universal credit and at risk of long-term unemployment. Through Kickstart, these young people have the chance to build confidence and skills in the workplace and gain experience that will improve their chances of progressing to find long-term, sustainable work.

Turning to the amendment in the name of the noble Lord, Lord Storey, I should point out that, as with other grant funding schemes, the Kickstart scheme is not cited in legislation but exists pursuant to the powers of the Secretary of State for Work and Pensions under Section 2 of the Employment and Training Act 1973. The amendment would not therefore be appropriate as it seeks to make legislative amendments to something not named or referenced in legislation. However, I understand that the point of the amendment is perhaps rather more probing and, in fact, encouraging from some noble Lords; I will seek to address their points about the Kickstart scheme in my response.

I assure the noble Lord, Lord Addington, the noble Baroness, Lady Fox, and others that the Department for Work and Pensions already keeps the Kickstart scheme under review. It continues to deliver Kickstart jobs to the young people who need them most. However, I am afraid that I must disappoint noble Lords because, at present, there are no plans either to expand Kickstart outside the current eligibility criteria or to expand the length of the scheme.

As I said, Kickstart was designed as a response to the impact of the pandemic and the economic restrictions put in place at the time. As we are phasing out those restrictions, we will transition to a new phase in our response. However, let me say to noble Lords that the Kickstart scheme will run until December; that is the last date for placements on the scheme, which run for a further six months into 2022. After the winding down of the Kickstart scheme at that point, a range of support will continue to be on offer for all young people, including those claiming jobseeker’s allowance or universal credit. This support offer involves placements on the sector-based work academy programme.

[BARONESS PENN]

The noble Lord, Lord Watson, referred to apprenticeships. Although we do not plan to link Kickstart and apprenticeships formally, he will be aware of the incentive payments that we have put in place during the pandemic to encourage employers to take on young people through the routes of traineeships, work experience, mentoring circles, basic skills training and skills boot camps, in addition to locally available support.

Young people aged between 18 and 24 in the intensive work search regime of universal credit are able to access the DWP youth offer, which offers them wraparound support through the 13-week youth employment programme and is complemented by joined-up local delivery through our youth hubs and specialist youth employability coaches. As some noble Lords will know, we have recruited an additional 13,500 DWP work coaches and established more than 140 youth hubs across England, Scotland and Wales.

The noble Baroness, Lady Fox, spoke about some young people most in need of employment progression perhaps not being in receipt of universal credit and not qualifying for this programme. She is right: Kickstart is focused not on those who might need progression but on those who are unemployed and at risk of long-term unemployment. We will not seek to amend its criteria in that way.

To the noble Lord, Lord Adonis, the Department for Work and Pensions will monitor and evaluate the Kickstart scheme throughout and after its implementation, and will continue to evaluate the longer-term outcomes for Kickstart participants after they have completed their six-month placements. The Department for Work and Pensions will publish the findings of that evaluation once it is complete.

The noble Lord, Lord Lucas, asked for more support for employers to take on Kickstarters. The £1,700 is in addition to paying the salary of the Kickstarter for the duration of their placement. As the noble Lord, Lord Watson, referred to, we have had great employer engagement in providing these opportunities. My understanding is that 145,000 jobs are currently available. To update the statistic that the noble Lord, Lord Watson, had for the number of young people who have started on Kickstart, as of 30 June that has reached 40,000—so that is a significant ramp-up in delivery. On average we currently have 500 starts to Kickstart jobs per working day. Noble Lords were right to point out that we had to make some improvements to how the scheme ran, but it is now running at a faster and better pace and delivering that support to young people.

Although I am afraid I cannot say that we will extend the duration of the Kickstart scheme or change its eligibility, as I said, we keep it under review at the Department for Work and Pensions. A longer-term evaluation of that scheme will also be undertaken. I therefore hope that the noble Lord, Lord Addington, is able to withdraw the amendment on behalf of his noble friend.

Lord Addington (LD): My Lords, I am trying to sum up what has been said. Apart from anything else, “Storey-cum-Addington” from the noble Lord,

Lord Aberdare, sounds like a small village in a not very distinguished novel. We will let that one go.

It is a very odd thing. The Government put huge effort into a scheme and there seem to be some signs of hope. I am not sure whether I am much less enthusiastic about the Government, what progress they have made and the promise of jobs than the noble Lord, Lord Watson, so I am being much more optimistic. We can possibly discuss that later.

The Government have said they are keeping things under review. I cannot remember the number of things the Government keep under review. Just about everything is kept under review for a period, officially, so saying they are doing that does not really answer the general thrust of the amendment. Are they going to take it, look at it, study it and develop it, or are they going to say, “We’ll have a look at it sometime, maybe never, and remember that it’s in the archive”? That is the real difference here.

I appreciate that the amendment may well be defective because apparently this is done by regulation, which is in the gift of the Secretary of State—fair enough.

As for the idea from the noble Lord, Lord Adonis, suggesting that my noble friend include it in his review, that would not really address the point, would it? Apart from anything else, a committee of the House would quite rightly have my head if I told it what it was supposed to be doing. It having a look at this and making some small assessment for a report that will come out in a period of time would go right beside the Government’s long-term review of something.

If the Government are seriously going to learn about this, take it on board and take some action, I will be surprised but glad. Under those caveats, I beg leave to withdraw the amendment.

Amendment 87 withdrawn.

The Principal Deputy Chairman of Committees (The Earl of Kinnoull) (CB): We now come to Amendment 88. Anyone wishing to press this amendment to a Division must make that clear in the debate.

Amendment 88

Moved by Lord Willetts

88: After Clause 25, insert the following new Clause—

“The Student Loans Company communication with graduates

(1) The Secretary of State must by regulations provide that the Student Loans Company must—

- (a) provide universities with anonymised information about their graduates’ incomes;
- (b) facilitate universities’ communication through the Student Loans Company with their graduates without passing any personal data to any university, unless a graduate has specifically opted out; and
- (c) facilitate National Employment Savings Trust (NEST) communication through the Student Loans Company with graduates at the earlier of—
 - (i) the two years preceding the predicted completion of their graduate repayments, or
 - (ii) between the 28th and 30th year of their graduate repayments without passing any personal data to NEST,

unless a graduate has specifically opted out.

- (2) Regulations under this section are to be made by statutory instrument, and a statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Member’s explanatory statement

This amendment enables universities to use the SLC to communicate with their graduates to encourage greater uptake of lifelong learning opportunities. Anonymised SLC data about graduates’ earnings may also be provided to universities to enable them to improve graduate outcomes. It also could nudge graduates into greater pensions investment through NEST.

Lord Willetts (Con) [V]: My Lords, the background to this amendment is that the Student Loans Company has close contact with many graduates, which provides an opportunity to fulfil some of the Government’s objectives that lie behind the Bill. I indicate in the amendment three possible uses of that information.

The first is to give information back to the universities about how their graduates are doing. Everyone wants to see graduates doing well, but evidence is often cited about the difficulties that some graduates from some universities are having. The more information that is fed back to universities about the performance of their graduates—properly protected and anonymised, of course, with any confidentiality requirements that are necessary—the more that universities will have to shoulder their responsibility to do better.

That is communication back to universities, but—secondly—I also think there is a fantastic opportunity for the Student Loans Company to be a kind of post office, enabling universities to communicate with their graduates. That is surprisingly hard at the moment. Very few universities have anything like a database of their graduates, and most lose contact with most of them. But there are good reasons why universities should be able to communicate with their graduates, and it would be fantastic if our universities could match the performance of the American universities in communicating with them. I hope it is not too frivolous if I cite the American remark that “If only Osama bin Laden had been to Harvard, the Americans would have found him within a fortnight”. They are very good at tracking down their graduates, but we do not do that.

A particular reason why it would be great if universities could communicate with their graduates is to enable the universities to offer them lifelong learning opportunities, a cause that is rightly close to Ministers’ hearts. I make it clear that this post office function would not require the universities being given actual email addresses or other data; they would simply provide a message to the Student Loans Company that the company would then communicate to their graduates. There would of course need to be some process for agreeing that the messages were appropriate and approved of.

Still, imagine a university that said, “We completely take to heart Ministers’ strictures. We are very worried that too many of our graduates are not earning what they may have hoped to earn. Here is a message that we would like to send to all our graduates earning less than the following amount of money saying, ‘If you get in touch with us, we will investigate what we can do

to provide you with extra skills and training so that you can boost your earnings.” That kind of engagement with graduates over their working lives should be part of a university offer, and the lack of university information to enable them to communicate with their graduates is a barrier to that.

The third purpose identified in my amendment is rather beyond the scope of education but fulfils another purpose for which there is strong cross-party support. Auto-enrolment in pensions is a great British success, and it is a policy that all parties in their time in government have supported. The problem with auto-enrolment is that the amount of money that people are actually building up in their personal pension pots is very modest. If you look at the opportunities to get people to save more, you see that one opportunity is that, as people advance through their careers and perhaps begin to earn a bit more, they might be able to save more. A crucial moment is when they stop paying back the cost of their higher education, when their graduate repayments cease. I think it would be a reasonable use of public policy—again, without any data actually being handed on—for NEST, the body that currently auto-enrols people in pensions, to be able to communicate through the Student Loans Company to graduates when they are reaching a point when they are likely to have finished repaying their loans, saying, “You have been used to paying 9% of your earnings to pay back your loan. Before you start blowing the money on other things, here is a simple mechanism whereby you can divert it in future into a pensions pot.”

I see these as three practical ways where improved communication with graduates, both by universities and by a government body backing auto-enrolment, could harness a resource without harm to anyone and with proper protections for confidentiality. I very much hope that Ministers will look at this sympathetically. I beg to move.

7.15 pm

Lord Adonis (Lab): My Lords, as ever from the noble Lord, Lord Willetts, these are excellent suggestions and I strongly commend them to the Government.

I would just like to add to his second proposal, which is to

“facilitate universities’ communication through the Student Loans Company with their graduates without passing any personal data”.

He said that this was so that universities could market to the graduates what the universities can do for them, which is excellent in respect of lifelong learning. However, equally valuable is marketing to the graduates what they can do for the universities, in particular what mentoring opportunities they can provide for current students.

As noble Lords know, students from better-off backgrounds, particularly those who have gone to schools with strong university and graduate traditions, provide a dense web of networks, employment opportunities, advice on employment destinations and so on. Graduates who are not endowed with those advantages, even while they are at university, do not have the benefits of such developed networks. Graduates

[LORD ADONIS]

could be engaged much more systematically in providing mentoring opportunities, particularly, as the noble Lord, Lord Willetts, says, at the point at which universities generally lose contact with their graduates, which is often quite soon after graduation, though the more years that pass, the more they lose contact. When graduates are 10, 15 or 20 years out of university, they are reaching senior positions in their professions and are often in quite niche organisations, such as voluntary organisations. Advertising to them the opportunity to mentor students, which, in my experience, graduates are very willing to do, could be a real and significant benefit to existing students.

Like other noble Lords, I am often contacted by students, just by virtue of the fact that they know who I am, asking for mentoring opportunities and seeking advice. There are very few of us who would not provide that as a matter of course, and I think the same would be true of graduates. If they were harnessed in a systematic way, which this would make possible, it could be transformational for the life chances and career destinations of graduates, particularly those who do not come from graduate families or from schools with lots of graduate connections.

Lord Lucas (Con) [V]: My Lords, I thoroughly support the amendment in the name of my noble friend Lord Willetts and the addendum to it by the noble Lord, Lord Adonis.

The Student Loans Company is a real treasure trove of opportunity. The long-term relationship it has with graduates is a way of improving our university system over time, improving the lives of the graduates themselves and—my particular interest—improving the decisions taken by potential students as to which courses they should pay attention to.

I would go a bit further than my noble friend Lord Willetts and encourage the feedback to universities from the Student Loans Company to include something that puts some context into the raw earnings figure. Earnings can be a very one-dimensional view of what is happening to alumni. Not everything—not every decision or judgment as to the quality of a course—should be based, let alone entirely so, on the earnings profile of its graduates. You want something much more than that, which is why I absolutely support what my noble friend proposes in the second part of his amendment, in contract with graduates.

As he says, it is really difficult to get universities to tell you what their graduates are up to. I am somewhat relieved to discover that that is because they do not know. This is a vital piece of information for prospective students: if you are going to judge what you should invest upwards of £50,000 and three years of your life in, you want to know what it leads to. Very few historians end up as historians. Few physicists end up as physicists. People go off in lots of different directions, but the skills and the understandings that you have gained as part of your university degree absolutely help shape what you go on to.

To know which courses—even the very academic ones—lead to people becoming professional writers, say, is a really valuable piece of information if that is

the direction that you want to take. You have to go back a decade or so to the *Next Gen* report from Ian Livingstone, which looked at university courses that had “computer games” in the title, to see his analysis that 85% of those courses produced graduates that the industry would not hire because the courses had been designed not with the industry in mind but just in terms of catching the attention of students. We owe our students better than that.

The real source of information that they ought to be able to see through to is: where do students go on to, where does this lead to and perhaps, beyond that, are they happy? Are the alumni pleased with where life has taken them since university? Do they look back on their courses with pleasure? Coming back to the first part of the noble Lord’s amendment—do they have insights about the courses that they were on that ought to be fed back to the universities so that they can improve their offering?

There is as much potential for the nation in this as there is in the national health data. We are taking, mining and using that seriously, professionally and carefully, and we are setting about that in government and in the legislation to come. We absolutely ought to be doing that in the case of the Student Loans Company.

My noble friend is quite right that there is a lot of value to be offered in return. It took Oxford 40 years to realise that perhaps someone who had spent three years of their life studying physics was interested in physics—and, therefore, if it combined its “Please will you give us some money?” letters with an opportunity to keep up with the latest trends in physics, it might have more success. That should absolutely be extended to looking for opportunities for career support and for ways in which the learning and understanding of the university can be accessed again to make it a lifelong relationship. We need to build that sort of lifelong relationship into learning providers around apprenticeships as well. There is a lot of value for a person in having somewhere that they can turn to in order to refresh their skills and understand what opportunities now lie open to them.

I also very much approve of what the noble Lord, Lord Adonis, said about mentoring. This is difficult—it is a very tricky relationship—so I would not like to pitch anyone into mentoring without giving them some training first. However, if you have been trained and if you are supported, neither of which come free, it can be a very rewarding experience for both sides—but it needs to be done well. We ought to look at it being done cross-university. It does not seem to me that all the experiences of Oxford graduates ought to be confined to young people at Oxford; we ought to be able to spread these things around a bit to have wider access than that when we are designing the scheme.

However, if we do it with one of the professional mentoring companies, I think we would get something like that, because the focus will very much be on how to help the uncertain and disadvantaged, rather than just compounding the advantage of those who know already what a good thing mentoring can be. So, altogether, this is a really worthwhile amendment. I hope that the Government will take it seriously, and I look forward to my noble friend’s response.

Baroness Garden of Frognal (LD): My Lords, I am always loath to take issue with the noble Lord, Lord Willetts, who generally is a very good thing, but on this amendment I express long-felt reservations that universities should not be rated on the earnings of their graduates. Indeed, they should not really be concerned about the earnings of their graduates.

This is partly because I graduated from Oxford at 21 and immediately married a fellow student and RAF officer, which I never regretted. But we moved 24 times in the next 30 years, so it was impossible for me to have a career. I drifted into teaching, but I could not find any school to employ me. The minute any of them got a whiff that I might be an RAF wife, they lost interest—which was quite often. So I worked as a clerical officer, a filing clerk and a copy typist. That was the real low point of my career, but I was paid six bob an hour and it kept the wolf from the door.

We never had much money. My husband was promoted through nine ranks, each time at the earliest opportunity, but somehow the increased social commitments always took account of the pay rise. When I finally found a proper job, he lost his, when he was told at the 11th hour that it was utterly unacceptable for a commander-in-chief to have a working wife. When he refused to accept this last-minute and pointless condition, his appointment and career were cancelled overnight and a message hurriedly sent up the line to say that this ideal officer, it transpired, was totally unfit for high command because his wife had a job. So that did not go too well.

But I would hate Oxford to think I was a complete waste of space because I could not earn money. I did copious amounts of voluntary work as a mother, an RAF wife, a welfare counsellor, a CAB adviser—even a reluctant unpaid organist, and anything else that would have me. One of my contemporaries went into the Church and has always had a low salary—but why should Oxford be penalised for a wonderful woman vicar?

My mother was awarded a First from Cambridge in the 1930s, but was never allowed to graduate, because it took Cambridge until 1948 to acknowledge its women students as undergraduates. She had to give up her Civil Service job as soon as she was married—so was her degree a waste of space too? My daughter went to teach in Lesotho when she graduated and was paid £5 a week. Should Cambridge have been penalised because of her lack of income?

Women still bear the lion's share of caring for children, parents and others, and still generally have lower incomes than men, but the amount they contribute to society is no less—some might argue considerably more—so why take it out on universities? Please can we disassociate high earnings from worthwhile degrees? Today's women have a much better chance of combining family and career, which was impossible for my mother and pretty impossible for my generation—certainly for diplomatic and military wives. But many of us have contributed to society in non-financial and non-quantifiable ways. I hope that universities might value and be valued for that, and not be penalised on our account. Many graduates choose to try to make the world a better place, rather than earn shedloads of money.

On universities not communing with graduates, I would argue that universities are increasingly doing their level best to get hold of their graduates. I would like to think it is because they are genuinely interested in their welfare—and the noble Lord, Lord Adonis, mentioned that they could contribute by tutoring and so on, which is good—but I have a feeling that they mainly want to get hold of their graduates to tap them for money.

This amendment is multifaceted, but I regret the suggestion that universities should be recognised for the earnings that their graduates manage to find in life. I do not think that should be the case.

Baroness Sherlock (Lab) [V]: My Lords, I thank the noble Lord, Lord Willetts, for introducing this amendment and all the noble Lords who have spoken. I thank the noble Baroness, Lady Garden, for sharing her experiences just then—horrible though one of them was. I am sure Oxford is duly proud of her now, and so it should be. Like her, I am not sure who should be blamed for my career—the institution where I did my first degree, the one that offered me a mid-career MBA or the one where I did my more recent theological training. Anyway, none of them can be suitably blamed.

In general, I am a big fan of data—any data, but especially robust data at scale. I like it being used to inform policy-making and am happy for it to be there as part of a feedback loop. So anything that can help universities get a richer picture of what happens to their graduates after they leave is probably a good thing—but that does not necessarily mean I want a straight line from that to the way the Government fund or regulate them.

7.30 pm

If we are going to get data, HMRC data on gross incomes is pretty solid. It is crude, but it is reliable and consistent. Certainly, I like the idea of any longitudinal dataset which might offer a counterpoint to collecting graduates' own assessments of their jobs and income 15 months after they leave college. I recently discovered that the OfS has a new measure which crunches together continuation and completion data with graduate outcomes to project the chance of a new student sticking the course, getting a degree and then landing a job that the OfS classes as professional. It named it the PROjected Completion and Employment from Entrant Data measure, or Proceed, an acronym which must have made somebody at OfS very happy. I get that as a prospective student I would want to know what graduates of my favoured university went on to do, but even if there were a really reliable single predictor, no metric will tell me what is going to happen to me. Given the marked differences in labour market outcomes by sex, ethnicity and disability never mind intention, all such data needs a health warning. However, I will not go back there.

The second effect of this amendment would be to enable universities to communicate with their graduates via the Student Loans Company to allow them to encourage lifelong learning. I agree with the noble Lord, Lord Willetts, that the most likely immediate users would be development offices and alumni

[BARONESS SHERLOCK]

associations, but I acknowledge that one of the most interesting aspects of lockdown has been how many people I have spoken to who have been doing online learning of all kinds, from friends taking art history courses out of interest to young people taking free MOOC courses at Yale to boost their employability. There is a rich pool of learning opportunities out there at the moment.

The idea of enabling NEST to communicate with graduates via the Student Loans Company is interesting. I can see why the noble Lord, Lord Willetts, chose NEST. It has a public service obligation and the Secretary of State is the settlor of the NEST scheme. Obviously in terms of timing, this amendment is designed to nudge graduates into paying into a pension at the point when suddenly they are about stop paying off their loans, so perhaps they could be encouraged to keep paying the 9% or 15% but to redirect it to a pension instead of a loan. However, this amendment would have them doing that at the 28th or 30th year of repayments which under Plan 4 would make most of those students about 50 and upwards, although if Augar gets his way they would be nearer 60. However, it is worth remembering that the value of small contributions made earlier in one's working life is enormous. The Minister is bound to have lots of reasons, as indeed may I, why these things are impossible or merely undesirable, but if they ever do it, I suggest they think about the optimal time to target communications to graduates.

My other hesitations are ones which the Minister will anticipate. Historically, things have not always gone entirely smoothly at the Student Loans Company, so we would need to know it could handle this without putting the core business under pressure. Data security is a real consideration. Also, is there a risk that if the Student Loans Company becomes a post box for others—initially universities or NEST, but who knows after that?—it may not stop there Will the Treasury see a chance for it to raise money by being a commercial gateway to a lucrative market of graduates, and does being a post box at all risk diluting the importance of communications from the SLC?

I realise that I am being difficult and looking for problems. That is kind of my job: I am in the Opposition, and perhaps I have been there too long. However, as always, the noble Lord is thinking creatively, and I will be very interested to hear what the Minister makes of his suggestions.

Baroness Berridge (Con): My Lords, I shall first resist the temptation to respond to the noble Baroness's comment that she has been in opposition too long. I pay tribute to all noble Lords who have outlined the role of the Student Loans Company. It has no statutory functions of its own but exists as the student loan delivery arm of the Secretary of State, exercising powers delegated by him or her. The noble Baroness, Lady Sherlock, is correct that my noble friend Lord Willetts is suggesting a fundamental change of role for the Student Loans Company, whether as a post box, a communications agent or a marketing agent. While I thank my noble friend for his amendment, I do not believe it is necessary or wise.

The Government already publish a wide range of data, including earnings information by higher education provider and subject of study up to five years post graduation. It comes from the longitudinal education outcomes database, commonly known as LEO. The database has a wider coverage than the Student Loans Company, as it considers all graduates rather than just those who take out a student loan. Secure access to this data is granted to accredited researchers through the Office for National Statistics, to answer research questions. So while HE providers, although they do some of the best research themselves, cannot access LEO data to look at individual graduate outcomes, the data that is already published is sufficient to meet those research needs. On the point made by the noble Baroness, Lady Sherlock, the LEO database holds data by subject, provider, gender and region—so it does provide good access.

In relation to the comments made by the noble Baroness, Lady Garden, obviously the data that I have outlined is only one factor in the value of a higher-education qualification. I hope that all noble Lords will agree that we see the value immensely of her education, and the roles that some people undertake for very modest salaries are incredibly valuable. We have seen that a lot during the pandemic.

The second part of my noble friend's amendment includes a duty to facilitate universities' communication with their graduates through the Student Loans Company, without passing on any personal data, unless a graduate has specifically opted out. I noticed the Member's explanatory statement states:

"This amendment enables universities to use the SLC to communicate with their graduates to encourage greater uptake of lifelong learning opportunities."

As I have outlined, the SLC is not really there to be used by the universities. It is there for the students and to ensure that there is proper finance. The Student Loans Company should hold data only on students who own or are repaying a loan, so not all graduates are captured. Again, the onus is on the graduate to ensure that the Student Loans Company has their most recent contact data after they complete their studies. It will not surprise noble Lords that, unfortunately, not all graduates do this.

To answer my noble friend's question, are we really looking now to place a duty on SLC to chase down the graduates for contact information when it does not have it? Such a system, as outlined in the amendment, to facilitate communication between the universities and the Student Loans Company, unfortunately would incur up-front and ongoing costs, plus potential data implications, as the noble Baroness, Lady Sherlock, highlighted. The roles suggested would involve a considerable burden on the Student Loans Company. It is best left to universities to reach out to their alumni directly through existing communication channels. As I mentioned in relation to the Member's explanatory statement, if the Student Loans Company were to take on a role of communicating about lifelong loan entitlements, would it be after just one university, or three institutions, as the noble Baroness, Lady Sherlock, outlined? This is a considerable administrative, communication or marketing task that we would be asking of the SLC.

The final part of the amendment proposes facilitating the National Employment Savings Trust to communicate through the Student Loans Company, effectively encouraging students to consider saving into the NEST pension scheme once they get towards paying off their student loans. Automatic enrolment has achieved a quiet revolution through getting employees into the habit of pension savings, reversing the previous decline in workplace pension participation seen in the decade before the start of the reforms. As my noble friend Lord Willetts mentioned, it has succeeded in transforming pension saving for millions of workers. Since 2012, workplace pension participation rates for eligible employees aged 22 to 29 increased from 35% to 86% in 2019.

While encouraging graduates to work towards future financial resilience is right, the Government do not agree that this amendment is the right means to do so. A graduate or postgraduate would not be able to join the NEST pension scheme directly. NEST was established to support automatic enrolment and operates under a public service obligation to accept any employer who wishes to use the scheme to meet their automatic enrolment duties. Given that NEST is a workplace pension scheme, this means that most people typically would join through their employer but, in some cases such as self-employment, people can enrol themselves. In addition to operating under a public service obligation, NEST also receives a government loan to cover its running costs. This amendment would be seen as giving NEST an unfair advantage in a competitive pensions market. I am sorry to inform my noble friend Lord Willetts that this too would not be possible.

I have to say that I also agree with the noble Baroness, Lady Sherlock, that this would also take away from the core role. Like any organisation, the Student Loans Company has a limit on what it can deliver at any one time and there is already an ambitious reform programme, including the delivery of the lifelong loan entitlement, which I assure noble Lords will keep all those employees, mainly in Darlington, very busy over the next few years.

Laudable though the aims of this amendment are, the Government's position is that changing the role of the SLC is not the vehicle to deliver this. It is unfortunately not a treasure trove, as my noble friend Lord Lucas outlined. I thank my noble friend Lord Willetts for his amendment but hope that, having considered these points, he will withdraw it.

Lord Willetts (Con) [V]: My Lords, I am grateful to noble Lords for a very interesting debate. I particularly agree, of course, with the points made by the noble Lord, Lord Adonis, and my noble friend Lord Lucas. I assure the noble Baroness, Lady Garden, that—although it was fascinating to hear her personal biography, which is indeed a reminder that there is more to universities than subsequent earnings—there is nothing in this amendment that says that is the be-all and end-all of universities. It simply recognises that we have this organisation, the Student Loans Company, in place and that we have a problem, which I very much regret was not acknowledged by the Minister: most universities have no means of communicating with most of their graduates. That is a real barrier to the Government's own objective of promoting lifelong

learning, although there are other objectives as well and the point made by the noble Lord, Lord Adonis, about mentoring seemed to me very relevant.

Meanwhile, a separate government agency is communicating with graduates—namely, the Student Loans Company. Of course it is correct that, at the moment, it is simply collecting money from them, but I do not see why that is not also an opportunity to do something additional. I am very much aware of the practical operational problems of the Student Loans Company, having wrestled with them myself for several years, but this request would be under ministerial guidance; Ministers and the Department for Education, together with the Student Loans Company, would have the ultimate say on what messages were communicated. It seems to me that the Minister is in danger of missing out on a really important opportunity to achieve one of her own objectives.

This is the kind of debate that we might have had about NHS data 15 or 20 years ago, when some Health Minister turned out to say, “No, it wouldn't be acceptable for hospitals to communicate with people who have had appointments or been at the hospital”. The fact is that data and communication matter. We have to be imaginative in harnessing the opportunities that we have to communicate.

I very much regret the Minister's approach. I will, of course, withdraw my amendment now, but I hope it might be possible to consider further ways in which some version of this thoroughly innocuous amendment can be used to achieve an objective that is shared across the House. It should be done only within the capacities of the Student Loans Company, and only for purposes of which Ministers approve but I think that, if Ministers do not take this chance, there will be a moment in the future when they say, “Why on earth didn't we do this? It would have been so useful”. We could be providing universities with more information about their graduates; we could be enabling graduates to have more information about what their universities can do for them and what they can do for their university. In the light of the debate so far, however, I beg leave to withdraw this specific amendment now.

Amendment 88 withdrawn.

Amendment 89 had been withdrawn from the Marshalled List.

The Principal Deputy Chairman of Committees (The Earl of Kinnoull) (CB): We now come to Amendment 89A. Anyone wishing to press this amendment to a Division must make that clear in the debate.

Amendment 89A

Moved by Lord Willetts

89A: After Clause 25, insert the following new Clause—

“Access to learner data for research

- (1) Key learner data must be shared for research purposes, including longitudinal studies, in accordance with Part 5, Chapter 5 of the Digital Economy Act 2017, or equivalent legislation concerning data not covered by the 2017 Act.
- (2) What constitutes “key learner data” must be reasonably defined by researchers on a case-by-case basis and may be taken to include, but not be confined to, graduates' employment and income data.

- (3) Organisations controlling key learner data must take all reasonable endeavours to make the data available for research in line with subsection (1).”

Member’s explanatory statement

The purpose of this amendment is to ensure that administrative data is available for research and longitudinal studies that will inform, and improve, public policymaking.

7.45 pm

Lord Willetts (Con) [V]: I will refer to this amendment briefly as well, although it overlaps to some extent with the debate that we have just had. I begin by declaring some specific interests. I am on the board of UKRI, the public agency responsible for funding social science research and administrative data, and I am the president of a think tank, the Resolution Foundation, which has an interest in using and accessing research data.

The background to this is the battle on LEO data, which has already been referred to. I assure the Minister that I am very proud of having fought long and hard to get the LEO data made available—incidentally, in the course of it, overcoming objections rather similar to the ones she just made to my previous amendment. After battles with HMRC, we got LEO data, and it has improved the debate on universities—although, as the noble Baroness, Lady Garden, said in our previous debate, we should never think that earnings data are the be-all and end-all.

After long and difficult battles with HMRC, that data was made available to a small group of accredited researchers, and is now analysed closely by, above all, the Institute for Fiscal Studies. However, a lot of weight is placed on the LEO data, and there are other datasets about learner outcomes, not all of which are covered by the Digital Economy Act. I am worried that the debate on graduate outcomes is in the hands of a very small number of researchers with access to the LEO data. Researchers as a whole find it difficult to access data not covered by the Digital Economy Act. For example, health data is not covered by it. It would be very interesting to know—there is a lively debate about this—the extent to which going to university boosts health outcomes and life expectancy, for example.

Of course there must be rigorous standards for the researchers accessing such data: confidentiality, anonymity and a whole host of other requirements all need to be in place. However, we would have a better-quality and more wide-ranging debate about higher education if there were a wide range of perspectives informed by a wider range of empirical data about what is actually happening. After I successfully fought for the LEO data, I never expected that it would become the be-all and end-all. I see it as part of a much wider set of data types and a much wider range of researchers, properly regulated, analysing what happens in education.

The parallel with the previous amendment is that data matters. This Government are bold on science and technology. They understand the importance of data in good public policy. The DfE is not the worst offender when it comes to providing researchers with access to data, but there are certainly clear constraints at the moment on that access, going way beyond the necessary requirements of confidentiality and anonymity.

I hope that, in the light of that, the Minister will consider undertaking that there should be a greater range of researchers with greater access to key learner data, so that we can all debate it with more information at our disposal. That is why I move the amendment.

The Principal Deputy Chairman of Committees (The Earl of Kinnoull) (CB): My Lords, the noble Lords, Lord Aberdare, Lord Adonis and Lord Lucas, have withdrawn, so I call the noble Lord, Lord Watson of Invergowrie.

Lord Watson of Invergowrie (Lab): Ah, a lot earlier than expected, but thank you, Lord Deputy Chairman. As with the previous amendment in the name of the noble Lord, Lord Willetts, this recalls debates in which both he and I participated four years’ ago on what was then the Higher Education and Research Bill. This amendment in particular evokes the many considered by your Lordships’ House on the teaching excellence framework. As an aside, I say that the Bill we are considering today has about 100 amendments being discussed over four Committee days. We are fortunate, because in 2017 the Higher Education and Research Bill had more than 500 amendments tabled to it over seven Committee days, most finishing very late into the evening—happy days.

I believe that the connection I drew with the TEF—which has as its full title the Teaching Excellence and Student Outcomes Framework—is relevant, because both the TEF and the key learner data, which this amendment suggests should be collected, is the same in respect of graduates’ employment and income data. In 2017, I believed that TEF was both intrusive and—not entirely, but largely—irrelevant. I hold the same view about the key learner data. I do not believe the data mentioned in the amendment is key, although it would be for researchers to define it in any way that they saw fit, were this to be adopted. That seems to be much too open-ended, potentially covering subjects that appeal to the imagination of any underemployed researcher.

The amendment states:

“What constitutes ‘key learner data’ must be reasonably defined”.

Who would decide what is reasonable? As far as I can see, the noble Lord, Lord Willetts, did not say what, apart from graduates’ employment and income data, it might involve—would it include a person’s socioeconomic background, whether they were state or privately educated, an undergraduate or postgraduate, or a mature student, or maybe even their ethnicity? I understand that the noble Lord, Lord Willetts, aims to increase the number of researchers with access to information on graduates, and I support that, but who would act as the gatekeeper? If I did not know and very much respect the noble Lord, Lord Willetts, I would say that he might even be making a rather fanciful suggestion. That said, I do not see the merit that he sees in this amendment and, notwithstanding his opening remarks and explanation to noble Lords, I am unable to signify our support.

Baroness Penn (Con): My Lords, I thank my noble friend Lord Willetts for tabling this amendment. Like my noble friend, the Department for Education is fully committed to facilitating external research and

recognises its valuable contribution to the evidence base surrounding the education and skills system in England.

The intended purpose of this amendment, as set out by my noble friend—namely, to ensure that administrative data about learners is available for research and longitudinal studies in the public interest—is something that the department fully supports. However, public authorities, including the department, are already able to disclose information for research purposes under Chapter 5 of Part 5 of the Digital Economy Act 2017, as my noble friend referenced. For example, in line with the National Data Strategy, the department is already working with partners such as Her Majesty's Revenue & Customs, the Department for Work and Pensions, the Higher Education Statistics Agency and the Office for National Statistics. Here the Act is being used to give researchers access to education data linked to benefits, employment and earnings in a de-identified manner via the Office for National Statistics Secure Research Service. This data, referred to as LEO—as my noble friend the Minister has already said—was opened for applications on 7 July this year. This example is one of almost 500 shares of departmental data using existing gateways which were live at the end of March 2021. As part of our commitment to transparency, details of all live shares are published quarterly on GOV.UK.

Given that the department and other public authorities are therefore already able to and do actively share data for research in the public interest, I hope that my noble friend is reassured that this amendment is not necessary and is able to withdraw it.

Lord Willetts (Con) [V]: I am grateful to the Opposition Front Bench and the Minister for their interventions on my amendment. I was slightly surprised by the approach of the Opposition Front Bench on this occasion, because this is intended to inform debates on outcomes for higher education.

On the Minister's point, first, the initiative on 7 July is very helpful for broadening access to LEO data. One of the aims of this amendment was to promote that broadening of access, so I am very grateful for what has happened. My one disagreement, if I may say so, with what she said is that, being very familiar with the Digital Economy Act 2017, which had a long gestation and undoubtedly has moved things forward a lot, I can say that the Digital Economy Act does not cover all sets of data that are relevant to educational outcomes. This amendment is therefore deliberately broader to enable, for example, health data to be used for educational research; clearly, as the Minister rightly said, with proper security to ensure protection of confidentiality, anonymity where appropriate, and suchlike.

I will of course withdraw the amendment today, but I hope that the Minister will accept that, if we can provide practical examples of any gaps in the current legal and regulatory framework which mean that we are falling short of the objective—the admirable objective she set out: that there should be proper access for all researchers to data relevant to researching learner outcomes—perhaps it might be possible to return to this issue at a later date.

Amendment 89A withdrawn.

House resumed.

House adjourned at 7.56 pm.

