

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### TECHNICAL AND FURTHER EDUCATION BILL

*First Sitting*

*Tuesday 22 November 2016*

*(Morning)*

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#### CONTENTS

Programme motion agreed to, with an amendment.  
Motion to sit in private agreed to.  
Written evidence (Reporting to the House) motion agreed to.  
Examination of witnesses.  
Adjourned till this day at Two o'clock.

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**not later than**

**Saturday 26 November 2016**

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

*Chairs:* † MR ADRIAN BAILEY, NADINE DORRIES

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

**Witnesses**

Lord Sainsbury of Turville, Chair of recent Independent Panel on Technical Education

Peter Lauener, Shadow Chief Executive, Institute for Apprenticeships

David Hughes, Chief Executive, Association of Colleges

Professor Alison Fuller, UCL

Richard Atkins CBE, FE Commissioner

Bill Watkin, Chief Executive, Sixth Form Colleges Association

Ian Pretty, Chief Executive, Collab Group

## Public Bill Committee

*Tuesday 22 November 2016*

*(Morning)*

[MR ADRIAN BAILEY *in the Chair*]

### Technical and Further Education Bill

9.25 am

**The Chair:** Before we begin, I have a few preliminary points, which some of you may be familiar with. Please switch electronic devices off or to silent. Tea and coffee are not allowed during sittings, but you may drink water. Today we will consider the programme motion on the amendment paper. We will then consider a motion to allow us to deliberate in private about our questions before the oral sessions, and then a further motion to enable the reporting of written evidence for publication. There is an amendment to the programme motion, because one of our witnesses, Poppy Wolfarth from the National Society of Apprentices, has had to pull out because of a family illness.

**Gordon Marsden** (Blackpool South) (Lab): On that point, we all try very hard to get the apprentice voice heard, so it is unfortunate that the witness cannot come today. On the original list of witnesses was the name of Baroness Wolf, which has since disappeared, so she is obviously not giving evidence to us today. Do we know the background to that?

**The Lord Commissioner of Her Majesty's Treasury (David Evennett):** I believe she is unavailable to come along today because of other commitments. We are disappointed, but obviously people have full diaries.

**Gordon Marsden:** Indeed, and she is a very busy lady.

**The Chair:** In the Minister's absence, I call the Whip to move the programme motion and the amendment to it.

*Motion made, and Question proposed,*

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 22 November) meet—

- (a) at 2.00 pm on Tuesday 22 November;
- (b) at 11.30 am and 2.00 pm on Thursday 24 November;
- (c) at 9.25 am and 2.00 pm on Tuesday 29 November;
- (d) at 11.30 am and 2.00 pm on Thursday 1 December;
- (e) at 9.25 am and 2.00 pm on Tuesday 6 December;

(2) the Committee shall hear oral evidence on Tuesday 22 November in accordance with the following Table:

<i>Time</i>	<i>Witness</i>
Until no later than 10.10 am	Lord Sainsbury of Turville; Shadow Chief Executive for the Institute for Apprenticeships; National Society of Apprentices

<i>Time</i>	<i>Witness</i>
Until no later than 11.25 am	Association of Colleges; Further Education Commissioner; Sixth Form Colleges' Association; Collab Group (formerly 157 Group); University College London
Until no later than 3.00 pm	Ernst & Young; Lloyd's Banking Group; Santander; Barclays
Until no later than 4.00 pm	National Union of Students; Learning and Work Institute; Blackpool and The Fylde College

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clause 1; Schedule 1; Clauses 2 to 23; Schedule 2; Clause 24; Schedule 3; Schedule 4; Clauses 25 to 45; and remaining proceedings on the Bill; and

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 6 December.—  
(*David Evennett.*)

*Manuscript amendment made:* 1, in paragraph (2), leave out “; National Society of Apprentices”.—(*David Evennett.*)

*Main Question, as amended, put and agreed to.*

*Ordered,*

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(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 6 December.

*Resolved,*

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*David Evennett.*)

*Resolved,*

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*David Evennett.*)

**The Chair:** Copies of written evidence that the Committee receives will be made available in the Committee Room. We will now go into private session to discuss lines of questioning.

9.28 am

*The Committee deliberated in private.*

### Examination of Witnesses

*Lord Sainsbury and Peter Lauener gave evidence.*

9.33 am

**The Chair:** Good morning and welcome. Would you say a few words to introduce yourselves and the positions you hold, for voice transcription purposes if nothing else? We all know you, but that would be helpful.

**Lord Sainsbury:** My name is David Sainsbury. I was chairman of the Independent Panel on Technical Education.

**Peter Lauener:** My name is Peter Lauener. I am shadow chief executive of the Institute for Apprenticeships, and therefore leading its set-up—it will be up and running next April.

**The Chair:** Before I call the first Member to ask a question, I remind all Members that questions should be limited to matters within the scope of the Bill and that we must stick to the timings set out in the programme motion that the Committee has agreed. For this session we have until 10.10 am, so if we are approaching 10.10 am please do not ask a long question that the witness would be unable to answer before the knife falls. I call Gordon Marsden.

**Q1 Gordon Marsden:** Thank you, Mr Bailey. It is a great pleasure to serve under your chairmanship and to welcome our witnesses, both of whom have a distinguished and long-standing interest in this area, which we will pursue.

Lord Sainsbury, these issues about technical education, which you have campaigned and lobbied for hard over many years, have finally reached some form of catharsis—if that is the right word—in terms of the statute book, which for you must be somewhere on the spectrum between huge delight and moderate satisfaction. However, the Bill has avoided committing to the 15 routes that you suggested in your review. Are there any specific additional provisions that you would like to see in the Bill?

**Lord Sainsbury:** No. It seemed to me to be a very sensible approach to this issue. Always, in these things, you have to combine the basic requirements, but you also need to leave room for flexibility. I do not think that there has been a great argument about the 15 routes, but in the end one needs to have some flexibility built into a piece of legislation, if it is going to last as we hope it will.

**Q2 Gordon Marsden:** Yes. I am sure that in later discussions the Minister will want to elaborate on this issue, but there have been statements by Department for Education and Skills Funding Agency officials on the extent to which the routes themselves might be rather flexible, in terms of what they could include, even within the 15. It makes me think of the line:

“In my Father’s house are many mansions”.

We hope that some of those mansions will be explored further on.

I want to press you further, because you said that you are perfectly content with the position as it is, but you have been—forgive the English, or the French—“banging on” about this for years and years. I remember at least two excellent addresses in the past decade that you have given to various organisations on this issue. Yet we know, according to Baroness Wolf and the pamphlet, “Remaking Tertiary Education”, which she has just been involved with, that:

“Technical education, at Level 4 and Level 5, is on the verge of total collapse due to a steep decline in numbers.”

I also note that you have called for more funding for the technical route and for implementation. Would you like to comment further on those two points?

**Lord Sainsbury:** I think that funding is absolutely key to this whole area. I think that we have organised our system of technical education extremely badly over the years, but it is also true that we have underfunded it on quite a substantial scale. What has been proposed in my report, and what is in the Bill, will greatly improve and clarify the system, but there is still an issue of funding. If you look at the number of hours we fund further education colleges to do this kind of training, you will see that it is extremely low by international standards. So there is a funding issue here, as well as the bits of funding that we have suggested, for example for work placement, which is clearly fundamental and which I hope we can get movement on. There is a more long-term basic funding issue.

**Gordon Marsden:** We may or may not get some clarity on that in the autumn statement, but I am grateful to you. Mr Bailey, I would like to ask Mr Lauener some questions in due course.

**The Chair:** Are there any other takers? While other Members dwell upon that, I will invite you, Mr Marsden, to ask your question of Mr Lauener.

**Q3 Gordon Marsden:** Mr Lauener, it is a great pleasure to have you with us today. You have an enviable record of longevity in this area of activity. When I was going over your CV and looking at the various things you have done over the years, I was reminded of the famous French statesman Talleyrand. When asked what he had done during the French revolution, he famously replied, “I survived.” You seem to have survived several revolutions in this area, and several Governments. Could you start by saying what the key issue is for you in your new position, as opposed to the variety of positions you have held in the past?

**Peter Lauener:** Thank you very much; that was a very interesting introduction. The Institute for Apprenticeships does have a key role, and of course as a result of this Bill it will morph into the Institute for Apprenticeships and

Technical Education—subject to Parliament. The key thing for me is, first, that it demonstrates employer leadership of apprenticeships and technical education. That is not just about the body at the head of the institute, where we have been very pleased with the high calibre of applicants for positions, but it also refers to all the route panels and other bodies that will bring expertise to the institute.

We have estimated that overall that should amount to between 250 and 300 employers involved in all parts of the institute. The number itself, if it is managed badly, could just become a bureaucratic process, but I think it is vital that those employers bring expertise and credibility, and that when the institute says we need a new standard in this, it is because employers are saying that.

**Q4 Gordon Marsden:** I could not agree with you more on that; it is extremely important, going back to the original review in 2012, which talked about the whole area being employer-led, that that is the case. Unfortunately, following a series of untoward events, that has not exactly been demonstrated in the institute's leadership so far, has it? Because you are the second shadow chief executive who has been there. The first was a lady who had a significantly long civil service career in various Departments, but she did not stay terribly long—I think she stayed about a couple of months. Now you have taken over. I pay tribute to your versatility, because you hold a number of other positions.

The message that has been sent to the outside world, which may be unfair, is that although the Government have talked about the institute being employer-led, they have not put that into practice thus far when it comes to its shadow chief executives. What confidence can we have that the new board, chair and chief executive will have a very strong employer focus?

**Peter Lauener:** To make an obvious point, the institute does not yet exist—legally it will start on 1 April next year—so the preparations and appointments are being made. When people see the calibre of the board, and the employers on route committees supporting that and bringing particular sector expertise, everyone will see that the institute has employer knowledge, skills and behaviours—to take that phrase—built into every aspect of its operation.

**Q5 Gordon Marsden:** Can I just stop you there? You talked about the recruitment process, but can you give us any clarity on when it will be completed and when we might expect to see, as it were, white smoke coming out of the chimney? We are on a terribly tight timescale for this process, with the introduction of the apprenticeship levy and the formal setting up of the new institute.

**Peter Lauener:** The process for appointing members of the institute is substantially complete. I expect an announcement will be made about that shortly.

**Q6 Gordon Marsden:** Is that a civil service “shortly” or a general one?

**Peter Lauener:** There is not yet a planned date for it. There are one or two items—

**Gordon Marsden:** Before Christmas?

**Peter Lauener:** I would be surprised if there was not an announcement before Christmas. Incidentally, we are also planning to publish for consultation the

Government's remit letter in draft to the institute, and I would also expect, again before Christmas, a draft of the institute's first strategic plan. The intention is that that would then be open for discussion with a wide group of employers and stakeholders, so that the institute, when it is formed, with the employer members and the shadow chair—I will say something about that in a moment—will be able to start its operation with an agreed plan for the 2017-18 year, which has already been subject to wide consultation and which is owned by the institute.

The other thing to add, of course, is that Antony Jenkins has been shadow chair. In my experience, having had several discussions with him, he has brought very visible employer leadership to this set-up phase, and I have been very happy to support him during that. The advertisement for the post of permanent chair is now closed. I expect interviews to take place shortly and an announcement to be made in due course. That might well take a bit longer.

**Q7 Gordon Marsden:** It is helpful to hear that you want to keep the employers in a prominent position. It is also important for the wider FE sector, which you are trying to encourage to take up apprenticeships. The Minister's predecessor, perfectly rightly, exhorted the sector—not with significant success—to increase apprenticeship numbers. On the subject of increasing numbers, I want to ask about capacity—not your personal capacity, which obviously encompasses quite a few areas already, but the capacity of the institute to do some of the things said on the tin.

One of the Bill's important provisions is the extension to the area of technical education. We welcome that and think it is very important. I am sure Lord Sainsbury does as well. However, that area has capacity issues, too. The Minister and, for that matter, you, have been rather coy about putting out any figures for the staffing of the institute, so we have had to rely on rumours and leaked papers. We were told originally that there were going to be 40 employees, and there is now some suggestion that there will be around 100. Are you able to give any more clarity on that?

**Peter Lauener:** I expect that when the institute starts at the beginning of April next year, it will have about 60 employees. The planned running costs next year are about £8 million, but the number of staff will need to build up as the additional responsibilities, subject to Parliament, are added. That will probably be another 30 or so staff. I should emphasise that those figures are provisional at this stage. We need to keep them under review. One thing I am looking at is the roles and responsibilities of the Skills Funding Agency and the institute. There may be some marginal adjustments.

**Q8 Gordon Marsden:** So you are interrogating yourself on a daily basis.

**Peter Lauener:** I constantly challenge myself by saying, “Am I using the resources available in the best way possible?”

**Q9 Gordon Marsden:** Well, at least you will have a convenient and convivial conversation, because you are one and the same thing, are you not?

**Peter Lauener:** I am indeed. As I am sure you are aware, I am also chief executive of the Education Funding Agency. It would not be at all appropriate for these

three things to be combined on an ongoing basis. As I said at the start, I am very pleased, because of a lifelong interest in and commitment to apprenticeships, to have the responsibility of helping to set up the institute for next April and to ensure that the governance is—

**Gordon Marsden:** Indeed, and we will not commit you to the two further roles that *FE Week* cartooned you as having: taking part in the “Great British Bake Off” and “Strictly Come Dancing”.

**Peter Lauener:** No one has contacted me about those.

**Q10 Gordon Marsden:** As we know from Vince Cable, people from this area have a good track record, so you might want to put that on your list.

You talked about the numbers. I think there will be considerable concern in the sector as to what skills these people bring to the table. With that in mind, and given the staff reductions in the Department for Business, Innovation and Skills—of course, this is a machinery of government change—do you expect to be moving across or recruiting people from either the SFA or BIS who have previous experience in this area?

**Peter Lauener:** We have advertised externally for the key role of deputy directors, where we are looking to fill six posts. We have been very pleased, again, with the quality of applicants, which I think is an indication of the widespread interest across employers and the training and skills sector in the institute being set up. We have had a very good set of applications. From memory, we had 90 applications for those six posts, and we are very confident that we will be able to appoint a broad range of experienced individuals.

**Q11 Gordon Marsden:** Can I take you up on that point about a broad range of experienced individuals? That can cover a multitude of abilities or a multitude of sins. Many stakeholders have expressed concern throughout this process—indeed, the Opposition expressed it during the passage of the Enterprise Act 2016, which gave birth to the concept—that the new institute’s board might be too narrow in its experience and focus, as we believe the apprenticeship delivery board has been. Do you have any views on the importance of having, for example, an apprentice or someone from the apprenticeship coalface, as it were, on the board?

**Peter Lauener:** I think that the institute should certainly be clear how it is going to secure the voice of apprentices in its understanding and deliberations. I do not think that I should comment about the particular membership of the institute, but the principle of having knowledge, understanding and the live voice of apprentices is really important for the institute’s work. Inevitably, there is a lot of focus on employer leadership, but I think we need to look at apprenticeships from the perspective of employers and individuals.

**Q12 Gordon Marsden:** My final question is not so much about the membership of the board as about the reception that you want the new institute to get from providers and employers. As you know, a big question that is still being discussed vigorously in the FE sector is the extent to which small and medium-sized employers will be able to benefit from the apprenticeship levy. It is widely believed that gaining acceptance in the SME

sector will be critical for the Government to reach their 3 million target. What confidence do you have that the new board will be able to reflect and respond to the SME sector’s continuing concerns that it is not exactly at the front of the queue in terms of the apprenticeship levy?

**Peter Lauener:** I would extend that beyond the board itself and to the route committees that I have talked about. There needs to be a wide range of employer experience, both from large employers and small and medium-sized employers, in these critical bodies—the route committees—which will be looking at the right standards. Of course, the standard that we are talking about is the standard wherever it is applied; it is about the standard for an occupation and about the knowledge, skills and behaviours that an individual needs to be able to do a job properly for the benefit of the employer. You need the context both of large employers and of small and medium-sized employers to make that work properly.

**Q13 Gordon Marsden:** But you understand the point that I am making, I hope. Without becoming too technical, one issue historically for SMEs in taking on apprenticeships has been the lack of back-office support. In my experience—I have employed three apprentices over a three-year period, and being an MP is like running a small business; you juggle all sorts of things—SMEs constantly say that they would love to take on apprentices, and when they do and the apprentices are successful, no one is a stronger advocate for them than SMEs. However, they struggle with back-office support, red tape and all the rest of it. I am not trying to commit you to a specific SME place on the board, but do you understand why those concerns persist? Do you intend to try to provide reassurance about them and, if possible, given your years of unrivalled experience in this area, cut some of the red tape?

**Peter Lauener:** First, the new technical system—the digital apprenticeship service—that will be introduced from the beginning of next year will be much easier for employers of all sizes to navigate and for individuals to see apprenticeships on the system. That will be open to only large employers at the start, but we would expect to extend it over time.

Secondly, we should not underestimate the role of training providers. Again, under the digital apprenticeship system, most employers will still be using a training provider. They will be able to choose from the training providers on the system. In my experience—I speak partly as an employer in my own organisations of apprentices—organisations are heavily reliant on the training provider to make sure that the training is relevant, well managed and that the trainee is supported through the apprenticeship. I would expect that to be a continuing pattern in the future.

**Q14 Justin Tomlinson (North Swindon) (Con):** I want to build on some of the comments Mr Marsden has made. I used to run a small business, and by accident I employed someone on an apprenticeship because I stumbled across an apprentice, and I benefited greatly. One of the biggest challenges in us reaching the commendable target of 3 million apprenticeships is that lack of awareness from small businesses. I have repeatedly pushed that we should use the business rate mailer to include a rather nice, glossy A5 flier.

[Justin Tomlinson]

It is encouraging that you are talking about this digital portal where there will be a one-stop shop for all the information, but you said at the beginning that that is just for the larger employers. How quickly do you see that being cascaded down to the smaller employers? The reality is that, whatever the political persuasion of the Government of the day, the large employers will re-badge their ongoing training packages to match what is going. If we really are to create some great opportunities, we must include those small and medium-sized businesses that can offer those unique, more bespoke jobs that can fit apprentices' individual skills and give them a real opportunity to progress. However, those businesses are waiting to be told of this fantastic resource. How quickly can we cascade that information down?

**Peter Lauener:** I should make it clear that the ability of small and medium-sized employers still to be involved in apprenticeships does not depend on day one of the digital apprenticeship system. We would expect to continue the allocations of funding to training providers—to be clear, that is through the Skills Funding Agency rather than through the Institute for Apprenticeships—which we have operated for many years, for small and medium-sized employers. That will ensure significant continuity in the system. I would expect no risk to the target for growth in numbers.

That will apply for the 2017-18 year. We will need to review that in the context of how quickly the levy-paying employers take up the opportunities to secure apprenticeships under the levy system, so we will monitor that closely. The 2017-18 year is secure, and after that we will review how small and medium-sized employers should be brought on to the core digital apprenticeship service. But even from day one it will be a public-access system and people will be able to see what is on it, so I think it will be a good way of conveying the richness of apprenticeships available.

**Q15 Justin Tomlinson:** But people will see it only if they know to go and look at it. Therefore, in theory we are relying on the training providers making contact with them, and when they do I am sure that businesses snap their hands off. However, the training providers do not have huge marketing budgets, so they do not go door-to-door to those small employers.

The Department for Work and Pensions is trialling the small employer offer. It is worth considering sitting down with the DWP and talking about whether there could be joint funding for that offer. In the economy at the moment a lot of businesses have skills gaps, and the idea is that someone in each region or employment area doorsteps an employer and asks, "Do you have a skills gap in your organisation? What is it?", and then goes back. They could find that, "An apprentice is suitable for you. There are the providers. We will ask them to visit you next week and discuss it over a cup of tea", and match them together. Therefore, rather than trying to duplicate things, with some co-funding I think you will be able to plug those gaps. That, in my opinion, is the fastest way for us to get to that 3 million target.

**Peter Lauener:** Thank you very much for the suggestion. I am happy to take that away and look at it. One other thing we operate at the moment, which I think is quite successful, is a dedicated employer helpline, which I

think operates 8 am to 7 pm, seven days a week. We get quite good feedback on the information available on that for employers.

**Justin Tomlinson:** Find a way to sneak it into the business rate mailer—then every business will know about it.

**The Chair:** I remind Members that we have only 12 or 13 minutes for three further questioners, so could questions be brief and answers pithy? Thank you.

**Q16 Tracy Brabin (Batley and Spennings) (Lab):** I applaud your desire to reach out to learners and have a conversation with them during the teething process. However, there does not seem to be a specific requirement in the Bill to have learners on the board, talking to you. They are going to be the guinea pigs. This will be up and running very soon; April seems five minutes away. Can you specify how learners are going to be connected to the board?

**Peter Lauener:** I cannot specify that in detail at the moment, because that is, properly, something that the board should discuss. With my deputy chief executive, Mike Keoghan, I am making a plan of board activities during January, February and March, to allow the board to focus on all the aspects of its remit and to think about the governance as well. I mentioned earlier that we expect to consult on a draft strategic plan for the institute for 2017-18, and I am sure that that will be an occasion to raise the question and get lots of views back. The board can then discuss it in the January to March period before coming out with its final plan, I hope right at the beginning of April, so that it is clear from the start of the institute's operation exactly how it will operate across a broad range of activities, certainly including the one that you have mentioned.

**Q17 David Rutley (Macclesfield) (Con):** The Bill supports the occupational categories of quality apprenticeships set out in that excellent document, the "Post-16 Skills Plan"; they include construction, and engineering and manufacturing. That is fantastic and a real step forward. Do you both believe that the Bill provides an effective ability to redefine those categories as economic sectors evolve? Secondly, do you believe that the mechanisms are in place to enable businesses and employers to have a meaningful role in redefining those categories as things progress?

**Lord Sainsbury:** It comes back to the original question. You have to have a certain amount of flexibility. As far as I can make out, that flexibility is there, and it is important. Of course, it is also important that we do not let the system degenerate, whereby everyone goes back to saying, "I want something specifically for my business or a very small group of businesses." It is very important that one keeps down the number of routes, but exactly what categories they include will have to be for the people running those routes to say. I think we have made quite a good stab at doing that, but there are one or two cases where you can certainly argue about whether we got the right job in the right route.

**Peter Lauener:** It is absolutely vital that the institute actively manages the system of apprenticeship standards. For the past couple of years, while new standards have been developed by trailblazer groups, we have not had that picture of what the overall system would look like.



Lord Sainsbury's report helps enormously with that. An early priority for the institute is to develop that map, communicate it, review it actively and spot areas that need updating. I imagine that one or two of the early standards will, with hindsight, look a little bit narrow, so they ought to be reviewed. Every standard has a review date anyway, but the institute, through its route committees, will need to actively manage that.

One of the great virtues of the German system is its absolute clarity about the number of apprenticeships, routes into apprenticeships and things like that. If you talk to people in Germany, they often say, "We'd like the system to be more flexible." I think the institute has the opportunity from the start to build in that flexibility and responsiveness to the changing labour market.

**Q18 Naz Shah** (Bradford West) (Lab): I have a quick question about the idea that this is going to turn into another 11-plus. What reassurance can you give us about what you have put in place to ensure that the technical route will be as prestigious as the academic route?

**Lord Sainsbury:** There has been a very long-running argument about this. It is useful to look at the experience of other countries. If you do that, you see that pretty well every developed country has a system of two routes: an academic route and a technical education route. There is quite a variation in the point at which people choose between the two routes, but most of them have it. In most of the successful countries you find the two routes are equally well valued, so there is not a problem of the technical education route being considered inferior. You can have these two routes and both of them be highly valued.

The question we have to ask ourselves is why in our system the technical route is undervalued. I think the answer is because it is a very bad system that does not deliver what people want on the system. What they want above all is to be able to take a qualification and for that qualification to work in the marketplace. What that means is that you can go along to an employer and say, "I have got this qualification," and the employer will give priority to you over somebody who has not got the qualification. That is not true of our system. The first thing you have to do to make the technical education route valued is to make it deliver for young people something of value to them, which is the ability to get a better job with security. That is the issue. It is not about age of selection or the fact that you have two routes.

**Peter Lauener:** I agree 100%.

**The Chair:** That brings us to the end of the questions. I thank the witnesses on behalf of the Committee. We will move on to the next panel, who are all here. Thank you very much.

#### Examination of Witnesses

*David Hughes, Professor Alison Fuller, Richard Atkins CBE, Bill Watkin and Ian Pretty gave evidence.*

10.7 am

**The Chair:** We will now hear evidence from the Association of Colleges, the Further Education Commissioner, the Sixth Form Colleges Association, the Collab Group and Professor Alison Fuller from

University College London. We have until 11.25 am. Welcome. Please introduce yourselves for voice transcription purposes.

**David Hughes:** Good morning. I am David Hughes, chief executive of the Association of Colleges.

**Professor Alison Fuller:** I am Alison Fuller, professor of vocational education and work at UCL Institute of Education.

**Richard Atkins:** I am Richard Atkins, the FE Commissioner.

**Bill Watkin:** My name is Bill Watkin and I am chief executive of the Sixth Form Colleges Association.

**Ian Pretty:** I am Ian Pretty, chief executive of the Collab Group.

**Q19 Gordon Marsden:** I warmly welcome all of our panel, each distinguished in different areas. Who to pick on first is an invidious choice, but given the context of the previous conversations, perhaps I could start with David.

We have just heard from Peter Lauener an expansive view of where the institute is going. He talked about its digital abilities and I think the words he used were that standards would continually need redefining. As that was going on, hammering in my brain was "capacity, capacity, capacity". You have expressed some concerns about the capacity. Would you like to elaborate on that?

**David Hughes:** Thank you for picking on me first. The capacity issue is partly about timing as well. I am concerned—we are very concerned—that the changes are being rushed because of the timing issues. Sixty people sounds like a small organisation to deal with 15 routes and 250-odd employers. There is a big job to be done and it does feel as though a lot is changing at the same time.

What we have been doing with Peter and his team and with officials in the Department is trying to think through the risks and to work with them to make sure that we can address any problems that occur very early on. When you are fundamentally changing the funding system, there are lots of unknowns. The big unknown is how employers will behave in the new system—nobody can predict that. It is in all our interests to make sure that we do not lose capacity in the whole system, let alone in the IFA itself. We have offered to work closely with Peter and his team to try to address any problems at a really early stage, and I am really pleased with the response so far.

**Q20 Gordon Marsden:** That is good, and highly valuable. One of the things I did not mention is the fact that the Government used to be able to use the UK Commission for Employment and Skills as a backstop—sometimes a very short-term backstop—in terms of delivery mechanisms out of the Department, but of course they rather unfortunately abolished that earlier this year. On that point, because as you well know there has been a lively debate between Ministers and your membership in the past as to whether they are doing enough for apprenticeships, are you confident now that your members have got the message about the new institute, or are there particular issues that you would still like to highlight?

**David Hughes:** I think there are three key issues. One is funding, and it was good to hear Lord Sainsbury talking about the funding issues. If we want a really

high-quality system, we need to invest in it. I still find it completely illogical that we fund 11 to 16 at something like £5,500 per head, 16 to 18 at about £4,000, apprenticeships at about £1,500 per head and higher education at £9,000. In HE, we have index linking coming in with the new teaching excellence framework which we do not have in FE. If we want a high-quality offer at 16 to 18, which we do, we need to get the investment right.

Two other issues that go with that investment, and are really critical to allow colleges and other providers to invest in quality themselves, are stability and certainty. The thing that we want more than anything else, both on the technical education side and on the apprenticeship side, is some stability rather than constant change and churn, and certainty about those changes, so that my members and others can invest over the long term in the equipment, the people, the relationships and the outreach to students and potential apprentices. We have had a blizzard of changes over the past 10 or perhaps 15 years, and that causes my members and others to be cautious about the investment they make. The biggest risk to all this is the lack of certainty for the future. It is difficult, because how do you provide certainty? Some big statements from Government would be really helpful.

**Q21 Gordon Marsden:** You are absolutely right to make that point. The old joke used to be that when the Minister for HE sent a letter to universities it was more like the opening gambit of a conversation, or, “Would you like to do this?” whereas the letter that went to FE just said, “Do it.” I think and hope that we have moved on from there, Minister, and I hope that will not be the case in quite the same dirigiste way in the future. One of the issues that employers and other sectors are raising with me is just how rapidly some of the things, such as the digital system, are going to come on board. If that does not work to start with, that is going to be a further downer and concern for your members, is it not?

**David Hughes:** There are lots of concerns. The comparison with HE is quite interesting. Last week, the Higher Education Funding Council came out with a report on the financial picture for the sector; it is very concerned that there is only a 4.3% surplus predicted for next year. The FE sector has no surplus. That is my investment point. Quality needs investment, and FE colleges do not have that investment capacity at the moment. Issues around the digital service would and could be overcome by providers and colleges working closely with the employers they already work with, and that is one of those issues of timing and capacity. So there is a partnership approach that we are trying to push very strongly.

**Q22 Gordon Marsden:** Ian Pretty, you have been in post for about a year now. You have come to what we used to know as the 157 Group, now Collab, from a distinguished background as a career civil servant and also having spent time in the private sector. Having been in post for a year, what have you learned and what are your members telling you about capacity issues that is relevant to the Bill and particularly to the specific questions we have raised about the institute’s capacity to do all the wonderful things Peter Lauener told us about?

**Ian Pretty:** I agree with a lot of what David said. In terms of the capacity issue for the institute, you have to get the right resources in there. As you said, I am a former senior civil servant and a tax inspector, so I have a lot of experience in those things. I would focus on capability as well. You can have 60 people or 100 people in the institute, but have you got the right capability? I would be nervous if the institute was completely staffed by civil servants. If this organisation is about co-creation with the private sector and the education sector, you need people with the capability to understand how business thinks and how business operates. You also need people who understand how the education providers operate. On the capacity issue, in terms of raw numbers you will cite something, but capability is more important.

**Q23 Gordon Marsden:** You have to drill down, basically; that is what you are saying.

**Ian Pretty:** Yes, and you have to have the right people sitting in that institution. If the institute is focused on the skills plan, as the Government propose, that is sensible to me. Given my background, one thing I am mindful of is that we spent a huge amount of time—displacement time—on the area-based reviews. If we had had the skills plan and the insolvency regime in place, the ABR process might have been a smoother and easier process, because there would have been a logic to it.

**Q24 Gordon Marsden:** Your members include a significant number that have HE capacity. We were talking yesterday in another place about HE issues. One concern that has been expressed to us is the institute’s ability to grapple with the HE dimension of higher skills, which I am sure Lord Sainsbury would think is important, and treatment in terms of HE in FE colleges. Sometimes, dare I say it—I certainly felt it in the White Paper—it is an afterthought, rather than an integral part of the solution. What do you think the institute and Ministers need to do to ensure that the role of HE in FE is more fundamentally understood by Departments?

**Ian Pretty:** In terms of the institute’s capabilities and the people who are in there, it is important; you are right. Most of our members have HE as part of their remit. This goes back to the whole issue around the skills plan and the Sainsbury review. If you create the right technical pathways, you need to understand through that, from level 1 up to 6-plus, where that will be delivered and the role of HE within that. It could be HE in terms of the universities sector, but in our case it is HE sitting within the FE sector. That is a growing business for us, particularly around things like degree apprenticeships. It is important that the institute understands HE and plays an active role in understanding how HE operates within the FE sector.

**Q25 Gordon Marsden:** Finally, I will come to you, Professor Fuller. I am not going to credit you with quite the longevity—perhaps I should, but never mind—that I gave to Peter Lauener, but you have been around for quite a long time in this area. You have seen promises and Select Committees come and go. In the things you have seen and heard so far about the new architecture that the Government are proposing, which do you think are good and positive steps forward, and which are you feeling a bit more queasy about?

**Professor Alison Fuller:** I certainly welcome the renewed focus on what we used to call vocational education but now call technical education, and the seeming rise of it up the public policy agenda. However, today and in this Bill what we are trying to scrutinise is what stands behind that. We have been concerned about that for years, and it is about the seriousness with which this is taken. My colleagues have talked very clearly about capacity and capability issues. When we look at comparative countries, we see much more stability and longevity about arrangements for drawing in all the key constituencies to the decision-making processes. That kind of stability is there.

In addition to the stakeholders that have been mentioned, I would also say that the professional bodies and associations are key to this as well, because we are talking here about how these new routes will articulate during a career with the ladders of progression that exist. The professional bodies and associations are essentially the guardians of that kind of area.

In terms of concerns, it is really the substance and significance of the routes that are being proposed that concern me, if we are going to try to create something that is really high quality and which begins to address the parity of esteem question, which one of the panel was talking about earlier. The reality is that we are talking about a proposal for two-year programmes, which are called full time, but if you dig into what full time means, the definitions can be as little as 12 to 14 hours a week. If you phone up a college and say, for example, "I am looking to do a level 3 course in business administration. How many hours would that be?" you will typically be told 12 to 14 hours. If you look at the benefit rules, full time is defined as around that time. Potentially, we are looking at trying to help young people to reach a much higher level—level 3, hopefully, after two years—but with very little input. That is a real concern for me. That raises questions about how the routes are articulating downwards with the GCSE and upwards to higher education.

There is a big issue about intensity. Again, when we compare with other countries, we see that the full-time vocational routes tend to be longer. They may start a bit earlier. We have at the moment 16-plus, 16 to 18; they may start at 15, but they will typically have three or even four years, ending up at a good level 3 standard. That is an issue and has huge implications for resourcing and funding, which David and others have raised.

**Q26 Gordon Marsden:** You are talking about length. There have been a lot of conversations, some of them a bit semantic, about the pre-apprenticeship route, particularly if we want young people to get good-quality apprenticeships. There is obviously the traineeship issue, or call it pre-apprenticeship, or whatever. Are you saying, Professor Fuller, that the actual process needs to be longer or that there need to be more preparatory steps to get young people—not only them, though they are the key component—who would not otherwise be able to compete for some of the high-quality apprenticeships that will be on offer?

**Professor Alison Fuller:** Probably both. If you look at attainment at 16, we have just had recent figures that show that still it is only just over 50% of young people who are achieving five GCSEs A to C grades, including English and maths. We know that those who are achieving

that benchmark tend to stay on in the school route and take A-levels or a combination of A-levels and BTECs, which are sometimes called applied A-levels. That particular route has been quite successful in supporting social mobility and particularly progression to higher education.

Unless we start to eat into that population, we are talking about young people who have not attained that level at 16. We are proposing what we would all want to be a very high-quality technical education route within two years to get to what point? That is where we need to take a check and be realistic about what we might be able to achieve in two years on those kinds of numbers of contact hours and that kind of period.

We know that a good-quality level 3 standard is a really strong platform for career progression and engagement with employment. So for a good majority of our young people at 18 or 19, that is the kind of real aspiration we should be aiming for. It seems to me that without a much stronger commitment to what the resources are going to be, and what the container is going to be, if you unpack what a route is, we could end up with young people who have not made sufficient progress to reach the platform where they are going to have a secure stepping stone into the labour market and good-quality apprenticeships.

We know that at the moment 60%-plus of apprenticeships are at level 2 and that not many 16 to 18-year-olds are doing them—I think it is about 130,000. So there is quite a lot to do to ensure that all apprenticeships are as good quality as the fantastic ones that we know do exist.

**Q27 Tracy Brabin:** David, I have been told that in some circumstances members of staff such as receptionists without relevant qualifications or training are carrying out careers guidance in colleges as a tick-box exercise. Are you concerned that there is no careers guidance provision in the Bill?

**David Hughes:** I am very concerned if that story about reception staff is true, because it is an incredibly important area of education and, of course, it does not start at 16; it starts a lot earlier. I would echo a lot of what Alison was saying. We need to think about key stage 4 rather than just look at age 16-plus, because the decisions that get made by young people and their parents and carers are critical to their future. We need to think about introducing them to the world of work rather than just providing them with some information about courses, so the work experience and work placements that the Sainsbury report and the skills plan rightly concentrate and focus on are really important to consider for key stage 4, rather than just waiting until 16. We want some of the best young people with good achievements at GCSE at 16 going into the technical route and apprenticeships rather than what we have now, which is mostly that if you do well at GCSE at 16, you take an academic route.

We know that probably about £1 billion is wasted when young people go on an academic route for a year and then move off it because they find it is not suitable for them. We need to stop that happening because that wastes money and, more importantly, young people are using up a year of their life on something that does not stimulate them or motivate them. We have got to go back into key stage 4 rather than just wait. It is critical that we get college information, advice and guidance

right, but let us think about careers education through school, not just right at the end, and let us think about persuading the best young people to do technical if that is the right thing for them, because it should be high-quality to attract them.

**Q28 Kelvin Hopkins** (Luton North) (Lab): What David Hughes and Professor Fuller have been saying is striking. I recall comparisons made some 25 years ago by the National Institute of Economic and Social Research and Professor Sig Prais between technical education in Britain and in Germany, Italy and Spain in particular, where they had up to 30 hours a week of contact-intensive pedagogic teaching over a period. In Britain it was nothing like that.

The underfunding of technical education and 16-to-19 education is noticeable. By contrast, at universities—I went there many years ago—you have a few lectures and a couple of seminars and tutorials, so the contact hours are much lower but the funding is much higher. Do you not think we have got this the wrong way around?

**David Hughes:** For lots of the technical routes, we are getting 12 to 14 hours of contact time, and that pales into insignificance compared to most of our competitors in the OECD. It is a really important issue. It is not just for technical, though; we have now got young people being offered only three A-levels rather than four AS-levels, and that is really shameful. It means that their opportunities to explore at 16 have been limited.

We really must address the investment issue to get the level of support that is required for young people. We are talking about young people who might have careers lasting 50 years-plus. They need a broad education to allow them to become learners, to think about continuous professional development, to change career probably two or three times and to be able to move when technology moves. I do not think that 12 to 14 hours of contact time for the 16-to-19 phase is enough. I do not think that the quality will be high enough or that the choice, even on A-level routes, is good enough, given the funding that is available.

**Professor Alison Fuller:** I am sure others will want to speak, but I would hate to say, just because we maybe think there is a big contrast in the numbers, that higher education is overfunded. I certainly would not want that message to come through.

There are a couple of other points. One is that a lot of vocational education—I still say that—happens in universities. The expansion of higher education has largely been in relation to vocational higher education courses in applied areas. A big cost of that is in equipment—lab space, technology, machinery and so on—and that same argument is behind suggesting that further education should really be better resourced. Good-quality technical education does not come cheap; the reality is that it is extremely expensive. We need very highly qualified vocational teachers—I include those who are moving in and out of employment, and I am sure Richard will speak about that, because he was part of the very influential report a couple of years ago from the commission chaired by Frank McLoughlin. It is a case of being serious about what it costs to provide a good-quality technical education, in terms of the people, resources, equipment and facilities.

**Q29 Kelvin Hopkins:** I wonder whether Mr Watkin would like to say something about sixth-form colleges and the squeeze on funding there.

**Bill Watkin:** We published a report recently about the impact of the current funding levels, which, although the Government have set them at a certain level, are set at that level following three significant cuts which have cost the sector about 17% since 2011. As David just said, we find that the number of A-levels being offered is increasingly only three rather than four; that minority subjects are being lost—it is not just the high-profile archaeology and history of art, but modern languages and sciences—and that the enrichment support, pastoral support, the activities after college and the careers guidance are all at risk because of low funding levels.

We are also finding, exactly as has been said, that international comparisons show we are not funding enough hours of tuition per week. In Singapore and Shanghai, for example, they are funded for approximately 30 hours a week, whereas in New South Wales it is 26 hours a week. In England it is about 15 hours a week. Of course, the impact of that is that students from more disadvantaged backgrounds will find it harder to use the untaught time. It is not just that there is not enough teaching time to cover the qualifications, but that the non-taught time has to be used effectively. It is much more difficult for young people from disadvantaged backgrounds to use non-taught time well.

**Q30 Kelvin Hopkins:** It is a major factor. When Michael Gove was Secretary of State, I asked him why we were having to recruit so many engineers from abroad. He said that we were not training enough ourselves because our mathematics was not good enough and we could not get them up to the standards required. Resource is surely what the problem is.

**Bill Watkin:** It is certainly one of the problems. There is also the shift in what qualifications are available. To move away from apprenticeships and technical professional education for a moment and talk about the academic curriculum, we have just seen, for example, the loss of use of maths and the loss of statistics from the range of qualifications available. That means that young people coming into a sixth-form curriculum looking to study maths only have one route available for them at the moment. That is almost a commercial decision made by awarding organisations, but it is enormously unhelpful to young people who want to support their studies in engineering and physics by following a course of maths because the only course available is an A-level in maths. We would like to see, for example, a core maths qualification and a part 2 core maths that has A-level branding and equivalence, so that there is an alternative to an A-level maths qualification.

**Q31 Mike Kane** (Wythenshawe and Sale East) (Lab): This is an interesting panel because it represents sixth forms and FE colleges. In Greater Manchester, where my constituency is, further education is a devolved function but sixth forms are not. We have just gone through an area review process, which I supported. Fortunately, we have strong civil servant and political leadership in Greater Manchester, but I can only describe the process as tortuous and complicated. It has come out of a number of reviews around mergers and synergies of FE colleges—it does not affect sixth forms. You get

to that position and then have to enter negotiations between the FE colleges about co-operation. That really is a process of herding cats, in my opinion. There are things I would like to say, but this is an ongoing process so I will not say them in public for now, but the Government's area review programme is going to be rolled out in places that are less well organised than Greater Manchester. It could be a recipe for chaos. Do the panel want to comment on that?

**Richard Atkins:** It would be best if I started. As you probably know, I have been the FE commissioner for about four weeks. I was not involved in chairing or attending the Greater Manchester review, although I know Theresa Grant, who chaired it. I am going to Manchester in the next three or four weeks to see how things are going and to talk to the individual colleges. I sat and observed the Education Committee scrutinising area reviews about two weeks ago. Generally, I think the process has worked reasonably well. Clearly they begin from a premise that each college is an independent corporation and therefore is able to make its own views. I accept that that can lead to what you describe as tortuous negotiations, because each college needs to be convinced and persuaded of the right solution.

We have now done waves 1, 2 and 3 of the five waves. Nearly 200 colleges have been through area reviews; some 88 of them are working towards merger, 50 of the sixth-form colleges are considering becoming academies, and 62 colleges have confirmed that they want to go for stand-alone status. We have done that in a remarkably short period. Colleges that are changing the nature of what they do can apply for a restructuring facility to support that. We have done that with a remarkable amount of co-operation and good will. I do not think the process is in any way perfect or a silver bullet that will resolve all the structural problems.

It became obvious in the Education Committee that it is different in each area. There are 37 area reviews, based on the local enterprise partnership areas, and experiences genuinely differ from one area to another. If you had told me at the beginning that at this stage, two thirds of the way through, we would have 88 colleges considering merger and that 62 stand-alones have had to carry out a rigorous analysis of their own data to be sure that they can stand alone financially—I hope that what emerges from the process is a network in which more colleges are financially sustainable. I do not disagree that having those independent corporations gives governors the opportunity to make decisions for themselves, and therefore a high level of persuasion and influence is required to try to get the best results for learners.

In my new job, with my team of advisers, I am currently seeking to ensure that as often as possible, we get the right solution. I do not think it is a silver bullet. I do not think at the end of it we will have the perfect set of colleges across England, but I do think we will be in a significantly better place than we were when the process started only just over a year ago.

**David Hughes:** The Government have a choice. In Wales and Scotland, the Government decided to impose structural change, and in England they did not. There are pros and cons with both. We have to remember that we have had for the past 25 years in post-16 a managed market and a managed competition. It is probably fair to say that in the past four or five years, the management bit of that has been getting smaller and smaller, so we

do have competition post-16. We recently challenged a decision by a regional schools commissioner to open a new sixth form in east London, because we think that sometimes competition really goes against the interests of young people in terms of quality and breadth of curriculum.

As Richard says, the area review process has been variable across the country. In some areas, it has helped enormously to move things forward quickly; in other areas, it has been more difficult and more awkward. We have got to think about the 2,100 school sixth forms, over half of which recruit fewer than 100 learners into year 12. The Government's guidance suggests that you need at least 200 to make it both financially and educationally viable. In our autumn statement submission, we have asked, and we keep saying again and again, that if it is right for area reviews to happen for colleges with the rigour that Richard talked about and with really detailed five-year financial plans, why not do that with school sixth forms?

We have hundreds of thousands of young people learning in very small school sixth forms; you can make that work, but it is really difficult to get the breadth and quality right. We would really like to see that same rigour applied to school sixth forms. We know that some local authorities are starting to do that themselves, and it would be great to see Government supporting that and getting a framework for it across the country. You do not have to do it all at the same time but it would be nice to see that rolled through, in the interests of young people in terms of the quality and offer that they get.

**Bill Watkin:** I should just reiterate the difference between sixth-form colleges and school sixth forms, because they are not the same thing at all. I entirely agree with what David was just saying. To give an example, a sixth-form college straddles—usually successfully but sometimes slightly awkwardly and uncomfortably—two sectors: the FE sector and the schools sector. A sixth-form college offers a school-type curriculum, but it does so with economies of scale. For example, I recently visited a college that has 1,000 students studying maths A-level, and another where there are 400 students studying psychology A-level. These are not the small school sixth forms that David was just talking about; they are large colleges that are incorporated and therefore usually included in considerations about the FE sector. They were also included in the area review process, and there are those who say that it was not entirely helpful not to include school sixth forms while including sixth-form colleges—that did not necessarily make a great deal of sense.

The other consequence of straddling those two sectors is the relevance of the Bill to sixth-form colleges. Much of what is in the Bill will have only a very limited impact on a small number of colleges, and most of them will not be hugely touched by it. There are two areas of particular interest to sixth-form colleges: one is the insolvency regime and the impact on their finances, and the second is the applied general qualifications, which are enormously important to sixth-form colleges. Applied A-levels, BTECs and applied general qualifications are an enormously important part of a blended curriculum offered to students in sixth-form colleges as a pathway to high-end destinations such as universities; two students

recently got into biomedical degrees at Russell Group universities with entirely BTEC provision. That is the sort of curriculum that sixth-form colleges offer.

**Q32 Mike Kane:** Richard, may I just challenge you a bit further? Say you have two successful FE institutions and the recommendation from the area review is to merge—this scenario is not a million miles away from what is going on—but they say, “No, we are independent institutions. Forget it.” We know that they can stand alone, but the review said that they should come together. What is the stick? What is the incentive? How do you get from the world as it is, to the world as you want it to be?

**Richard Atkins:** I have two points. If they were both very successful and could produce the sorts of data that David referred to, they would probably be stand-alone anyway. If they could produce five-year data that showed that they would be financially sustainable and would continue to be very successful, they would probably opt for stand-alone and we would probably support that. We have got one or two cases like that.

If they cannot produce those data and we and the steering group think that merger is the best solution—this is possible, and we are doing it in at least one or two cases at the moment—we will put that recommendation in the report. The college can still opt independently not to do it. That means it will never be able to access the restructuring fund; if something went wrong in future, it would not get access to the large restructuring fund that is currently available. Of course, it would be subject to the new insolvency regime if this legislation goes through, so the world looks quite a lot tougher for it post-2018 if it chooses to ignore the evidence-based work that my team will have done and will have shared with the local steering group.

It is possible to bury your head and say, “We don’t accept the evidence that you are putting in front of us. We can’t produce robust plans for the next five years, but we are going to go it alone anyway. We won’t co-operate with anyone.” By doing that, those governors would be taking a big risk—a risk for their learners as well as for themselves. Let us say that the insolvency legislation goes through. I am generally supportive of that legislation in this role, and as a principal—as you probably know, I stepped down from being a principal earlier this year, after 21 years—I would have been supportive of it. You are taking quite a risk if you are prepared to confound the recommendation that we would make, along with the other members of the steering group. But you are right to say that ultimately these colleges are independent, and as a long-serving principal, I got the highest level of job satisfaction when my college enjoyed a degree of independence.

**David Hughes:** We need to be a bit careful on this. I remember twice being asked by Ministers when I was in the civil service to try to show the evidence that large colleges were more effective—well, once with Bill Rammell and then with John Hayes to show that small colleges were more effective. There is no evidence of size making that much difference. Leadership makes the difference, and context is king. The competition that I talked about can undermine the best led college, but leadership is the key thing.

When the area review comes through with a recommendation for merger, the right thing for the colleges to do is to go through a due diligence process to

examine the proposal further. In some circumstances, it is very correct that they make the decision not to go through with it, because they have to have at their heart the interests of their institution, their learners and their community. The area review will not always get that recommendation right. We have to have a degree of realism: the colleges are independent institutions, making their own decisions, and sometimes not to go forward with that recommendation might be the right thing.

**Ian Pretty:** The area-based reviews, as a general process, struck me as reasonable. Where it has become more challenging is that the key objectives were that you wanted fewer, larger, financially sustainable colleges; that was the premise on which the ABR process was set up. As I said earlier, the key thing for me is the extent to which you have looked at things such as the skills plan and the pathways first, putting in place things such as the insolvency regime, and then perhaps the ABR process would have been an easier process for many.

I think that it is absolutely right that further education colleges are allowed to be independent and remain independent. I recognise that that creates frictions in terms of their not necessarily agreeing to things, but that was how they were set up back in 1992. The risk with all this, in terms of the ABR and the current lack of an insolvency regime, is that I do not think you have the flexibility to be able actually to create the merged institutions that you might or might not want. I have a personal view that a solvent college merged with an insolvent college is not a solvent college; that causes problems afterwards.

Speaking as an organisation, I know that the association has representatives in Scotland, Wales and Northern Ireland—we have five colleges altogether there—and I think there is a lot that the Department for Education and Government can learn from the experience, particularly in Scotland, which did bang them together to create regional colleges. They could look at the successes and the failures. There are strong successes there, and there are colleges where the merger has not been so successful.

**Q33 Gordon Marsden:** I would like to continue on the theme of the implications of the area reviews and to come back to you, Richard, if I may. As you have already said, you have had a distinguished career as a college principal and have held leadership positions in the Association of Colleges, so at least for the moment, until you are covered in the bureaucracies, you can see from both angles. I want to ask you about the implications of 88 colleges moving towards merger. Sir Francis Drake famously said that

“it is not the beginning, but the continuing of the same, until it be thoroughly finished, which yields the true glory”.

Although, the question here is whether there will be glory or lots of pain along the way. I want to press you on two particular points.

The context of this, as Ian Pretty has alluded to, is two things: first, the critical National Audit Office report, which really bashed the former Department for Business, Innovation and Skills right around the head over some areas and set off alarm bells about financial stability—I am sure that played a major part in the insolvency regime set out in the Bill—and secondly, on a year-on-year basis, when we exclude apprenticeship funding, the trajectory of funding for FE colleges from Government has been going down.

The situation is febrile and, in some cases, is producing that number of mergers. Once they are merged, there are then of course the consequences for the staff and students. For example, when two colleges merge in a suburban or rural setting, the implications for them being able to maintain their courses, which are after all the viability of those colleges, will be significant if issues such as travel do not come into it. I see nothing in the Bill at the moment—and little has been said by Ministers—about where the funding to support that process will come from.

My second point picks up on what my colleague Mike Kane said earlier about his experiences with Greater Manchester—I am a native Mancunian by birth, so I understand the area's issues well, and the cohesion that already exists, and lots of other areas will not have that cohesion. We are going through a period of significant devolution from Government of responsibilities and funding—for what it is worth, I am wholeheartedly in favour of that—and skills and FE will be affected. We have a situation in which things are beginning to be set in stone in combined authorities or mayoralities that are likely to have significant powers in the next couple of years, but they might well come along and say, "Actually, this didn't include us. We want to unpick it." What do you have to say to that?

**Richard Atkins:** May I take the first question first? Thanks for setting it in context. If I may do the same, you are right that I had a long career as a principal, and when I started there were 469 FE and sixth-form colleges; there are 321 today. Some of those mergers have been very successful, but not all. But just as in business and other walks of life, some mergers do succeed. For example, takeovers are often more successful than mergers, but some have been very successful. I remember when towns such as Derby had two or three colleges, but now they have one strong college. So I think that in a number of cases the mergers we are proposing through area reviews may well strengthen college provision in that part of the country, but I do not for one minute think that every one of them will work out as if a magic wand has made it all brilliant and successful immediately.

There is continuing work for me and my team as the agency calls us in to support the implementation of the area reviews, to work out where things are going in the right direction or how to get them back on track, or to come up with alternatives, if necessary, to keep the process going. I do not think that it will be a cliff edge as such. I am talking to colleges a lot about the fact that it is not a cliff edge. I do not see 31 March and the end of the area review steering groups as an absolute cliff edge.

**Q34 Gordon Marsden:** That is a fair point, but may I press you a bit further? I am not necessarily saying that all these mergers will be a disaster; what I am saying is that they will be challenging—I gave you two particular examples—and what I wonder is whether you think the Government have given this enough attention, in terms of contingency funding or, for example, support for travel for students who might be affected. Or do you think it is part of your job and that of your fellow commissioners, when you are deliberating on these things, to send a stronger message to Government on these matters?

**Richard Atkins:** There are two points. Mergers do not necessarily mean the closure of sites, so they do not mean the end of provision for students locally. Clearly, in rural areas, for example, the history of the sector has been that provision has not gone even when there have been mergers. When Truro and Penwith came together, that did not end provision in Penzance. In fact, it regenerated the provision in Penzance to a higher standard. You can see that across the country.

Certainly, in any recommendations for area review that I am involved in—I have said this a lot—the interests of the learners would be paramount in my mind. I know that finance is one of the factors driving this. I do not disagree with you about the fact that there are pressures on colleges. Non-apprenticeship funding has been challenging. The cuts that colleges have faced in terms of the adult skills budget have been as big as any across education, and of course we have had a demographic downturn in 16-year-olds that goes on for another five years, and more competition. So colleges are under real pressure.

However, when I go out and intervene—the second part of my role, as you know, is intervening in colleges that have had either an inadequate Ofsted assessment or serious financial concerns—I actually find that what is missing are some of the basics of governance, leadership and financial management. I do not always find that it is a lack of funds.

I would like to see more investment in the sector. As a long-standing principal, I spent a long time arguing for that. I hope that in the future we will see greater investment in technical education, but when I go out to look at some of the most acute cases, what I find is—you will see this from my predecessor's reports as well and the lessons I share with the sector—lack of a costed curriculum plan, staffing costs well above average compared with turnover and so on.

Part of my job is to share that practice, both good and bad, with all the colleges so that people can keep on track. I do think that is part of my job. It is also part of my job to represent the interests of learners. I hope the insolvency legislation proposed in the Bill does not have to be used, but if it did, I hope that the administrator would call in our team. I hope that we would act in the interests of those learners to ensure that the right solution was found with the institution and, most importantly, the right solution was found for the learners.

I do not think that merger necessarily means rationalising the number of sites; it may do in an urban area. My first college, I seem to remember, reduced from 11 sites to two. In a reasonably small town there was plenty of room for rationalisation. The idea that you close provision down in a particular district, borough or town is not something I would be in favour of at all. I would be looking for merger solutions that bring together back-room services, avoid duplication and so on.

Equally, particularly at levels 1 and 2, I would ensure that provision continues to be delivered locally where those learners can best access it. I do not see merger as necessarily meaning a rationalisation of locality and sites, particularly at levels 1 and 2. When you get to level 3, just look at the distances that students travel to Bill Watkin's sixth-form colleges around the country. If you go to levels 4 and 5, which I hope we are going to see more of, I find that learners are very happy to travel considerable distances for the right provision. I do not

see mergers as necessarily wiping out, but I do see my role as representing the best interests of the learners, and I hope that is what I have brought with me from being a principal all those years.

I would love to see more investment in the sector, but that is not what I find when I go out and do interventions at the moment—I have done several already. I am not walking into the problems being caused simply by underfunding; I am walking into areas where there is room for considerable improvement in governance, leadership, management and financial management.

**Q35 Gordon Marsden:** But you will be aware, with the eagerness of people to travel distances, as you say, that they might be eager but, if they do not have the money to travel, they will not be able to.

**Richard Atkins:** Sure. Coming from a county such as Devon, I am acutely aware of that: there are the lowest take-home wages in the country in place such as Torridge and west Devon. I am very aware of the travel. That is why I say that provision at levels 1 and 2, in particular, needs to be as local as you can get it to the learners, whether in an urban or rural area. I agree.

**Q36 Gordon Marsden:** Indeed. We will keep a close eye on that.

Finally, I will come to Ian. We have been talking about insolvency provisions. You have experience in other areas that may be useful for taking an overview here. Let me say straightaway that I very much welcome the new provisions, but there seems to be a tension, which no doubt we will explore in our line-by-line scrutiny, between the role of the administrator and the natural commercial demands and pressures that will come from the traditional insolvency process. Have you had any thoughts about that? I am mindful that we do not want to paint a picture of the whole area being ripe for insolvency—David, you made that point to me not that long ago. Nevertheless, we must plan for the worst. Are you confident at the moment, notwithstanding welcoming the new provisions, that the balance is right regarding securing the interests of the staff and the pupils at the college that might be in trouble alongside those of the people who are the traditional creditors?

**Ian Pretty:** Broadly, yes. That is the slightly negative answer. It is right that we very much welcome the insolvency regime. I think that part of it has been adjusted. One of the concerns we had initially was with things such as winding-up orders. It looked like anyone from anywhere could issue a winding-up order on a college, which would have created some real dangers, particularly to the learners, in that they would suddenly have had nowhere to study, and to the employees, who would have had no jobs. I see that the proposed legislation has made adjustments to that, which is welcome.

On the role of the education administrator, it looks like a fairly standard role that you would see in any winding-up or any receivership or administration in the private sector. The biggest concern I have at the moment is about governance and liability in terms of disqualification under the Company Directors Disqualification Act 1986. I still have real concerns, as do our members, particularly as we are colleges that are very commercially minded, that, depending on how that is interpreted and perhaps put into secondary legislation, you might be at risk of ending up in a situation in which you deter private sector people from being on boards of governors.

You might also deter politicians and people from the third sector—from charitable trusts—from being on boards of governors. It is absolutely essential that the sector has that insight and know-how brought in to help it through the processes. If there is a risk of someone being told that they will be disqualified as a director, you can imagine that that is quite material in the private sector. That is the area we are most concerned about at the moment. On executive functions, on people like principals being disqualified, we have no problem with that.

On creditors and bankers—I know that you will be speaking to the banks this afternoon and I am sure that they will be able to tell you whether they are supportive of the provisions—

**Gordon Marsden:** I will not ask you about your experience with the banks.

**Ian Pretty:** Don't ask! There are sections of the proposed legislation that talk about indemnities and guarantees given by the national authority, be it the UK Government or the Welsh Government. Again, that is fine. I am sure it must be giving some comfort to the creditors, but the risk, of course, is that the Government become the guarantor of last resort. It is noticeable that other sections of the legislation refer to the college that is in administration having to re-fund. It depends on the sums of money that are involved, but if you do that you run the risk of never getting out of the insolvency cycle.

**Q37 Kelvin Hopkins:** Two issues have been raised in the past few minutes. One is mergers, and I think that David Hughes suggested that there could be a case for not enormous colleges staying as independent colleges; some might merge, but each could be judged on its own merits. But that should not be elided with the issue of sixth-form colleges doing A-levels and the contrast with small school sixth forms. I should say that I am a 25-year governor of a sixth-form college, a former teacher in further education and the chair of the all-party group on sixth-form colleges. The statistics produced by the Sixth-Form Colleges Association overwhelmingly show that sixth-form colleges do better in educational achievements and in value for money, and the Government would do well to persuade schools, local authorities or whoever to pool their sixth forms and create many more sixth-form colleges. That would be enormously advantageous to the country, to education and to young people.

The other issue is governance, which Ian Pretty talked about. I agree strongly that we ought to have breadth in our governing bodies. I have to say that the governing body of which I am a member has invariably had at least two members qualified in accountancy and at least two with legal qualifications, as well as members from the education sector, including primary and secondary schools, and from local businesses. It is small, tightly knit, monocultural governing bodies—perhaps drawn only from small local businesses—that tend to get out of control and that do not do too well. There was one glaring example of that in my constituency—I will not mention its name, but many of you will know about it. It got into a disastrous state, although it has now been picked up by a superb new principal. That breadth of governance, with all sorts of skills as well as commitments, is crucial. I wonder whether you accept that that is a sensible way of doing things.



**Richard Atkins:** Shall I begin? First, on interventions and area reviews, the quality of governance is critical to the success of the college—more critical than many governors realise. I see that when I go into colleges that are not doing well. Getting the sort of governing body that you describe, with a broad base of skills and knowledge, is essential. I pay tribute to the chairs and to the role they play in the area review. They are giving up a huge amount of time and showing enormous commitment to their colleges by coming to all the steering group meetings and taking part in this. Governance is critical to the quality of colleges. I agree with David that the size of a college is not the key determinant; we have some successful big colleges, but we also have some very successful small, niche colleges. Logically, you would think “How do they survive?” but actually they are doing very well.

Another point that I did not make earlier is that, although area reviews are leading to these 88 mergers—I am thinking about the area review that we are about to start in your constituency; I was talking to the two principals last week—in some areas we are simply generating collaboration short of a merger at a level that we have not seen for a long time. I happen to know that those colleges in your area have already been to see me to talk about a new form of collaboration. If that is the best solution for that area, and the data underpin that, we will support it. Merger is not the single blind answer in every case; collaboration short of a merger may well be the best solution in certain cases.

**David Hughes:** I want to assert that governance in the FE sector is very strong. I know that the Minister is very interested in helping to improve it, but we have a sector with very strong governance. These are independent organisations taking big business decisions over the long term, and in the vast majority of cases they deliver a very high-quality service and achieve a surplus. For many years, in the Learning and Skills Council and the Skills Funding Agency, I did a job that was not dissimilar to the FE commissioner’s: overseeing all the colleges that were getting into difficulties. It is quite striking that, despite all the funding cuts and all the competition, there are still only 20 colleges in financial difficulties. That is a very familiar number; it was not dissimilar through the noughties and into this decade. Despite all those challenges, FE and sixth-form colleges have proved incredibly adaptable and have responded really well to the funding environment.

Let me just go back to the fact that higher education is generating a surplus of more than 4% every year. The Higher Education Funding Council for England thinks that that is a problem, because it is only 4%, but FE has had a deficit in the last two years. That is not a commentary on the lack of good leadership and governance, but on the competition and the funding levels. We need to address that; otherwise, we still will not have the technical and academic education we need for young people and adults in this country. These are really important issues. It is not easy, because the economy is not doing as well as anyone wants. We are looking to the autumn statement this week and perhaps the Budget in the spring. As Lord Sainsbury said this morning, how do you properly fund technical education in this country, possibly for the first time ever?

**Bill Watkin:** I will respond to your comments about the growth of sixth-form colleges in the context of the economies of scale they offer, the quality of qualifications, their outcomes and their support for young people. I would also add that, with the population shift, the number of 11 to 16-year-olds is growing.

There is an interesting example of a proposed merger between a sixth-form college and an academy chain. The school, which has a large sixth-form provision, is looking to shift all of its sixth form across to the sixth-form college, and then to build capacity for 11 to 16-year-olds to serve the community. That is an example of a successful outcome of an area review recommendation. There is also the opportunity for sixth-form colleges to roll out their successful brand and open up a free school 16-to-19 provision, as happened in Pontefract.

I am pleased that the Government are reviewing the approval process for small school sixth forms. We have been invited to contribute to that review. I sincerely hope that there will be a different way of considering applications to open up schools’ sixth forms.

**Professor Alison Fuller:** I certainly do not want to downplay the importance of governance and efficiency—we are talking about public money, after all—but I do not want us to lose sight of the issue of efficacy and quality, which we started the session off with. The initiatives in the Bill will potentially achieve a step change in quality if we get this right. We know how much this matters, because the population performs very poorly in the OECD’s programme for the international assessment of adult competencies survey—the adult skills survey, which is administered to 27-year-olds. The added value from 15 to 27 is very weak, in terms of the age range, when you compare us to countries that have strong upper secondary and strong vocational and technical systems. The legacy effects that we are suffering as a consequence of the current system and what happened historically are playing through into the economy, life chances and wellbeing more generally. The prize is huge, but so is the challenge. I am a little concerned that an over-emphasis on governance may deflect from the really difficult thing—the quality issue.

**Ian Pretty:** Can I build on the discussion on mergers, which I think is a healthy one? To me, the merger is the merger. It is very easy to say, “We are all going to merge together. It’s all going to be wonderful, and the world is going to be fantastic,” but if you look at the statistics across all sectors—commercial and public—only 25% of mergers ever achieve their objectives. Post-merger integration is the most difficult thing. Part of that is that you have to understand the logic of the merger—is it a logical merger or a “shotgun” merger?—because that can have an impact. The studies show that, when they are successful, it is because of culture and cultural fit. Within the FE sector, some colleges are more likely to be able to culturally fit with another than others.

Having been on the receiving end, when I was in government, of ministerial decisions to merge, I can attest to the fact that it is difficult. The merger between Inland Revenue and Customs and Excise was an interesting experience, to say the least—I promptly walked out the door and went to the private sector.

You have to look at the logic of the merger, and then there is the whole point about post-merger integration. We have talked about whether there is enough funding, and all that sort of stuff, but do you have the right

leadership? Do you have the right cultural fit that will make the merger work? Does the merger have the right objectives?

The other thing that is worth looking at is that we see regional college groups merging, and we see alternative versions of collaboration. Devon recently announced the launch of the Devon Colleges Group. The colleges have not merged together; they are collaborating. That is quite significant. You will then see that some college groups are working very well as merged entities or as groups. Hull, for example, is a successful college that has HE sections and FE sections. Warwickshire has merged a large number of colleges together, but it has not got rid of the place. It can therefore maintain community.

Going back to one of my earlier points, it is worth looking at the experience of places like Scotland. North East Scotland College has been a highly successful regional college group around Aberdeen and Aberdeenshire, and it has campuses that are 40 miles apart and still work—it still succeeds. It is worth looking at those models, but it is about the objectives of the merger. There must be a clear post-merger integration plan, because that is where you are going to get more success, rather than just saying, “We need to knock this together to get a smaller number of colleges.”

**Q38 Justin Tomlinson:** Building on Ian’s comments about the mergers, we had a similar discussion this week in the centre of the universe that is Swindon, where New College and Swindon College are considering whether to merge formally, whether to collaborate further or whether to continue with the status quo. Ian highlights that the success rate is only some 25%, and it comes down to leadership. What more can be done to engage with local employers? They could provide expertise and leadership in the next wave of governors—colleges are all chronically short of that—thereby improving the culture. Crucially, that could lead to opportunities for the students later on, because too often employers are not being engaged. What more can be done?

**The Chair:** May I ask for short answers?

**Ian Pretty:** The quick answer is that college principals ought to be working with local businesses to understand whether their post-merger integration plan is really viable and will work. My other point goes back to the concern I raised about one of the clauses in the Bill—that governors run the risk of being disqualified if the college is made insolvent. You have to look at those sorts of things. You have to look much more closely at how businesses want to interact with FE colleges and how colleges can learn from business.

**David Hughes:** Richard mentioned Derby College, and I was involved in the three-way merger 15 years ago. What we did, and the lessons are pertinent today, is that we created clarity for employers about where to go. In places like Swindon there is a lot of good sense in having one college so that employers can say, “There is one place for us to go.” I would not underestimate the big difference that simplicity can make.

It is obviously a lot more than that. It is also about having staff in the college who will go out and be credible with employers. It is perhaps about picking out the level 4 and 5 specialisms on which the college needs to focus, bringing employers together around those specialisms and allowing them proper agency to influence

what gets delivered—making sure that they are contributing to the curriculum, offering work experience and work placements, and so on. It is about properly engaging for the long term, rather than just the short term. It can be done. Again, it requires really good leadership and governance within the college, and it requires employers to step up to the plate and meet halfway. Co-creation is what you want. You want for both sides to feel that they are contributing to something.

**Q39 Justin Tomlinson:** What is done to share that best practice?

**David Hughes:** The AOC works quite hard to share that practice. We have a governors’ council, and we share that practice with governors, principals and senior leaders. We work across the piece. We also support the Education and Training Foundation.

**Richard Atkins:** I am just going to come back with two or three things. First, the Swindon issue, as you will know, is a live issue. I am chairing the Gloucestershire, Swindon and Wiltshire area review at the moment—

**Justin Tomlinson:** I will be writing to you soon.

**Richard Atkins:** That is a live issue. Secondly, the relationship between a principal and their governing body is interesting. I always felt that one of the key elements was to work with my chair and clerk to recruit governors. That was a non-stop piece of work. When you are out and about in your town or community with employers, you are all the time thinking about people who might in the future make a governor. If you get it right, you will end up with a waiting list, and there are colleges with waiting lists. If you do not do that engagement and do not keep on top of it all the time, you will end up going around saying, “No one wants to be a governor.” For me, it is a key element of the principal’s job to work very closely with the chair and clerk to identify potential recruits who can then obviously go before a search committee and all the rest. I hope that the area review for your area, and particularly for the town of Swindon, is able to come to the right collective answer.

**The Chair:** Bill Watkin, if you can be short, I would be grateful, because Tracy Brabin wants to come in with a question.

**Bill Watkin:** Yes. I would like to draw together the strands of merger due diligence and the insolvency regime. The insolvency regime has an impact before insolvency is even a reality. Since the publication of the insolvency regime, banks and pension fund managers have been responding differently to colleges. A group of colleges in the south-east, for example, immediately after the publication of the insolvency regime—which I should say colleges welcome—were upgraded to a maximum risk rating in terms of their pension contributions, which of course means that they are able to divert less money to teaching and learning and have to negotiate less favourable repayment terms. It is the same thing with bank loans. Banks and pension fund managers are all being more cautious because of the insolvency regime, and that is having an immediate impact.

**Q40 Tracy Brabin:** Thank you for squeezing me in very quickly at the end, Mr Bailey. I would like to pick up on something that was said earlier. You said there is no cliff edge when it comes to insolvency. If students

are already on the course, how swiftly will they be moved to better provision so the lights are not turned off and there is not asset stripping around them? How much transparency will there be for prospective students if a college is under review and about to be declared insolvent?

**Richard Atkins:** I will start, because I would be likely to be involved—or my team would. I really hope that this legislation is not used, but it is very important to have it in the cupboard. I agree with Bill. Most principals welcome this. There is a lack of clarity in the 1992 legislation, which has led to some colleges getting exceptional funding on a long-term basis, which is not awfully good for neighbouring colleges or the sector and stops people getting their house in order. Generally speaking, people welcome this but hope it will never be used, and that is my position.

If it were ever used, there is a special administration regime, and the Secretary of State can declare that within 14 days and step in. The administrator, who would be commercially appointed, would almost certainly turn to me and my team to do just what you have said. My primary interest would be the welfare of the students. First, we would want teaching and learning to continue in that place, and we would certainly want students to complete their courses. Secondly, we would want to find the best institutional solution for that organisation, which would not necessarily be shutting it down and moving all the students. There is a range of options—a merger is one, but there are others.

I would like to think that this would be the absolute last resort and might never be used, but it might focus governors and principals very firmly on their financial

responsibilities as well as their educational ones, and it might enable me and my team to intervene earlier. Earlier intervention is a key part of this to prevent things from getting to the position where, by the time we arrive, there have already been successive exceptional funding payments, which leads to an unhelpful culture of money just being paid out. David will remember from when he was involved in these sorts of rescues that if you get into a cycle of exceptional funding payments, that is not helpful. This draws a line. I hope it is a line that never needs to be crossed, and I and my team would always be there, working with the funding agency to look after the very best interests of the learners and not disrupt their programmes.

**Ian Pretty:** Clause 14 of the draft legislation sums it up well—in particular clause 14(2). What is quite critical to me—I am very supportive of it—is that it puts the loan at the heart of what is going to happen. That gives protections.

**The Chair:** Order. I am sorry to have to interrupt, but it is necessary for me to do so to conform to the programme motion. If you would like to submit in writing any further comments you might have made, I am sure that the Committee would be happy to consider them. I thank all the witnesses on behalf of the Committee. It has been a very comprehensive discussion.

11.25 am

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

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

