

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## INSTITUTE FOR APPRENTICESHIPS AND TECHNICAL EDUCATION (TRANSFER OF FUNCTIONS ETC) BILL [*LORDS*]

*Fourth Sitting*

*Thursday 20 March 2025*

*(Afternoon)*

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**Monday 24 March 2025**

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**The Committee consisted of the following Members:***Chairs:* SIR CHRISTOPHER CHOPE, † GILL FURNISSBrewer, Alex (*North East Hampshire*) (LD)† Cox, Pam (*Colchester*) (Lab)† Daby, Janet (*Parliamentary Under-Secretary of State  
for Education*)† Dean, Josh (*Hertford and Stortford*) (Lab)† Edwards, Lauren (*Rochester and Strood*) (Lab)† Foxcroft, Vicky (*Lord Commissioner of His  
Majesty's Treasury*)† Gelderd, Anna (*South East Cornwall*) (Lab)† Hinds, Damian (*East Hampshire*) (Con)† Ingham, Leigh (*Stafford*) (Lab)† O'Brien, Neil (*Harborough, Oadby and Wigston*)  
(Con)† Onn, Melanie (*Great Grimsby and Cleethorpes*)  
(Lab)† Paul, Rebecca (*Reigate*) (Con)† Sollom, Ian (*St Neots and Mid Cambridgeshire*)  
(LD)Spencer, Patrick (*Central Suffolk and North Ipswich*)  
(Con)† Strickland, Alan (*Newton Aycliffe and Spennymoor*)  
(Lab)† Swallow, Peter (*Bracknell*) (Lab)† Turner, Laurence (*Birmingham Northfield*) (Lab)Aaron Kulakiewicz, Chris Watson, Adam Evans,  
*Committee Clerks*† **attended the Committee**

## Public Bill Committee

Thursday 20 March 2025

(Afternoon)

[GILL FURNISS *in the Chair*]

### Institute for Apprenticeships and Technical Education (Transfer of Functions etc) Bill [Lords]

#### New Clause 2

##### CREATION OF SKILLS ENGLAND

“(1) A body corporate known as Skills England is established to carry out the functions transferred to the Secretary of State under this Act.

(2) At the end of a year after the passing of this Act, the Secretary of State must make regulations transferring to Skills England all the functions transferred from the Institute for Apprenticeships and Technical Education under this Act.

(3) Nothing in this section prevents the Secretary of State from transferring more functions to Skills England under other enactments.”—(*Neil O’Brien.*)

*This new clause would put Skills England on an independent statutory footing rather than as part of the DfE. The role of IfATE would be included in that planned for Skills England.*

*Brought up, and read the First time.*

2 pm

**Neil O’Brien** (Harborough, Oadby and Wigston) (Con): I beg to move, That the clause be read a Second time.

**The Chair:** With this it will be convenient to discuss New clause 3—*Framework for Skills England*—

“The Secretary of State must—

- (a) ensure that in performing its functions, Skills England has regard to—
  - (i) the need to ensure that education and training is of an appropriate quality;
  - (ii) the need to ensure that education and training within the remit of Skills England represents good value in relation to financial resources provided out of public funds;
- (b) ensure that Skills England performs its functions efficiently and effectively;
- (c) give notice in writing to Skills England when setting out other matters to which it must have regard when performing its functions;
- (d) publish, in such a manner as they think fit, any notice under paragraph (c), and lay a copy of it before both Houses of Parliament;
- (e) require Skills England to prepare, as soon as reasonably practicable after the end of each financial year, an annual report which includes—
  - (i) a description of what Skills England has done during the year, including a description of what Skills England has done as a result of any notice given by the Secretary of State under paragraph (c);
  - (ii) such other provision as the Secretary of State may direct;
- (f) lay a copy of the annual report under paragraph (e) before both Houses of Parliament.”

**Neil O’Brien:** Clearly, the hon. Member for St Neots and Mid Cambridgeshire has had precisely the same thought that we have, and indeed as many other educators, peers and businesses have had, namely that we should make the Bill actually do what the Government try to pretend that it does: set up Skills England.

As I said in the last sitting, the Bill, as introduced, did not even mention Skills England, the reason for which is that it is part of the Department for Education—in fact, its chief executive officer is a pair of DfE civil servants. Ministers have made their case for this in-sourcing, as they think it will make things faster, and we have made our case for using independents, but so have lots of others. For example, as the Labour peer Baroness Blower pointed out,

“the appropriate move from where we are would be to a statutory body”.—[*Official Report, House of Lords, 21 November 2024; Vol. 841, c. GC90.*]

That is the effect of new clause 2; the powers that would be transferred to the Secretary of State would instead be vested in Skills England. The Labour peer Lord Knight has pointed out:

“The problem that some of us have with the Bill is that it feels like the second half is missing. The second half is the establishment of Skills England as a statutory body.”—[*Official Report, House of Lords, 21 November 2024; Vol. 841, c. GC87.*]

That is effectively what new clause 3 would do.

In the previous sitting, I quoted from various industry bodies that are making the case for independence, including the Institute of the Motor Industry and the Construction Industry Training Board. Since then, further evidence has been submitted to the Committee by those on the education side. The University of Winchester, in its submission to the Committee, highlights “four core concerns”, one of which is about independence. It says:

“The transfer of power from IfATE to the Secretary of State for Education raises questions about the independence of the proposed Skills England regulatory body. We believe that the integration within the Department for Education (DfE) is a significant risk, with the current regulatory body being completely independent of external leverage. The current IfATE structure includes a regulatory board which is independent from the DfE, ensuring that outside influence is minimised within the decision-making process. We are, therefore, recommending that Skills England is structured to ensure and protect their regulatory independence from Government and other agencies”.

That is the spirit of our new clauses.

The University of Winchester also worries that in IfATE, at present,

“employers and academics come together to ensure that the standard is industry relevant, current, and academically rigorous. Within the current proposed bill, we believe this breadth will be at risk given the transfer of power from IfATE to an individual in the Secretary of State for Education. This transfer has the potential to lead to situations where ministers can create and/or change standards and assessment plans without consultation with the relevant stakeholders, resulting in apprenticeships which are not fit for purpose or academically appropriate.”

It also notes:

“Currently, IfATE as a regulatory body highlights the importance of technical education, through both its name and its work. The proposed legislation will effectively remove the prominence of this important aspect of industry, undermining its activities and relegating it to the background.”

The university is completely right. Setting up an institute was a core part of the drive to create greater prestige and esteem for technical education, and our new clauses aim to restore that degree of independence from the Secretary of State.

New clause 3(c) and (e)(i) also try to highlight, via an annual report, how the Secretary of State is steering Skills England, and how the body is responding to that. I mentioned earlier the Skills Federation's submission to the Committee, which brings together 18 employer-led skills bodies and 150,000 employers. Its submission notes:

"The clauses in the bill which transfer powers from IFATE to the Secretary of State risk shifting the development of standards further away from employer demand...Too much centralisation leads to a lack of focus on sector needs."

Surely that is right, which is why we propose a degree of decentralisation with these new clauses.

In a previous sitting, the Minister made the argument that the Secretary of State might need to write standards directly without external input from a group of people in fast-moving and technology sectors. We argued, in contrast, that those are precisely the kind of exciting sectors where industry input, rather than just ministerial enthusiasm, is most needed. That same argument was made to the Committee by the International Information System Security Certification Consortium—the international professional body for cybersecurity—which wrote:

"While ISC2 understands that Government is seeking to introduce flexibility and agility in the way apprenticeship standards are developed, we contend that without industry involvement in the development of standards, there is a risk that apprenticeships may not adequately reflect the evolving needs of certain sectors. This is especially true for cybersecurity where a changing threat landscape and dramatic shifts brought about by emerging technologies means that apprenticeship standards must stay relevant. It is essential that the voice of professionals and industry, as well as those directly involved in delivering educational provision, be heard whenever the Secretary of State exercises these new powers. Any decision to intervene and directly develop or approve apprenticeship standards or assessment plans should take into account the perspectives of those with hands-on expertise in the sector."

That is surely right.

We have already voted on a very similar new clause to this—new clause 1, tabled by the hon. Member for St Neots and Mid Cambridgeshire—so we will not press this to a vote. But I want to log the concerns that are being raised by professionals and those in industry about the lack of independence, and I do hope—even though I suspect that the Government will not change their mind about bringing this into the Department—that they can at least find ways in its operating procedures and the way it evolves to try to create that sense of independence, and reassure all those who are worried about the idea of the Secretary of State taking the powers in this Bill to go it alone and write things without the input of those who are actually working in the sector.

**Damian Hinds** (East Hampshire) (Con): I rise to speak in favour of the new clause in the name of my hon. Friend the shadow Minister. He is right; of course, we have just voted on something quite similar, and that vote was lost by the classic 11 to four margin, with which we have become familiar. But that does not mean the Government cannot do this, and indeed there have been some signs and indications that they might make Skills England a fully independent body on a statutory footing. Most people talk about Skills England in their

speeches, but that is not what the Bill, as introduced, does; it abolishes something without actually creating something else, and hands the powers to the Secretary of State, in whose gift it is to hand on.

There was also the question that came up last Thursday about Ofqual, and what the Bill does to that, which I do not think we were 100% clear about. I think the Minister was going to write, but I do not think I have seen that letter—that is not to say it has not come, or been sent, but I am wondering if when the Minister comes to speak, if she could confirm whether that letter has come.

There have always been two fundamental questions about the Bill and the creation of Skills England: the first is about independence, and the second is about who should set the expectations and standards for various occupations—should it be the employers in those organisations or somebody else? There is also a third point, which is relevant to independence, about the heft of this body, putting skills right at the heart of cross-departmental work, and what statutory independence would do to the status of this body.

Particularly in education and training, one of the reasons that we have independent bodies is so that everybody knows that the standards are robust, they cannot be subject to political pressure, and there cannot be a temptation to make it a bit easier to get over a hurdle to make the numbers look better. We have had that system of independence for a very long time, and do to this day, and still will in the future for academic qualifications. As I said the other day, I think independence of this body is important to underpinning parity of esteem. If ATE is legally established as a non-departmental public body, whereas Skills England will be, as things stand, an executive agency. As a non-departmental public body, IFATE does therefore have some independence from the Department for Education because its functions and responsibilities are set out in legislation approved by this Parliament, whereas Skills England, as things stand, will simply be an integral part or unit within DFE.

When Skills England was first talked about in the King's Speech, it seemed that it would be established as an independent body. As well as my question on Ofqual, the first of my other questions to the Minister is, what has changed? If that was the intent—perhaps we have all just misread the text—what is different now, that it should not be? Finally, if it is right for the Industrial Strategy Advisory Council to be put on a statutory footing, why is it not for Skills England?

**The Parliamentary Under-Secretary of State for Education (Janet Daby):** New clause 2 would impose a requirement on the Secretary of State to establish Skills England as a statutory body with a separate legal identity. It would transfer the functions the Secretary of State takes on under the Bill to a new body within 12 months.

The new clause would undo significant progress already made by the Government to establish Skills England. It has been operating in shadow form since July of last year. It is ready to take on the functions conferred by the Bill. I reassure Members that we considered different options for the model of arm's length body for Skills England. It being an executive agency allows us to move fast, much faster than the previous Government did for 14 years. Skills England can take immediate action to

[Janet Daby]

plug the skills gaps that this Government have inherited, and we are focused on economic growth. An executive agency balances the independent Skills England's need to deliver its functions at arm's length from the Department with being close enough to inform decisions on skills, policy and delivery. That is good practice for all new arm's length bodies.

The Department for Education will undertake a review of Skills England. The review will take place about 18 to 24 months after it is fully established, and that will align with the requirements of any future Cabinet Office review programme. It will consider how far Skills England is delivering its functions in the way intended; whether its mix of functions is still aligned to Government priorities; and whether there are alternative ways to deliver the Government's objectives, including a different model of arm's length body.

Delay, however, is not an option. We need to respond urgently to critical issues in the skills system to drive growth and spread opportunity. To encourage this Committee, in the first set of apprenticeship statistics under the new Labour Government, we saw an increase in starts, participation and achievements compared with the same period under the Tories in 2023. We remain an ambitious Labour Government. We do not dither or delay, and we urgently need reform to deliver the skills and technical education that is needed. That is what the Bill and Skills England will enable us to do.

New clause 3 would create a duty on the Secretary of State to publish an annual report setting out Skills England's activities in the preceding year. It would also require Skills England to have regard to matters such as the quality of training and education, and value for money when performing its duties.

Well-established requirements are already placed on executive agencies for a high level of transparency and accountability in how they operate. That includes the publication of a framework document which, as I have mentioned, is a core constitutional document. It will be agreed between the Department for Education and Skills England in accordance with HM Treasury's handbook "Managing public money". Once finalised, it will be published online and a copy deposited in both Houses.

The Secretary of State, and Skills England acting on their behalf, is already obliged under general public law to take into account all relevant matters when exercising their functions. Those relevant matters are likely to include the ones in new clause 3. While the Bill was scrutinised in the other place, as I have said, my right hon. Friend the Baroness Smith of Malvern, shared a draft copy of the Skills England framework document with peers. She committed to include references to the need for Skills England to deliver its functions efficiently and effectively, and to ensure that training is high quality and provides good value for money.

In response to the right hon. Member for East Hampshire on Ofqual, the letter concerning Ofqual has been sent to the Chair of the Committee, and also addresses other issues raised by the hon. Member for Harborough, Oadby and Wigston last Thursday.

I am happy to repeat the commitments that I have already mentioned, but finally, I would like to say there is precedent for non-departmental public bodies being

closed and their functions being reassigned to newly formed executive bodies. For example, under the previous Government in 2011, the Standards and Testing Agency was established as an executive agency taking on functions from the Qualifications and Curriculum Development Agency, a non-departmental public body, which was later closed.

**Neil O'Brien:** I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

#### New Clause 4

##### REPORT ON THE IMPACT ON T LEVELS

"(1) Within one year of the passing of this Act, the Secretary of State must publish a report on the impact of this Act on T-Levels.

(2) The report under subsection (1) must include—

- (a) the involvement of Skills England in the administration of T Levels, including the curriculum and assessment methods;
- (b) an assessment of the independence of the accreditation of T-Levels, specifically whether there has been any involvement of the Secretary of State in this process; and
- (c) an assessment of the extent to which T-Levels are meeting local demand for skills.

(3) The report under subsection (1) must be laid before both Houses of Parliament."—(*Neil O'Brien.*)

*Brought up, and read the First time.*

2.15 pm

**Neil O'Brien:** I beg to move, That the clause be read a Second time.

**The Chair:** With this it will be convenient to discuss new clause 5—*Report on the impact on Higher Education*—

"(1) Within one year of the passing of this Act, the Secretary of State must publish a report on the impact of this Act on the higher education sector in England.

(2) The report under subsection (1) must be laid before both Houses of Parliament."

**Neil O'Brien:** New clause 4 would require a report on the impact of the Bill on T-levels. We talked before about the measure in clause 8 to bring Ofqual into the regulation of technical qualifications, and the implication that that is focused on T-levels. I was going to say this anyway, but let me pause for a moment on that point about clause 8 and Ofqual—I have not seen from the Clerks to this Committee the letter that the Minister just referred to. I do not know whether you are about to guide us, Ms Furniss, about whether that letter has been made available to Committee members, but I may simply have missed it.

**The Chair:** We do not think we have seen a letter yet.

**Neil O'Brien:** The Minister said that the letter has been sent to the Chair, but the Chair says that she has not seen it.

**Janet Daby:** The letter addressing the issues that the hon. Member for Harborough, Oadby and Wigston and the right hon. Member for East Hampshire have

raised has been sent to Sir Christopher, your co-Chair, Ms Furniss, and I am sure it will be shared in due course.

**Neil O'Brien:** It is a shame, as this is the last day of this Bill Committee. I do not know whether the letter could be produced before we finish today, but otherwise, those questions will effectively go unanswered because they have not made their way to Committee members. But this was a minor point about the interaction with clause 8 and the decision to bring Ofqual in potentially for T-levels, so I will turn squarely to T-levels now.

I was encouraged by the positive words about T-levels in the curriculum review, but it is very difficult to get a new qualification going, never mind a whole new system, which is what T-levels were intended to be in their initiation by Lord Sainsbury. After the big long debate on BTecs, Ministers in the end decided to add T-levels into the existing alphabet soup of qualifications rather than use them to replace and rationalise that system, which was the original goal of Lord Sainsbury's project. I should declare an interest in so far as I worked on T-levels back when they were still known as Sainsbury routes. None the less it would still, despite the Ministers' decision, be possible for them to grow and become a leading part of the system, but that would require a huge push from Ministers. It is difficult to get a new qualification going, never mind a whole new system, and it is much more likely that in the absence of a big push from Ministers that they will stagnate as an interesting, well-regarded and quality niche, but ultimately a small part of the system, which was really not what was intended.

For several years, the DFE has provided a 10% uplift to the funding rates for T-levels as a new qualification, but a couple of weeks ago the Government implied that they would stop doing that this year. They have not made a decision, and providers are now desperate for certainty on that issue. I ask the Minister directly to respond to this: will the 10% uplift be continued or not after this academic year? The sector is now making decisions about this, and urgently needs certainty. The Minister keeps saying that she wants to move fast: the providers, and I am asking her to move fast to give them the certainty on what the funding rate will be, and whether the 10% will continue, because if not, my strong sense is that many providers will conclude that it is not really a priority any more, and not worth the investment of time and resources, which are significant to get these things going. I hope the Minister can address that point, and I give her a bit of notice: will the 10% continue or not—yes or no?

The Government are notionally in a one-year "pause" on the move to replace BTecs, which should give the Government time at least to make up their mind on how they see the future of T-levels. If they want to preserve the option to be ambitious for T-levels, however, they need to keep supporting them now. Those of us who worked on their development and who still support them are not blind to the challenges. Although drop-out rates fell sharply in the last year, they are still high. Even though T-levels are meant to be a demanding qualification, we want young people to get to the end of them.

Although the huge element of work experience is a key advantage and attraction of T-levels to learners, it is expensive and hard to deliver, particularly in a way that

is slick and gives clarity to students up front, rather than gives stress. I do not say this every day, but Gordon Brown was right to press the Government to be more ambitious here—

**Damian Hinds:** Hear, hear.

**Neil O'Brien:** We do not always cheer Gordon Brown on the Conservative Benches, but on that occasion he was absolutely right. Lord Sainsbury, too, is right to want to be ambitious. A huge amount of thought went into T-levels over a long period and on a cross-party basis. They have great potential to rationalise the system and to do what politicians have said for decades they want to do, which is to create a prestigious and clear alternative to the academic A-level route. At the moment, however, T-levels are still a fledgling qualification. They have great potential, but they are in need of a lot of care and attention.

My worry is that, amid all the commotion and disruption caused by the transfer of IfATE staff into the Department, that attention will be lost at the critical moment in the development of T-levels. The looming withdrawal of the 10% compounds my worries that attention will be lost at this critical moment. Our new clause therefore aims to ensure that the spotlight stays on T-levels, so that they do not get lost in all the reorganisation, that we preserve at least the option for them to become a widespread and leading qualification on the technical side, and that we achieve Lord Sainsbury's vision of a more prestigious and higher-funded set of qualifications, more intelligible to employers, and with simpler routes and much more work experience. There is so much potential in T-levels that it would be a tragedy if they got lost in this reorganisation. That is why we are moving the new clause: to ensure that we continue to closely monitor everything going on with them.

New clause 5 concerns higher education. The Government talk about Skills England bringing everything together, but as my right hon. Friend the Member for East Hampshire has pointed out, we can never quite do that—there are always other bodies and overlaps. In this case, for starters, we will have two continuing levy training bodies, the Construction Industry Training Board, or CITB, and the Engineering Industry Training Board, or EITB, as well as the many other bodies that my right hon. Friend mentioned—I am thinking about those involved in skills and supply, which includes the Migration Advisory Committee, as well as the workforce strategies of other Departments, such as the NHS long-term workforce plan, which spans technical education, higher education and apprenticeships.

The other big case in point, of course, is the overlap between the work of IfATE and the future Skills England, and the regulators of higher education. In our previous sitting, we talked about the welcome growth of higher apprenticeships and the Government's imminent plans to axe them, which we are concerned about, particularly after so much work has gone into them. That is why new clause 5 would require a report on the impact of the Bill on higher education.

The Bill is about apprenticeships and technical education rather than higher education, but the two have become increasingly overlapping. The number of people on higher apprenticeships went up from a little over 3,000

[Neil O'Brien]

in 2010 to 273,000 last year—a huge increase. For some universities, providing degree apprenticeships has become a very important part of their work.

I will not recapitulate the things I talked about in the previous sitting, but level 7 apprenticeships are a powerful tool to enable people to earn while they learn, and to allow employers the freedom to shape higher education to their needs. Employers are choosing—with their own money—to invest in level 7 skills. It would be false to assume that a reduction in funding here would lead to an increase in the lower levels. Contrary to the claims that are sometimes made, level 7 apprenticeships do not cater primarily to major corporations. Less than 10% of level 7 apprentices are in FTSE 350 companies. Level 7 apprenticeships in health and care are a hugely important part of the NHS workforce pipeline. In a previous sitting, I talked about how axing those apprenticeships would blow a hole in the NHS plan over the long term, equivalent to 11,000 senior nursing posts, but that would start right now, as there were 2,040 level 7 apprenticeships starts in health, public services and care in 2023-24.

The creation of the apprenticeship levy had two purposes: to stop employers that do the right thing and invest in their people from being exploited by employers that do not, and instead just wait to poach their staff once they are trained; and to make sure that employers drove and owned the system. Now that they do drive and own the system, we see that their revealed preference is to spend their money on higher and degree apprenticeships.

The growth has been spectacular. Between 2018-19 and 2023-24, higher and degree apprenticeship starts grew by 63%, while the growth in level 7 apprenticeship starts was even higher, at 105%. That growth was even faster in some critical sectors. Level 7 apprenticeships in health, public services and care grew 716%. Significant extensions occurred in construction, planning and environment, where they went up by more than 700%, and in digital technology, where they went up nearly 600%. Both are key skills areas for our economy and both are supposed to be key parts of the Government's industrial strategy.

The Bill changes the balance between the voices of employers and the voices of Ministers. Degree and level 7 apprenticeships are a good example of how ministerial priorities can be very different from employer priorities. I will not repeat the criticisms from lots of employers that I read out in a previous sitting—I quoted the Institute of Chartered Accountants, the Chartered Management Institute, several solicitors' firms and those providing higher apprenticeships into local government and the NHS. In this sitting, I want to look at the other side of the ledger and consider the impact on universities, which is the purpose of new clause 5.

I have said before that we would never accept the lack of independence for the academic side that the Bill proposes for technical education. We would not have Ministers setting the curriculums, specifications and exams for GCSEs and then taking on the role of Ofqual and marking their own homework. We would not allow the same for higher education either, in general, but there is a growing overlap between IfATE, which is to be centralised into the DFE, and higher education, which has all kinds of implications.

The context for higher education is a challenging one. The Government have increased fees, but wiped out the gains from that by increasing national insurance, meaning a real-terms cut in resources for universities this year. With widespread industrial action in the sector looming, the Government have also chosen this moment to dramatically lower the threshold for strike action with the Employment Rights Bill. To now axe level 7 apprenticeships, and potentially also level 6, would be very destabilising for universities and could whack institutions that have tried to do the right thing for their community and for those who do not traditionally go to university.

Sixty-six universities now deliver level 7 apprenticeship standards, and some have got really into it. Prestigious institutions such as Cranfield, a postgrad-only institution with deep industry links, will be hugely exposed if the Government wield the axe in the way they are planning—I suspect that level 7 accounts for a very large part of Cranfield's UK students. Likewise, York St John University has something in the order of 100 level 7 apprenticeships. Other institutions that are heavily involved include the Open University, Manchester Metropolitan and the University of West London. Given the challenging context for higher education, which is partly a result of Ministers' own decisions, axing these apprenticeships, which have become quite a big part of their work, could be very damaging.

Given that their action on fees, national insurance and strike action has been a connoisseur-level example of un-joined-up Government, I am not reassured that Ministers have thought through the implications of axing level 7 for higher education.

**Pam Cox (Colchester) (Lab):** It is my understanding that the Bill, as unamended, does not preclude the continuation of level 6 and 7 degree apprenticeships. I speak as somebody who worked in the higher education sector before coming here and sees the value of them. It is my understanding that nothing in the Bill rules them out at this point.

2.30 pm

**Neil O'Brien:** The hon. Lady is completely correct; this is not the Bill that abolishes level 7 apprenticeships. However, according to Ministers, the Government are planning to abolish those apprenticeships, which I think is a shame. I think I detected a note of regret in the hon. Lady's intervention, which I certainly share.

New clause 5 would require a report on the impact of the Bill and the actions of Ministers, through their centralisation of power, on higher education, given that there is now this overlap. Someone might think, "They're looking at a Bill on technical education and apprenticeships. What's that got to do with universities?" The truth is that it has quite a lot to do with universities, for the reasons that I have just set out. I worry that the Bill's implications have not been well thought through.

Can the Minister assure us that she has thought this through? For example, can she tell us how much income universities would lose if the level 7 levy funding really is axed, as Ministers plan to do? How much would universities lose if level 6 levy funding is also axed, an option that Ministers are keeping open? I would love answers from the Minister on those questions today. If



she does not feel able to give them, I would be very happy for her to write to me. We have tabled new clause 5 to ensure transparency, so that it is at the back of Minister's minds that, as they take greater control of everything to do with technical education and apprenticeships, they are not just thinking about those things in their own right, although they are very important.

**Damian Hinds:** In encouraging the Minister to write to him about the effect of the level 6 and level 7 restrictions, will my hon. Friend also ask her to comment on the potential effect of those restrictions on schools—the sector for which the DFE is responsible—and in particular on the postgraduate teaching apprenticeship?

**Neil O'Brien:** My right hon. Friend is completely correct. He will remember from the last sitting that I tried to lay out the incredibly damaging direct effect on our public services that the decision to axe level 7 apprenticeships would have. The most notable effect is on the NHS, where the doctor apprenticeship has already been axed—that is tragic and has left various people who were on it stranded. It will have a particular effect on advanced nursing, which is a critical part of the NHS long-term workforce plan, as well as management throughout the public services, including local government and the town planning skills that the Government claim are desperately needed.

Exactly as my right hon. Friend said, the implications are severe right across the public services, including teaching, where the DFE is the biggest user of this apprenticeship and the biggest beneficiary in the end, which is a terrible irony. That is why we bring have tabled new clause 5, so that we at least have transparency about the effects of Ministers' actions, and we have it in the back of Ministers' minds that they will have to explain their decisions, including not just their direct effect on technical education and apprenticeship funding, but their effects on the wider education system.

**The Chair:** We have located the missing letter, which Members should all now have on their desks. I will suspend the sitting for five minutes while we try to digest it. If the shadow Minister, or anyone else, wants to come back in with something, they are free to do so.

2.33 pm

*Sitting suspended.*

2.37 pm

*On resuming—*

**The Chair:** I am told by the Clerks that this is an unusual situation. I have to say at the moment that the letter refers to clauses that have previously been debated, so I will not be allowing a debate about it. That is for your information, which you could use on Report, if you chose, to raise the matter again. I do not want you not to have the opportunity to probe further. I call the Minister to respond.

**Janet Daby:** I thank the hon. Member for Harborough, Oadby and Wigston for tabling new clauses 4 and 5 and his discussion of them. New clause 4 would impose a duty on the Secretary of State to publish a report within one year of Royal Assent, setting out the impact of the Act on T-levels. Specifically, the report would have to

include information on the administration and accreditation of T-levels, and whether T-levels were meeting local demand in schools.

T-levels are indeed an excellent technical qualification for students after GCSEs; I concur with the hon. Member on that. On his question about whether the 10% uplift will be continued after this academic year, we will confirm that position in due course, and I will write to him on that point.

Thousands of T-level students have already gone on to jobs, apprenticeships and further study related to the subjects of their T-levels, and we continue to support the qualification's growth and uptake. Indeed, three new T-levels were launched in September 2024. A new T-level in marketing will be available from September, and we will continue to support providers to deliver and upscale their T-level offers. T-levels are designed by employers based on occupational standards, and Skills England will continue the work that IfATE has been doing to set and maintain the high-quality occupational standards on which T-levels are built. Curriculum content and assessment methods are set by awarding organisations in line with these standards.

The Bill already contains a duty for the Secretary of State to publish a report setting out which of the functions being transferred are to be undertaken by Skills England and the impact on technical education and apprenticeships. The report will provide information on T-levels, given that they are an important form of technical education qualification. Ofqual is an independent regulator for technical qualifications, and is the only body with the power to accredit the qualifications. Through the Bill, we are reintroducing the potential for Ofqual to apply its accreditation power to technical qualifications, when the Secretary of State considers it to be appropriate. That will reopen the door so that the full range of regulatory options is available for technical education qualifications. That will help to ensure their quality and enhance confidence in them.

**Damian Hinds:** Fortuitously, Ms Furniss, we do now have an opportunity to ask about something in the letter, which the Minister is going through now. I am struggling a bit with this thing about, "If the Secretary of State deems it appropriate." That is not because I question that judgment, but because I do not really understand what the intent is. What does the Minister believe will be the practical change that comes about as a result? For example, is it about more new qualifications coming in? Is it changing the balance between T-levels and other TVET qualifications?

**Janet Daby:** My understanding is that there needs to be the option for Ofqual to decide whether to inspect certain technical qualifications and whether they should be accredited. That option needs to be available. At present, it has not been happening since 2002. We continue to support the growth and uptake of T-levels, in line with identifying skill needs in the economy. Skills England will gather and publish information about local skill needs. Skills England will also assess how far available provision, including T-levels, is meeting those needs.

I turn to new clause 5, which would impose a duty on the Secretary of State to publish, within one year of Royal Assent, a report on the impact of the Act on the

[Janet Daby]

higher education sector in England. Higher education providers play an essential role in meeting the nation's skill needs and supporting the growth mission. Many of the jobs and sectors that drive economic growth rely on the skills delivered by higher education providers. It is therefore vital that Skills England works closely with and supports the higher education sector as it delivers each of its three key functions. Higher education providers have a deep understanding of local skill needs and growth opportunities. That provides a rich resource for Skills England to draw on, and it builds its authoritative assessment of skills needs in the economy.

**Neil O'Brien:** I am hugely encouraged by the Minister's recognition of the importance of these higher degree-level apprenticeships to the higher education sector. Will she undertake to write to me setting out what the impact on universities of ending level 7 apprenticeships would be? I mean primarily the financial impact, but also the impact on numbers of students. The information available in the public domain is somewhat patchy, so it would be incredibly helpful to have that at either the point the Government make a decision on level 7 apprenticeships or—even better—before. Will she write to me, so that we are at least on the same page about what the impact on universities of changes to level 7 would be?

**Janet Daby:** I think the shadow Minister is well aware, having asked similar questions many times, that more information will be coming out from the Government.

Staying on level 7 apprenticeships, we are reforming apprenticeships, tilting the system towards young people in most need of developing skills and getting a foot on the career ladder. We are cutting through the red tape by removing the 12-month requirement, to support shorter-duration apprenticeships in key sectors. That flexibility will support apprentices in areas such as the creative industries, where training does not need to take 12 months and is currently putting barriers in the way of getting apprentices into key jobs. The Prime Minister also announced the development of new foundation apprenticeships, which will align to entry-level roles in key sectors and help to bridge the gap between employees, skills, staffing shortages and young people ready to begin their careers.

2.45 pm

Higher education providers are an integral part of local and regional skill systems. They work closely with mayoral strategic authorities, employer representative bodies and others, so they will be important partners for Skills England as it works to ensure that regional skills needs are met and that national skills priorities are supported up and down the country.

As I have made clear, there are already plans to report on the work of Skills England. The report that the Secretary of State will be required to publish after six months will already cover higher education: it will be required to cover the execution of functions by Skills England that relate to level 4 to 7 technical education and apprenticeship delivery in higher education settings. Where relevant, the role of higher education in relation to Skills England's functions will also form part of Skills England's annual regular reporting on the skill needs in the economy.

Skills England's published analysis and insights on skills needs in our economy will also include a focus on the extent to which provision is meeting higher-level skill needs. That will help to inform decisions on higher education policy and delivery. A separate one-off report on Skill England's impact on higher education would therefore be a duplication; it would only repeat existing reporting arrangements and is therefore not required.

**Neil O'Brien:** I was a bit disappointed that the Minister would not undertake to write or set out the financial impact on universities of ending level 7 apprenticeships. When I speak to people in higher education, they are extremely worried about that. For some institutions, it will be a damaging blow.

Numerous people, including those I have already quoted, have pointed out that although the Government hope that all this money will flow straight from level 7 to level 2 and 3 apprenticeships, that is very unlikely to happen; it is more likely that it will flow to level 6. It is clear from the Minister's comments that they are keeping that in crosshairs too, and that they might axe it at some point. That would compound the damage in higher education and our skills system more broadly. I was disappointed that the Government do not want to set out that detail, but I am not surprised.

I was also disappointed that the Minister could not give us any clarity on the 10% uplift for T-levels. People in the sector who are delivering these great qualifications—the Government agree that they are great qualifications—are crying out for clarity. They are making decisions right now. The Government keep talking about how they want to move fast—“We are very dynamic and ambitious”—yet on the things on which the sector wants them to move fast, they are not moving at the pace that people on the frontline would like. That is a great shame.

Likewise, we see with the funding decisions on national insurance that technical education is once again being treated as a bit second class. Schools get a funding decision at least slightly before the start of the financial year—during which the national insurance increase will hit them—whereas those in technical education will have to wait a long way into the academic year, when they will already be paying out significant sums in increased national insurance, to find out whether there will be compensation and how much will be covered. As schools are discovering, that is often a bitter experience, because they find that they have been short-changed by the Treasury.

We will not press the new clause to a vote. We have had a good debate in Committee, and we have set out our concerns, which are pretty serious. I hope that, even if the Government do not change their mind today, we will at least have given Ministers cause to think about how Skills England will operate. If they do not listen to us, I hope that they will at least listen to some of the criticisms, which we have been reading out, from stakeholders in industry and education about the decisions that they are about to make. I hope that they will act on those concerns. I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

*Bill, as amended, to be reported.*

2.49 pm

*Committee rose.*

**Written evidence reported to the House**

IATEB06 University of Winchester

IATEB07 Skills Federation

IATEB08 ISC2

IATEB09 QA

IATEB10 University of Warwick

