



House of Commons  
Education Committee

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# Participation by 16–19 year olds in education and training

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Fourth Report of Session 2010–12

## *Volume II*

*Oral and written evidence*

*Additional written evidence is contained in  
Volume III, available on the Committee website  
at [www.parliament.uk/education-committee](http://www.parliament.uk/education-committee)*

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## The Education Committee

The Education Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Education and its associated public bodies.

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# Oral evidence

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## Taken before the Education Committee on Wednesday 16 March 2011

Members present:

Mr Graham Stuart (Chair)

Neil Carmichael  
Nic Dakin  
Pat Glass  
Damian Hinds  
Charlotte Leslie

Ian Mearns  
Tessa Munt  
Lisa Nandy  
Craig Whittaker

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### Examination of Witnesses

*Witnesses:* **Haroon Chowdry**, Institute for Fiscal Studies, **Mark Corney**, Independent Research Consultant, and **Mick Fletcher**, Independent Research Consultant, gave evidence.

**Q1 Chair:** Good morning. Thank you very much, gentlemen, for joining us this morning for the first oral evidence session in our inquiry into participation by 16 to 19-year-olds in education and training.

As this is the very first session and you—all three of you—are eminent researchers in this area, the best way to start is to ask what we should be looking for in this inquiry. What are the most important things for a Select Committee that advises Government to be inquiring into, if we are to ensure that we maximise the participation of 16 to 19-year-olds in education?

**Mark Corney:** I am happy to start, Chair. Good morning, I am delighted to be with you.

We should certainly be trying to maximise participation in education and training by 16 and 17-year-olds, and we should be looking at whether the curriculum offer is right to maximise participation. We need to look at whether financial hardship is a barrier to maximising participation. We need to look at whether the potential lack of adequate transport is a barrier against participation, or whether we simply have too few apprenticeships provided by employers, because we know that there is a massive demand by young people for apprenticeships but not too much of a supply by employers.

I also say one specific thing that you might want to test out during your inquiry, especially with Ministers and officials from the Department: why do we have a 10 percentage point drop in participation in full-time education from 16 to 17? That is still there, despite the deepest recession since the '30s having a large impact on the youth labour market. We should continue trying to find out why full-time education at 17 still does not attract more young people. Haroon, you might want to add some points.

**Haroon Chowdry:** I am an economist, so I can add some such points, although the main ones will somewhat reiterate Mark Corney's remarks. Economists are often concerned with areas where people are prevented from doing things that might otherwise be beneficial for them and for society as a whole, because they are hindered in some way. They might face financial barriers, which are known in the jargon as credit constraints, and to that extent young people are prevented from achieving things that they

have the capacity to achieve. That is a concern, and it should be minimised.

The other concern that I think should be focused on is NEETs. Why is there a stubborn percentage of young people who do not seem to be engaged in any productive activity? Why has that percentage not gone down? How can policy minimise that, because a cursory glance would suggest that reducing that percentage might be a win-win for all parties involved?

**Q2 Chair:** Doubtless we will have time to explore that more, but are there any obvious suggestions for Government as a result of your economic analysis of this area?

**Haroon Chowdry:** No obvious suggestions—I would probably be sitting on the other side of this desk if I had some.

Previous research which myself and colleagues at IFS have been involved in has found, perhaps surprisingly, that a major predictor of NEET status post-16 is academic performance within school, so one way to improve the situation at the 16-to-19 phase might be to target young people in secondary and primary schools who are at the lower end of the scale of achievement, and who we might think are at risk of being NEETs at 16. We could focus interventions on those children to get them up to standard at 16.

**Q3 Chair:** Which is the approach of successive Governments, I suppose—early intervention, in the hope of achieving that. Little sign of success so far, but that is the effort.

**Haroon Chowdry:** There are varying degrees of success. Economists believe passionately in the idea of early intervention, so if it has not had the desired effect, we should probably be looking at better early intervention rather than giving up on early intervention.

**Mick Fletcher:** I will not repeat what my colleagues have said, but simply say that I agree with them. The key issue is not whether to increase participation but how. The answers, I believe, lie in the curriculum and in aspects of financial support.

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The other thing that I would advise the Committee to focus on is where the issue is located. Large swathes of the 16-to-19 population and the institutions that serve them will not be affected in the slightest by raising the participation age. A selective sixth form or sixth-form college is not going to notice it happening. The issue is concentrated in general further education colleges and among those specialist, independent and voluntary sector providers which work with young people who are not engaged in education. There is an issue for schools—as Haroon rightly said, the issue is not in the school sixth form so much as in the lower school—in terms of preparing people, so that they can accelerate progression through further education when they get there.

**Q4 Ian Mearns:** Coming out of that introductory session is the big question for our guests. Would you have gone ahead with plans to introduce compulsory education at 16 to 19 if you have been in power after the 2010 general election? Let's talk to Haroon, as he was talking about not being on this side of the desk—what if you were on this side?

**Haroon Chowdry:** I am not sure what the IFS view is on that—we generally steer clear of uttering or even possessing such views. Again, it would depend on the rationale, and how well it had been articulated. A neo-classical approach might be to argue that if you are forcing people to do something against their best interests, it can't be right and can only make them worse off. There might well be more subtlety to it than that. As an economist who is stronger on the number crunching and less strong on the policy aspects, I will defer to the other people sitting with me.

**Mark Corney:** The answer is yes. The reason is because raising the participation age—some colleagues will have the opportunity to discuss this in the Education Bill Committee, when you get to clause 69—is an issue that focuses the minds of Ministers, parliamentarians and Select Committees on why 16 and 17-year-olds do not participate. I think that there will be a very important discussion because, as I understand it, looking at the explanatory notes for the Education Bill, the coalition Government are suggesting that, yes, raising the participation age—RPA—should increase to 17 in 2013 and to the 18th birthday in 2015, but leaving the Secretary of State with room for manoeuvre about when to commence the sanctions on young people and the obligations on employers. However, I am probably of the view that I don't understand why the legislation would come into force if the sanctions are not there—it becomes almost a symbol, and you get into questions why a 16 or 17-year-old doesn't attend. No one will come knocking on the door to say that people should attend. That will be an important debating point in the Education Bill Committee, and I am sure that it will be fundamental point that you will come back to and might wish to look at.

Finally, I also suggest to the Committee that you might wish to look at raising the participation age under the previous Administration and the criteria, as against the evolving policy of how raising the participation age will emerge under the coalition

Government, because in that way you can seek clarifications of how it will happen in practice. But the answer to your question, Mr Mearns, is yes.

**Mick Fletcher:** I say yes for slightly different reasons. The coalition has got the decision right, although the decision is to raise the participation age but to be distinctly ambiguous about compulsion. Intellectually, that is quite tricky, but in practice it is the right thing to do. The benefit of raising the participation age, in the way proposed, is that it is symbolic—we must not underestimate the symbolic importance of it—and it puts the money in the right place. If anybody thinks that there is virtue to be had in chasing every last truant at the age of 17 or 18, or dragging somebody out of employment because they are not getting sufficient hours of instruction, that might in practice be a rather foolish road to go down.

**Q5 Ian Mearns:** Do you think, as a result of that, that we might have to redefine what participation means?

**Mick Fletcher:** Yes, I think you are right.

**Q6 Ian Mearns:** And do you think that there is anything significant that would lead towards our delaying introduction? Are we just going to sit around waiting for conditions to get better, or is there anything in particular that you think we should be doing in order to make the conditions better and to make sure that this works in the future?

**Mick Fletcher:** For 16-year-olds, we are almost there in terms of participation, so for 2013 it will be a fairly painless transition. The big issue, as Mark has already said, is around 17-year-olds—what happens at 17? We have got to do quite a lot of work there. Financial incentives and support can play a part, but curriculum reform is needed as well.

If I may expand on that, I think one of the issues that faces young people who leave school without the requisite qualifications to get on to a level 3 programme is that they may get a level 2 qualification after a year—they seem to be implacably opposed to taking two years over it—and then, at the age of 17, they are faced with the prospect of a further two years to get a level 3 qualification. If you can think back to 17—I find it very difficult to go back that far—two years at the age of 17 is a life sentence, isn't it? We need to do something that helps young people get themselves qualified, so that at 16 they can have the prospect of a level 3 qualification in two years, which is not a lifetime.

**Q7 Ian Mearns:** Is there any evidence that asking youngsters to continue to pursue, say, English and maths until they are 19 will provide them with significant motivation to engage positively in the process?

**Mick Fletcher:** There are many good things in Professor Wolf's recent report, a lot of which I agree with. But she ignores or understates the importance of motivation. It really is important to motivate young people, and it is very clear that for some pursuing their learning in a vocational or occupational context is what attracts them. The suggestion that we limit the capacity of schools and colleges to offer vocational



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elements of a programme to 20% is misplaced; 40% might be a better figure to pick, for that motivational reason.

**Q8 Chair:** Which is exactly the percentage that the UTCs—proposed by Ken Baker—suggest.

**Mark Corney:** I want to add a point about whether conditions will ever be right to introduce the RPA—if you need sanctions or, certainly, the obligation on employers to offer day release, which are very important and should be considered. What we must not do is create such a loose definition of participation to come up with 100%. Many of you, as parliamentarians under the previous Administration, will be thinking about the target-driven culture, and I am sure that you have lots of different views on that. Let's not do it with the RPA.

If you look at raising the participation age under the previous Government, my understanding is that full-time education would be counted—I think the definition was 16 hours or more—and work-based learning, including apprenticeships. We know that the NEET category and those in jobs without training would not count, but we still have two other really important categories. One is called “other education and training” in the statistics, which mainly covers part-time. Will part-time education count? I can see that if politicians are desperate to say, “We have full participation,” it would count.

Another group is the young people in jobs with employer-funded training. There has always been an issue about the quality of that training—some may be equivalent to day release, but a lot might not be. Are we going to include low quality employer training just to get to 100%? I should say that the categories that I've mentioned—part-time education and jobs with employer-funded training—increase at 17, the very year at which it is really hard to get close to 95%, 96% or 97% participation under the RPA. So be very careful not to have such a loose definition, because it will become meaningless for raising the participation age.

What my colleague, Mick, has said about Professor Wolf's report is right. There is a very important point, which is that participation at present levels may well be because disaffected learners are not having to compulsorily resit GCSE maths and English, and there is a very wide vocational offer. If educators change the curriculum offer and make it almost compulsory to do maths and English and narrow the vocational offer, you must not assume as a social scientist that participation will remain the same. Young people might just tell educators what they think and not turn up. Haroon is the economist and can talk about how variables change and other variables, which is a very important issue to look at.

**Q9 Pat Glass:** Haroon, your study looked at the increase in the participation rate and compared that in a cost-benefit analysis with the costs of the EMA. Do you consider that an increase in the participation rate of, say, 2% to 3%—I know yours was higher; you said 4% to 7%—is sufficient to warrant the cost of the EMA?

**Haroon Chowdry:** On that basis, it is hard to tell. The way the calculation that my colleague mentioned was structured was such that, given the impact that was observed, which was about twice that magnitude, they were relatively confident that the expected future benefits in terms of higher earnings would outweigh the cost of providing the EMA to those who receive it. If you incrementally reduce the estimated impact of the EMA on participation, that calculation gets more and more marginal. I don't know at which point it flips and becomes no longer worthwhile. There is a risk. It could be at 2% or 3%; it could be at 4%; or it could be at 1%. We haven't done the maths on that, so I can't give you a specific answer.

**Q10 Pat Glass:** But looking at the NFER study—I am trying not to use the word “dead-weight”, because I think that it is awful—we were talking about an increase in participation as a result of the change to EMA of around 12%. I know that some local authorities in my part of the country are looking at an increase of 20% over two years. Clearly, your cost-benefit analysis suggests that the EMA was a good investment.

**Haroon Chowdry:** If that were the true impact of the EMA, and given what we know about the earnings benefits of an additional year of education, you would expect the cost-benefit calculation to look quite favourable. I am not sure how those impact estimates were calculated and how robust they are. If you were just asking people whether they would have participated in the absence of an EMA, and taken that as the impact, that is one way of measuring it, but that is perceived impact. There are all sorts of biases that might come into play. Self-reported information can be affected by how the person is feeling that day, or the mood that they are in. All our research is based on what actually happened. If you are looking in an area and comparing one year with the previous year, you might be conflating the true impact with an underlying trend. We know that participation has generally gone up over time, and you might be picking up some of that as well. It is important to separate the true impact of EMA from other things that may be taking place at the same time, which is what we try to do, but it is very difficult to do that well.

**Mick Fletcher:** You need to beware of setting too severe a test for this policy. This policy has an impact on participation, but it also had an impact on attendance, retention and achievement. Some of those effects were quite large. Some of my colleagues in the colleges in the 157 Group have been feeding through information on that. At Lambeth college, the retention rate for those receiving the EMA is 92%. The rate for those without the EMA is 75%. That is a dramatic difference for an inner-city college, dealing with the sort of people that we need to attract if we are going to get 100% participation. The achievement rate is 90% for those with an EMA, and 83% for those without. There is a big effect on achievement as well as on participation. There is also a demonstration effect on the students of the college—seeing the effect on attendance and performance.

There is also a simple welfare argument. Of those who said, “Yes, we would have turned up without it,” they range from those who are very rich but have a good accountant to those who are hanging on with their fingertips. Simply looking at the participation figures is an inadequate approach to the policy.

**Haroon Chowdry:** I concede that the cost-benefit calculation that has been mentioned was based on the earlier study, which only looked at the impact on participation. Because it was a survey, and there were problems with response rates in the second year of the survey, it was not possible to collect comprehensive information on attainment. It did not look at a possible impact on attainment; it only took into account the impact on participation and combined that with estimates from elsewhere in the research literature on the earnings benefits of higher participation. If you took into account any potential impact on attainment, it would increase the benefits you might expect to derive from the policy.

**Q11 Pat Glass:** Trying to dig down into these difficult equations, if you look at the take-up of EMA in certain groups, it was very high in certain groups, such as ethnic minorities and children on free schools meals. How much can we attribute to low income—that students participated and stayed on because it increased their income or that of the household? How much was a shift in attitudes, in that FE suddenly became possible for these children? How much was a simple economic argument, and how much was a simple educational decision, or does it not matter in the long run?

**Chair:** Does anyone have an answer to that? Feel free to say that you haven’t researched it or that you don’t know.

**Mick Fletcher:** It is hard to distinguish, that’s all.

**Mark Corney:** Personally, I find it difficult to work out why the political finger has been pointed at the educational maintenance allowance, when the maximum household earnings are £30,800. The overall maximum spend on EMA is £560 million. There are two other budgets for 16 to 19-year-olds that are far larger. They are child benefit paid to parents with 16 to 19-year-olds and child tax credit for 16 to 19-year-olds. There is a fundamental difference with child benefit once a child reaches 16. At 16, child benefit is paid to parents if the 16 to 19-year-old is in full-time education or unwaged training. Some 15% of 16 to 18-year-olds do not receive child benefit. Why? Well, some are in jobs, with training, without training or with an apprenticeship. The financial support there takes the form of a wage. There is also, of course, the NEET group. So, at 16 child benefit changes—there is a new conditionality. We spend about £1.5 billion on 16 to 19 child benefit and £2.3 billion on 16 to 19 child tax credit.

Ms Glass, you don’t like to use the word “dead-weight,” but I am happy to use it as long as it’s used consistently, and one of the questions is: dead-weight for EMAs, but what about dead-weight for child benefit? If there are parents with 16 to 19-year-olds in full-time education with household earnings of more than £35,000 a year, those students will stay on anyway, and at a time of fiscal austerity, the

Committee should be looking at all funding for financial support for 16 to 19-year-olds, to look at the issue of household income, and not just education maintenance allowances. One of the reasons why that hasn’t happened is simply because of a silo. Education maintenance allowances score as public spending for the DFE—it’s called the departmental expenditure limit—and 16 to 19 child benefit and 16 to 19 child tax credit is annually managed expenditure, and it’s more or less up to the Chancellor. I invite the Committee to say, “How could we better shape the entire 16–19 child benefit, child tax credit and EMA budget to maximise participation and in the name of fairness to ensure that the money goes to the right young people and the right families?”

**Q12 Pat Glass:** Finally, moving on to the NFER study on which much of the Government’s policy has been based—it is not a study without controversy—how should we calculate the cost of the EMA? Who would attend without it? What percentage of participation does it raise? Does the NFER’s research tell us anything helpful?

**Mick Fletcher:** I don’t think that there’s a big contradiction between what the NFER’s research is saying and what Haroon and his colleagues found earlier. I think that the IFS study is more precise. It is based on a sample and a control group, whereas the NFER study is based on a relatively small sample with no control. But they are both showing the same thing, and it’s fairly straightforward. If you think of 100 people, roughly 43 of them will get EMA and the rest won’t. Of those 43, perhaps 36 or 37 would have stayed in education if they hadn’t got the EMA. I cite that 36% figure in my report, but you could say, “Well, 36 out of 43 is about 85% or 84%, which is much the same as the NFER figure of 88%.” It’s not in dispute that a clear majority of young people who get the EMA would have stayed in education without it, but the fact is that they wouldn’t have achieved so well.

**Q13 Pat Glass:** One of the criticisms of the NFER study is that it focused to some extent on students in schools who didn’t qualify for the EMA anyway, and the vast majority of students who are affected by the removal of the EMA are in FE. Is that not something that would cause us concern?

**Mick Fletcher:** You are absolutely right. This is an FE issue. It isn’t an issue primarily about A-levels in selective sixth forms; it’s about people going to college to become hairdressers, cooks, motor vehicle mechanics and so on. You need to position this right.

**Q14 Nic Dakin:** You were making a point earlier, Mick, about the EMA being about more than participation. You mentioned that it was about being welfare support as well. Interestingly, picking up Pat’s point and Mark’s earlier point, students in colleges don’t get free school meals but students in schools do. Are there any comments on that?

**Mark Corney:** That’s a scandal. Either you level down or you level up.

**Chair:** I think that’s very clear, Mark. Haroon or Mick, do you want to comment on that?

**Haroon Chowdry:** I’ll leave that.

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**Q15 Damian Hinds:** May I ask a couple of clarification questions, first to Haroon? The cost-benefit study that you've been citing talks about the lifetime earnings impact on these young people versus the cost, and in our notes here we say that we're looking at the impact on the Exchequer by implication. Does the study actually look at total social return? In other words, is it the earnings to the individual over their lifetime versus the cost to the Exchequer in the short term, or the cost to the Exchequer versus the return to the Exchequer?

**Haroon Chowdry:** The former. It is not a net Exchequer benefit calculation.

**Q16 Damian Hinds:** That has massive implications overall when we talk about the ratio of benefits to cost from a public policy perspective.

Secondly, may I ask Mick a question? We were talking about attainment and retention, and you cited a study at one single college. I think Haroon would agree that one college is not particularly suitable as an analytical set, and there can be all sorts of conflated factors that are difficult to isolate, such as causality. Do you know of any other studies that take a much bigger data set to establish what you have said about attainment and retention?

**Mick Fletcher:** I have got a number of other colleges that I could quote, which show similar figures.

**Q17 Damian Hinds:** We have got those individual colleges, too, but have you got something more general that talks about the student population as a whole?

**Mick Fletcher:** I am sure that there is, but it escapes me at the moment.

**Q18 Damian Hinds:** Finally, it is worth reiterating the point, although it did come out in that conversation, that there are, as far as I know, no studies suggesting something else about the dead-weight cost of the EMA in the pure economist sense—take away the pejorative aspect—as money that you are spending that is not achieving its objective. Everybody seems to say that that is more than about 80%; is that correct?

**Haroon Chowdry:** The estimates of that which are implied by our analysis are in that ballpark, which is why we have not disputed the estimates coming out of the NFER study. The dead-weight calculation assumes that participation is the be-all and end-all—that that is the only measure you are interested in. We might need to think a bit more carefully about that, especially with something such as the EMA which, in our study, did not affect only participation, because we found estimates on impact, and you can hypothesise why you might find an estimate on impact, either with or without an impact on participation. There are some groups for which we found an impact on attainment, even without an impact on participation. The benefits of an extra qualification might outweigh the benefits of participation. Also, putting aside the economic rational justification for policy, you might value the redistribution that the EMA provides by targeting people who are in school and on low incomes.

We would add another caveat to the discussion on dead-weight. Dead-weight, at least to me, seems more or less ubiquitous in most policies through which money is supplied to provide for people or firms to do something. In a note that we published this week, we did a quick back-of-the-envelope calculation that suggested that the temporary NI exemption for new businesses that are setting up outside the south-east would, on the Government's own calculations, involve a dead-weight of something like 96%. Does that make it a terrible policy? No, it means that dead-weight is inevitable to some extent, because you cannot always perfectly identify people or firms who will not do what you want them to in the absence of the policy.

**Q19 Damian Hinds:** I am sorry to interrupt. To be clear, if we look at participation—and today's session is about raising the participation age—as being the key measure, do we know of any studies that show that the dead-weight is less than 80%?

**Haroon Chowdry:** I don't.

**Mick Fletcher:** No.

**Q20 Neil Carmichael:** And now life beyond the EMA, because of course by 2013 there will be compulsory education for everybody up to 18. We should bear that in mind, and it clearly somewhat diminishes the participation argument.

Have you been thinking about how EMA money might be better allocated? Mark touched on it earlier by linking it to child benefit and everything else, which is obviously a wise thought that the Committee must take into account. I would like to hear a bit more detail on that and on how one would completely reshape the EMA to achieve the objective that we really need to be thinking about, which is directing people to the appropriate courses, apprenticeship schemes and so forth that will lead them into a career. Have you any thoughts on that, Haroon?

**Haroon Chowdry:** The two thoughts I can add to that are that, in terms of targeting the EMA, we found that among females the impact of EMA was strongest among those who were eligible for free school meals. The income eligibility threshold for free school meals is, I believe, in the region of £16,000 to £17,000—in other words, you have to be on means-tested benefits. Those might be people who are in more severe poverty.

**Q21 Chair:** Is there a costing on it if it was limited to people who were previously eligible for free school meals, rather than £560 million or whatever?

**Haroon Chowdry:** We have not looked at that.

**Mick Fletcher:** That would be about 16% of the FE population.

**Haroon Chowdry:** Yes, about one in six of the whole population, but of course it is a bit more complex than that, because children who are on free school meals generally also have lower levels of attainment, so might not be in a position to participate at the age of 16. We found that while the impact was stronger for females who were eligible for free school meals, we couldn't detect such an impact for males on free school meals, and that group would generally have very low attainment. If they haven't achieved the

necessary qualifications by 16 to enable them to take a post-16 course, a financial incentive on top might have relatively little traction, so you have to think carefully about how you would target that.

I come back to a related point that I made earlier: if you want to think about the bottlenecks that are preventing people from staying on at 16, you have to think about why certain numbers of children are not achieving qualifications at the end of secondary school and how that can be rectified. You might get a substantial boost in participation at subsequent ages if you could reduce the proportion of children who are leaving secondary school with no qualifications whatsoever.

**Q22 Chair:** Is it rational, from a policy point of view, to take most of the savings from EMA and spend it on, say, free nursery education for disadvantaged two-year-olds in order to intervene early and make a difference for the long term?

**Haroon Chowdry:** That is the \$64 million question.

**Chair:** That is what we do every day, and it is what you are here to advise us on.

**Haroon Chowdry:** We have very little evidence on this from the UK. In America, which is where a lot of the policy impetus and academic impetus on early intervention stems from, they are very big fans of early intervention precisely because they think that it is more effective than intervening when children are teenagers—it is, to some extent, too late to do it then. The shape of that trade-off is very hard to say.

**Q23 Chair:** Is it economically reasonable?

**Haroon Chowdry:** I could not possibly tell you.

**Q24 Neil Carmichael:** The trouble with this line of discussion is that we are still assuming that we need to encourage people to stay in education post-16, whereas, in fact, we are going to make it compulsory anyway. I want to start teasing out how we will help to direct our people to the right places and encourage them to play a constructive part in the 16 to 17-year-old period. That seems to me to be the issue. Building on Mark's point about the holistic question, and I am thinking aloud now—

**Chair:** Please don't. Just ask a question and let these guys think aloud.

**Neil Carmichael:** I am about to.

You mentioned free school meals, which is a very good point because it is obviously a useful measure. Why don't we have something like a skills premium—not dissimilar to a pupil premium—to direct people into appropriate courses post-16?

**Mick Fletcher:** I'm not enthusiastic about directing people into appropriate courses; I think labour market planning has a very bad reputation in this country and elsewhere. But the spirit that underlies the question is important. We have a choice in student support. We can have either a universal system, such as the EMA, or a discretionary system, and the coalition has indicated its intention to move towards a more discretionary system. I think that there are advantages and disadvantages, which I will summarise briefly for the Committee.

The advantage of something like the EMA is that people know in advance what they are going to get, and therefore it can be said to have an impact on participation. In a discretionary system, however, if you don't know what you are going to get, it is not going to affect your participation. There is equal treatment with the EMA, whereas if you have a discretionary system, you will be accused of having a postcode lottery.

On the other hand, the EMA gives people the same amount of money irrespective of their needs. In some parts of the country, people have the need to spend quite a lot of money on transport to get to an institution and to support their choices. With some courses, students have to pay a lot of money for hairdressing equipment or catering equipment—knives or whatever—and a discretionary system gives you the opportunity to reflect those differences in cost. Rather answering your question the other way round, that overcomes the disincentive to follow a technical programme as opposed to going your local sixth form and doing history because it's cheap. Having said all that, it's going to cost more to administer a distributed system, and you have a problem of how you distribute the right amount of money to institutions, which you don't have with EMA.

Putting all that in the balance, I think you could have a workable system based on institutional discretion as long as there is enough money. The worst of all worlds would be to put a small amount of money into a discretionary scheme and then have a mountain of bureaucracy giving guidance upon guidance to colleges on how to distribute it so that you don't appear that you are running what someone will inevitably call a postcode lottery. You have to be brave enough to stand up and take that flak.

**Q25 Neil Carmichael:** I agree with that. Mark, do you have any thoughts?

**Mark Corney:** I have some thoughts about age. I mentioned earlier the fall in full-time education from 16 to 17. Perhaps we need to be offering, if we just talk about EMAs for the moment, a premium at 17 relative to 16. After all, there is quite a high participation at 16. We might be able to do something novel around there.

Of course, regarding the history—Mick will correct me—if we go back to the wonderful youth training scheme, the payment at 16 was I think £27.50, and the payment at 17 was £35. That actually puts in real terms how much young people are getting if they are eligible for education maintenance allowances, and I am sure that the IFS can do the discounted value—it's not that high. You need to put it into context.

Anything that tries not so much to ensure a premium for a specific course, but to encourage participation at 17, would be welcome. Any ideas on the table would be welcome. Increasing payment at 17 is one. We might have to look at a different curriculum offer. Otherwise the RPA might fail at 17.

**Q26 Nic Dakin:** Two quick follow-ups. First, there are youngsters who have EMA at the moment. When they go into second year, they are not going to have EMA. Will that exacerbate the problems for 16 and

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17? Secondly, the Government have committed themselves to enhance the discretion in learner support awards. Thinking of Mick's point, given that there is £560 million at the moment, how large does that have to be as a quantum to be effective to impact on well-being, participation and achievement in retention?

**Mick Fletcher:** Let me give you one piece of evidence. At the moment, the discretionary funds handed out by schools and colleges total about £22 million. About 200,000 young people get them, most of whom get them on top of EMAs. Institutions are constrained to target the poorest, and they judge that in many cases EMA on its own is not enough. I would be arguing for a fairly high figure even if you had a fairly low income cut-off. Looking at the lowest 25% of the population, you are talking about maybe 300,000 young people. If you provide them with £1,000 each, that is £300 million. If you give them £750, which is £25 a week for 30 weeks, that gives you £225 million. That is an indication of the sorts of sum involved. I think the £100 million quoted in the press the other day is in danger of being too low and of falling between two stools.

**Q27 Tessa Munt:** Can I ask one quick question to check something? If one didn't pay the first year of extra participation and paid the second year, is that sort of what you were suggesting—it would kick in in year 2?

**Mark Corney:** My suggestion is that I would have a higher payment at 17, compared to 16, because I wouldn't remove a penny from education maintenance allowances. I wouldn't do that, but if there's a sensible—

**Q28 Chair:** So it's unimprovable? Do you think the last Government were wrong to say that they were going to review it when compulsory education came in—it's perfect?

**Mark Corney:** Well, I think they were absolutely right to review it, but in the context of all 16-to-19 financial support. Given the economic tsunami we've just had, we should try to maximise value added from the 16-to-19 child benefit, the 16-to-19 child tax credit and EMA in the round. You've then got a lot of money to play with, but even if you look at that in the round, you might want to say that we should be paying a higher rate to 17-year-olds compared to 16-year-olds, because the evidence from the statistics says that's when we lose 10 percentage points of 16-year-olds, who no longer study in full-time education. That's when: probably at 17.

Again, I am trying to think, like Mick, of when I was 17. That's when other things happen in your life. Education's important, but other activities—leisure activities—crop up, and people may just drop out because they've had enough of education. We need to try to give an extra payment as they get older. That

might have an impact. I'd like to consider that. I think that's what I'm trying to say.

**Mick Fletcher:** You've got to remember that you're trying to do three or four things. You're trying to attract people into education; you're trying to keep them there and help them succeed; and you're trying to get them on the right courses, so there's no disincentive. In terms of keeping people there, there's no doubt that keeping people after the first post-compulsory year is the key thing. That's when people drop out.

**Chair:** Damian, did you want to come in quickly?

**Q29 Damian Hinds:** Mark, can you explain to me about taking into account the whole social security and benefits system? I understand intellectually that of course that's the right thing to do—look at it in the round, don't look at one thing; one thing is done by one Department, not the other; we must be holistic and so on—but what do you actually think you would achieve? We are raising the participation age to 18 anyway. What will be physically different at the end of the day if we retain EMA but cut the exact same amount of money out of something else?

**Mark Corney:** To ask the other question, if you cut EMA back to £100 million, are you assuming participation will remain at current levels?

**Q30 Damian Hinds:** With respect, that is another question. Can we do the first one first?

**Mark Corney:** Agreed. That's what we would try to prevent. If you have a fear, as I do, that if you cut EMA you might reduce participation among the lowest household income groups, maybe you can take money and redistribute from children from families from higher income groups, because they will stay on anyway. It is the classic link between household income and educational attainment and staying on. The area to look at, again, would be 16-to-19 child benefit that goes to wealthy families who might stay on anyway. Whether they received the £20.30 for the first child—and £13.20 for the second child—they would stay on anyway. At 16, of course, the condition is that those payments are made only if you are in full-time further education or unwaged training. It's not paid for every child. I think that is the territory to look at.

**Chair:** Mark, that's an interesting way of looking at it. I don't think I've seen other evidence suggesting we should look at it that way. I find that stimulating, and I'm sure we could spend all day talking about it. Thank you, all three of you, for coming and giving evidence to us. Please stay in contact with the Committee. If you have any further thoughts on that or want to follow up with any proposals, we'd be interested to hear them, because our job is to write recommendations to Government. If you've got any thoughts on that, let us know.

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### Examination of Witnesses

*Witnesses:* **David Lawrence**, Principal, Easton College, **Jane Machell**, Principal, Alton College, **Ian MacNaughton**, Principal, The Sixth Form College, Colchester, **Dr Elaine McMahon CBE**, Chief Executive and Principal, Hull College Group, and **David Wood**, Principal and Chief Executive, Lancaster and Morecambe College, gave evidence.

**Q31 Chair:** Welcome. It's good to see such a full panel. We'll all have to be extremely disciplined—I know that's harder for members of my Committee than it is for witnesses like yourselves, distinguished figures that you all are—but thank you very much for coming and giving evidence to us today in this first session on participation for 16 to 19-year-olds in education and training.

Ian, can I start with you, because you're at the end? Can you lay out for us what you think the most important aspects are of increasing participation in 16-to-19 education and training?

**Ian MacNaughton:** Okay. Just picking up on the previous comments, clearly, in the first instance, there is a target in place. I would like to comment on the fact that where we are at the moment, the likelihood is that participation is going to drop. In fact, it is already dropping. We are into a perfect storm. Within that context, we've got pressures on the demand side, which will force the demand for 16-to-18 education downwards. We've got a loss of connectivity between demand and supply, because of the collapse of Connexions and the information and advisory service, and we've got savage cuts on the supply side, which are clearly going to make participation fall as well. I'm quite happy to talk about each of those briefly if you'd like me to do so.

**Q32 Chair:** I'm sure we'll have time to come back to that. I'll swiftly move along the panel. Elaine?

**Dr McMahon:** For me, it is a package, and it needs to be looked at in terms of what happens to the learner now, in the round, and the infrastructure that supports the learner. For me, it starts with what information, advice and guidance they're getting and what's happening to that. The Connexions services are being depleted up and down the country, so how is the localism agenda going to address that? In terms of the financials, the monitoring of the financial situation—not just what we heard earlier about where finance is coming from and what's not going to be there, but how we are going to be monitoring the system—who's going to be involved going forward and how we advise young people about that.

For me, it's about social mobility. It's about diversity, and how we reach people and keep that agenda very firmly on the table. Colleges are working hard with their local communities on that agenda. It's also about the infrastructure, in terms of simple things like transport. When you unpick it, if a learner can't get to their choice of place to learn, that would be absolutely a blocker. It's about looking at it from the learner's perspective.

**Q33 Chair:** Thank you. Again, a reminder: what we do is conduct these inquiries, take written and oral evidence and write a report with a set of recommendations to Government, which Government is then obliged to respond to. Bear in mind always that we are looking for concrete, specific

recommendations as to what Government needs to do differently or change in the framework in order to improve the situation. David?

**David Lawrence:** For me, it's not just about participation; it's about gaining appropriate skills that will allow people to make a positive economic impact. Most of the discussion that we've had is purely about participation. We need to enable them to have that choice.

Coming from a college that's in a rural area, there are a whole series of hurdles to them making appropriate choices that we need to be extremely concerned about. The withdrawal of EMA just puts additional weight to that. The reduction in core funds for colleges to enable them to subsidise, for example, transport schemes is affecting it; the reductions of county council support for transport schemes is affecting it; clearly, Connexions is affecting the advice and guidance. Certainly in rural areas, higher fuel costs are a very substantial disincentive to participate.

So I agree with Ian. I think we can see participation being a real challenge in any event, but it's not just about that; it's about ensuring that students complete their learning. In most cases, there's a significant drop-out at 17. It will be about retaining them for the full length of those programmes and ensuring that they are doing things that are going to give them an ability to make a positive economic contribution.

**Jane Machell:** I think we're all wanting to reverse the rise in youth unemployment rates. That's for sure. We want our country to have really competitive skills. We want to make sure that our children and young people are really highly trained and educated, so we can compete in a way that we can't at the moment, certainly in some industries. What I would like to say is that colleges can be a really big part of this solution. We can do an awful lot. In three years' time, I really don't want to be sitting here and having the same debate about the discretionary learner support fund that we've just had about the EMAs. We will have some suggestions, I think, today about how we might be able to use that fund.

I agree with my colleagues that we have to see this as a whole. We have local authorities that, even though they have a statutory duty to provide a policy on transport for 16 to 19-year-olds, do not have a statutory duty to provide transport. My local authority is currently consulting on two things related to this issue: the removal or reduction of assistance from home-to-college transport for students in low-income families, and the introduction of a charge—it is suggesting £500—for post-16 students with learning difficulties and disabilities. So we cannot rely on the local authorities at all to provide that transport network, and EMAs have been a huge help, particularly in a rural area such as mine.

My college, for example, has for a number of years been subsidising transport for students from our revenue budgets of about £150 per year per student, but they still have to pay about £500 to £600 each.

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The discretionary learner support fund has to be flexible enough to use that, and we need a direct statement about how we can do that, particularly in rural areas.

There are other cuts happening in colleges. The county council is pulling things out at the moment because of the fiscal situation, and our entitlement funding is being reduced by 75%. So we have to join together in terms of what the quantum is. We can't rely on local authorities. Colleges can be part of the solution here, in terms of information and guidance, but also in terms of pulling together and helping people like you to decide what the criteria, and perhaps the quantum, should be for the discretionary learner support fund.

**Chair:** Thank you. David.

**David Wood:** I'm probably in the worst position, at the end, as everyone's stated their case.

**Chair:** Don't feel obliged.

**David Wood:** I'm never short of a word, Chair. I'd like to echo my colleagues' thoughts, and I'd like to raise the issue of fairness in a number of ways, because it's an important one. We are moving funding in the right direction probably, in the sense that we aren't getting any more funding as colleges, but equally no one else is getting any more funding than us. So there is an equality emerging there, but I want to point out that there are still inequalities—big ones—in the system with the way colleges are funded. I'd argue that colleges are fundamental to tackling the NEET issue and fundamental to raising participation, but we need to be adequately funded. This is not a moan at all, it's just the fact that if you look at equivalences, we still have to pay VAT and take huge mortgages out, costing hundreds of thousands of pounds, and the schools sector doesn't. Those inequalities still sit there, and a number of colleges are feeling that pain right now because they took out mortgages on their premises when times were more buoyant and when we didn't have an economy in reverse.

The NEET issue is really important, and I echo my colleagues' concerns about participation. I wonder sometimes where we're going to increase participation, because in my area we've got falling rolls. So, in some areas we might get a rise in the number of young people coming into education, but equally we're getting a natural drop, so there is a balancing effect. But in my own area, 52% of young people at 16 who are NEET have no qualifications at all. I think that that is a really important issue. Young people leaving schools have to have the right qualifications to progress.

The second point that I would like to emphasise is about the fairness agenda. The people we are talking about most here are the most vulnerable and, by definition, the most vulnerable are the most expensive to educate. So we need to reach all those young people in NEET groups, in their communities, which means huge volumes of staff time to reach a few people, to get them back in. We are not really being funded to tackle those most vulnerable groups of people in our communities.

With that in mind, I want to make a final point. The area that I work in and represent is Lancashire—I

chair Lancashire Colleges Principals Group. We have a very successful system—it is tertiary—and more than 80% of young people aged 16 to 18 are in our colleges, which is significant. We have got more than 15,500 young people on EMAs. In my own area, I have six school sixth forms within three miles of me, and two more 11-to-16 schools redesignating to be sixth forms in a falling roll situation. My concern is that, as you open opportunities for new sixth forms, you will dilute the income available to existing providers, displacing provision and duplicating resources, in a time of economic austerity. It doesn't make sense to do that. By increasing competition in the area, you can actually weaken provision. Colleges, wishing to do their very best for learners, need to be funded to provide those wrap-around services that are not available in schools.

**Q34 Nic Dakin:** Welcome everyone. It is nice to see former colleagues here. Given the challenges that you are facing, the challenges that I am facing are probably less.

May I pick up the point made in the earlier session about 17-year-olds and stopping NEETs? David was picking up on this just then. What can be done to tackle stubborn NEETs and the problem of dropping out at 17? What things would you want us to recommend to support what you are trying to do?

**David Lawrence:** In my own college, I know when we lose the most significant number of 17-year-olds—it is always January time. In particular in a rural area, it is related to the length of time that people have to travel. We have just spent the past three or four years reducing that length of time.

We talk about structure programmes and everything else, but it isn't just about the EMA; it is a complex series of things. Unfortunately, the impact of the current reductions in funding for transport makes it harder and harder just to provide the main infrastructure, rather than looking at shortening travel times for learners. The more specialist or the more geographically dispersed the population is, the harder that particular issue becomes.

I haven't got the research evidence—although it would be particularly interesting—but I know from my own college that the more significant the travel time, the more likely people are to drop out at 17. We have made significant improvements in that retention issue by cutting travel times to no more than an hour and quarter—it is something like that—each way, but clearly that will be extremely challenging, not only because of transport support, although in my case Norfolk county council is just reducing support and will retain an element of it, but because of the effect of transport subsidies more generally, which are reducing opportunity for student access. It is a fundamental problem not only for access to education and employment, because it definitely has a big impact at 17.

**Chair:** Ian. At most, two answers for each question.

**Ian MacNaughton:** Mr Fletcher earlier indicated how important it is to have good numbers of 16-year-olds participating to create 17-year-olds who are participating. That is the first thing. Also, clearly, the number of 16-year-olds participating is now on the

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downward trend. Obviously, you don't have the latest YPLA information, but I understand, with our analysts earlier, that in the 2010–11 year the number of 16-year-olds participating in education was down on the previous year. It is the start of this perfect storm that I mentioned. So I think in the first instance, yes, the drop between 16 and 17 is an issue, but clearly if the number of 16-year-olds is dropping, the number of 17-year-olds is going to drop further. I think there are some overall issues.

**Q35 Nic Dakin:** Is this the right time to raise the participation age? Is it something that we should be doing?

**Dr McMahon:** I think it's the right time, if we've got the right offer and the right quality of provision for young people. For me, they drop out when they are not motivated or cannot see an end goal for themselves that makes it worth staying in education. So you start earlier, particularly at 14. There are a lot of studies on how colleges up and down the country are capturing young people at 14 and doing a good job for them. It is about the UTCs and other opportunities that are coming along. It starts before 17 and 16 young people at 13 start to play truant, and at 14, schools are struggling to keep them. Why is that happening? Are they given the right guidance and options to move at 14? If you move at 14, you're not just a year in; you're captured. It is about whether you want to do it. In my college, you can go on to an academic A-level or international baccalaureate, or you can go on the vocational route to BTEC National or an apprenticeship. You should have those opportunities, which should start at 14. Then we wouldn't be talking about 17.

**Jane Machell:** Yes and no is my answer to that question. Is it the right time? In one way, it has to be. We cannot have rising youth unemployment in this country, and colleges have a big part to play in that. But we need to have the right resources to support the more vulnerable, whom we have talked about, and motivate them. More importantly, we have to have the right curriculum. Professor Wolf raised this in her report. Some areas of the country—thankfully not mine—were quoted in that report, saying that all sorts of strange vocational qualifications were being taught in schools that hadn't led to positive progression routes or links with employers. We in rural areas particularly welcome the suggestion for group training associations for small and medium-sized enterprises, with financial incentives for employers. I welcome the idea of colleges working in schools with more relevant skilled qualifications, not some qualifications that lead to nothing, so we can start motivating.

On early intervention, as colleges get involved with schools at lower age ranges, we can motivate students more as part of the curriculum, so that they can see some light at the end of the day and education and training doesn't become this terrible thing that they have to stay in, if it leads to something. If that is the case, great. I totally welcome that.

**Q36 Nic Dakin:** You mentioned local authorities and Connexions earlier. What is the state of preparations on the ground for supporting the new arrangements,

and what needs to be done to get them, if they are not already there, where you want them to be?

**Jane Machell:** I had a conversation with my local authority this week about just that, knowing that I was coming here. At the moment, if you count those in education, employment and training in Hampshire, there is a 89% staying-on rate. Some 6% are unknown and 5% are NEET. It thinks that it has capacity, because there are some post-16 spaces, but it does not feel that it has any flexibility in funding. We now have a funding system where it is of lagged student numbers, which you may not know about. What it means is that you are paid for next year on the basis of what you had last year. There is no flexibility to do any January or mid-year starts. There is no flexibility for any additional specific things that you might want to put on youngsters in the following year.

**Q37 Chair:** What would you like to change? What would a recommendation look like?

**Jane Machell:** There needs to be some sort of discretionary funding, not a slush fund, but something specific that we can use together, whether it is in consortiums or with local authorities, mid-year to target youngsters who drop out at 17 or who need specific training.

**David Lawrence:** In Norfolk, we have had a very good debate, I have to say, between the county council and the colleges about what is necessary. I have some sympathy for the county council, because it needs to make some very strategic decisions about where provision is located, and it has virtually no control over what most of the schools are doing. That is a fundamental problem. So, you have very small sixth forms that are not performing very effectively, and that are costing a great deal of money. You have all sorts of transport arrangements that have been driven by school collaborations which do not necessarily make strategic sense. When you say to them, "What can you do about it?" they say, "Well, the school can decide. Its governing body decides." They have not got those levers. The discussion that we regularly have is that they have had more influence over what colleges do than they have over what schools have done. That is a fundamental hurdle if we are going to deal with this in a joined-up way.

**Q38 Nic Dakin:** This is the final question from me: the Government say that they have secured sufficient funds to facilitate full participation in education and training by 2013 to 2015—is that what it feels like on the ground?

**Jane Machell:** No.

**Ian MacNaughton:** On the demand side, significant resources are being pulled, in terms of the EMA and student support—large amounts of money. There are obviously declining levels of household income. Part-time jobs are harder for students. There are higher transport costs in rail and bus fares. There is a reduction in services in many areas as well. Obviously, there are declining resources.

On the connectivity side, we have seen the collapse from 2010 onwards of the Connexions service. Nothing, in terms of young people's careers guidance,



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is going to be in place much until 2012–13. There is a two-year vacuum there.

On the supply side, 16 to 18-year-olds in college, who are significantly less well funded than those in school sixth forms, are facing a more than 20% real terms reduction between 2011 and 2015. In essence, the funding per student on both the demand and the supply side, and the pooling of resources in terms of the connection between demand and supply, mean that we will not maintain the participation rates we currently have into the future.

**Q39 Damian Hinds:** Before we come on to my question, may I ask Ian for a clarification? You were talking about the decline in participation at 16. Is that because of the number of births 16 years ago, or is it the percentage you are talking about?

**Ian MacNaughton:** No, it is the percentage. It's not just numbers or demographics; it's the percentage.

**Q40 Damian Hinds:** Is there any reason to believe that that is any more than a one-year trend, because the medium-term trend is inexorably upwards?

**Ian MacNaughton:** I believe that it will go on for four or five years, if there aren't policy changes.

**Jane Machell:** It depends on where you are. Certainly, in East Hampshire it is fairly flat; it is not declining. We know that from going back to year 7 data in schools. It is an overall picture—nationally, it will depend on the area.

**Ian MacNaughton:** I am talking about national YPLA data. Obviously, there will be local differences, but at national level the YPLA for 2010–11 says there is lower percentage participation at 16.

**Q41 Chair:** Do you happen to know what those numbers are?

**Damian Hinds:** We haven't been able to see those numbers—we're only Parliament.

**Ian MacNaughton:** The YPLA, the Government's agency, should be able to supply them.

**Q42 Damian Hinds:** I want to address the difference between overall funding and per pupil or per student funding. We have also had these discussions with people in the schools sector. It is obviously very important, and it goes to the heart of the numbers. The YPLA numbers suggest that, if you get the sort of full increase that raising the compulsory age would suggest—of course, you may not, because of the non-sanctions people talk about—on average, you would have an increase in student numbers, given the blend of declining numbers in the age cohort but an increased percentage. Overall, it comes out as an increase in student numbers of about 3.7%. I know that you can't do a straight read-across, because there will be different sorts of course, but bear with me on the ifs for a minute. If you have an average class size of anything less than 27, that is less than one person extra in each class. If you could absorb that—it may not be ideal; I accept all that—which other costs in the college are the key variable costs that are driven by the number of students?

**Jane Machell:** We are doing a lot of work in colleges, which we have done for some time, and we are being

terribly efficient. We have been squeezed for many years in colleges, so we are quite used to this. We are pretty entrepreneurial, and we are doing even more of that now. We are doing more work on shared services, in terms of back-office work, which means things like our information systems, financial systems, HR systems and estates, which are procuring insurance, legal arrangements and those sorts of things. So we are still able to make some more savings there. Clearly, the big issue is around our staffing costs and high-quality teachers—recruiting them, ensuring that we are competitive with schools, so that young teachers coming out of education training with their certificates of education want to come into colleges. We need to maintain that high quality teaching base and recruit them and retain them. Teaching costs are the big costs.

If you go into the average classroom—we are one of the lucky ones who have a big mortgage, because we have invested a lot in our estate—they are big, but 27 children is not possible. In some of our classrooms, you just cannot fit them in. If it is specialist accommodation, it's even fewer.

**Q43 Damian Hinds:** Chair, am I allowed to bring in both David and Elaine on that?

**Chair:** It is greedy of you, but go on.

**Dr McMahon:** We are working extensively on shared services. A colleague here from Lancashire colleges knows that because Hull college, where I work, which is a college in East Riding and North Yorkshire, as well as in Hull, works with all the Lancashire colleges on pooling to get better prices. On procurement we do a lot better, because we work on a pooled resource. We are working with Sirius Academy, which is sponsored by Hull College on sharing our services, including staffing, so we pool our resources. Hopefully, post-Wolf report recommendations being accepted, we can pool our resources for staffing at 14 as well. We currently jointly run the sixth form there. We are looking at lots of things with the local authority, including the reductions in the Connexions service. We are looking at whether there are organisations, including colleges, who do a good job in many respects on IAG already and have matrix awards for it, where we can pool resources and get an entity that can be set up to allow Connexions to IAG to continue in a different form. We are doing an awful lot already. It isn't enough, but it is starting to make an impact.

On your point about 27 in a class, that is fine on a straightforward academic curriculum, which we do.

**Q44 Damian Hinds:** I understand that.

**Dr McMahon:** It is not all right with special learning disabled students, and it is not all right with specific areas of the curriculum such as engineering, where you can only have so many people to a specific, technical machine. There are other reasons why you end up with a lower class size. That is not to say that we are not working on that and trying to maximise the modularisation opportunities and maximise the curriculum generally. This agenda needs a complete overhaul of the curriculum.

**Q45 Damian Hinds:** Sure. To be clear, when I was talking about 27, all I was making was the mathematical point that if class sizes now are less than 27, including one or any number in between, the increase of 3.7% is less than one student per class. I was not advocating class sizes of 27. Can I push you, Elaine? Theoretically, if you can absorb that increase in class size, what are the other key variable costs which are driven by student numbers?

**Dr McMahon:** The variable costs are the advisory support costs. We put in a lot of extra effort. The types of students that we get are very variable in their backgrounds. Some students have a need for more support. If the entitlement money goes from support areas, we struggle to keep those students motivated sufficiently and to meet their needs. The costs for us—the one that will really hit us—is that. If we do not have enough funds to support learner needs, we will struggle.

**Q46 Damian Hinds:** David, can I ask you to really focus in on the key variable costs? Can you absorb the class size—the key variable cost—which is driven by changes in student numbers?

**David Lawrence:** The first issue is that the increase in learner numbers is being offset by a reduction in funding per learner. That is a significant issue. Most of us have driven out those efficiency savings in the past. While you might, if you could get growth, ameliorate that to some extent, it will not totally take that out. The key variable cost is exam fees and learner support costs. The learners we're attracting through this drive into that very, very last bit of NEET are those who require significant levels of additional support. Those costs are disproportionate for those learners; individual financial support for those learners is at a completely different level.

The overriding series of ifs that you gave us were all to do with that volume of learners being spread equally over the whole picture. What concerns me and those of us in rural areas greatly is that that is not what will happen. If you remove all the infrastructure that allowed people to make fairly even and equal choices about where they end up, that won't happen if the infrastructure isn't there. If you remove transport infrastructure or make it impossible for them to feel they can afford to access it, what will happen is that institutions reliant on those rural catchments will lose learners at the expense of the only option that they can see available to them, which may not necessarily be the one that gives them the most long-term positive economic impact to us as a society. The further impact for us, then, is that we think we'll see numbers drop. It very quickly has the opposite effect when the numbers drop from that 26 or 27 average group size.

**Q47 Damian Hinds:** I accept that my ifs were all ifs—they were scenarios. Thank you. Your latter point leads us on to a key question. Can you describe the profile of the extra people that you're expecting to come through the door and how they are different in terms of their needs? How will that, in turn, knock on to the types of course, level and support that you provide?

**David Wood:** The first thing I want to say is that it's likely to be the difficult-to-reach people who are going to come into colleges. A little bit of caution: our colleges are full of the most able and brightest people in the country. Don't associate FE purely with low-ability young people. Do not make that mistake. We are full of the most intelligent. They go to Oxford. Whatever level you wish to judge it by, do so.

On your question about the young people we're reaching now, of the young people who come to me, 60% of them haven't maths and English. It's huge. Of course, they can often cope with a vocational subject per se, but they can't cope with literacy and numeracy needs. Frequently, they come in and are devastated when they get GCSEs at level 2 and can't go on to level 3, because they're just not capable. It is all that disproportionate emphasis on easier subjects in schools that doesn't fit them to come into college well. The other thing about this group of students is that many of them are ill advised. That is important. There was a conversation about information, advice and guidance and drop-outs at 17. I think one issue is that they get poor advice on what course to go on. They have a sample and a dose of a school—

**Q48 Chair:** I hate to interrupt you, David, but we are going to come to course choice, advice and so on a little later.

**David Wood:** Okay. They have been poorly advised. Sometimes you say to these young people, "Sorry, you can't do that." It might be an engineering course. They say, "Okay, I'll do tourism." Where did that come from? What Wolf illustrates to us—it's important in Wolf—is that 1% stay in NEET from 16 to 18, but 32% of young people 16 to 18 are in and out of NEET. So we're not seeing a group of people—we must understand this; we've actually said it. You don't get the rational choice of coming into an occupation, training for it, going into a particular job and earning a living. That isn't the norm. What we have is this fantastic churn of experiment and interest. We get young people uncommitted to education and not sure what they want to do, but in my college, one thing is absolutely certain—they hate school.

**Q49 Chair:** Anyone else want to pick up on the quality and, when the participation age goes up, the likely picture of those people coming in? You could perhaps tease out, as Damian suggested, the curriculum implications and any cost implications, because that's obviously a key message if the Government want FE in particular to pick up this group. Who would like to go with that?

**David Lawrence:** For me, this is all about motivation. That's why the 14 to 16 part of this job is equally important. One can't disagree with Wolf about English and maths. They're fundamental skills, but most of them have been switched off from studying them, and when we get them back into college we try and switch them back on. I think the challenge is—in nearly all the answers I can think of, I very much subscribe to what David said. Their ability levels are there; they have just not been motivated. Our task is to find ways to motivate them using vocational subjects. I believe that we have been very successful in doing that. I have

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a massive problem where it then links to the labour market, and for my institution, it is very easy to see, because we are a specialist college.

The chief scientist's Foresight report on the future of food and agriculture is filled with major challenges facing this industry. We have a massive skills shortage and we can't recruit enough labour for it. It is about getting youngsters to see those occupations at 14 to 16. I have more than 600 of them in my college; a good 50% will progress to vocational programmes in that area and I can assure you that they wouldn't have done so otherwise. We have to join this whole job up; it is not just about participation, it is about making sure we have made a link to where they are going to progress to, in terms of economic activity, and that is all about motivation as much as just achieving the academic qualification.

**Q50 Chair:** Elaine suggested earlier that it is all about getting in early; that if you get to them when they are 13, the chance of their dropping out at 17 is massively diminished. Do you all agree with that?

**David Lawrence:** Yes.

**Q51 Tessa Munt:** I want to ask you all this question, and particularly David and Ian. Equipment costs are normally borne by students; you have an arrangement over accommodation as well?

**David Lawrence:** The more specialist you are, the greater geographical area you end up covering. It is just a fact of life and, clearly, in some specialist areas we are now working almost on a regional and, in some cases, national basis. Without residential accommodation, you cannot achieve it and we are extremely concerned that, as part of the whole review of learning support funding, some of that support will be lost and that that will have the most significant impact on those with low incomes. In our case, we have tried to hold residential costs at a very low level; it is £100 a week for full board for our learners. You won't find that in the university sector. It enables access and it is all about getting individuals into employment in these industries. Without it, we couldn't achieve it. The most support we provide is a 55% subsidy, and that is for individuals from families with a total family income of less than £15,200.

In terms of equipment, it varies. We are not dissimilar in many respects to other colleges. Safety equipment is significant for us—it averages about £300 per learner and we support some learners with that. In order to be able to study certain subjects—arboriculture is one—they have to find between £800 and £1,000-worth of equipment. We have been applying a similar approach to support—we would not fund more than 50% of that and we have been using a means-tested system to deal with it.

**Ian MacNaughton:** David's is a particular type of college; I am from a sixth-form college providing general education that is dominated by A-levels. The real problem is that in 2011, looking at the current policy landscape for the next few years, Government funding for 16 to 18-year-olds doing A-level courses that require equipment—the sciences, technology subjects and so on—is inadequate, it is not enough to pay. Within that context, current funding is barely

enough and then we have to pay capital and interest on the mortgages from our capital developments from the past, which was not an option but a requirement of the LSC's capital framework. We had an Ofsted science good practice visit last week. We have something close to 1,000 students doing science-related A and AS-level courses—a very big scale. Group sizes are very large now because of the declining funding; we have no spare resources to help the kids pay for incidentals in and around the course. Studying a science or technology subject, a creative subject or a performing arts subject at A-level now costs the students money—as much as £400 or £500 over a couple of years.

**Q52 Tessa Munt:** I represent a rural area with very few bus services and decreasing numbers. I phoned my county council and asked about the cost of a bus pass for next year. They were not able to answer that question this week for September. Do you feel that young people will move towards their nearest provision as opposed to the best provision? I have four schools with sixth forms and two schools without, and it is some distance—between nine and 20 miles—to the colleges. What will happen? Will students move?

**David Wood:** You've got an interesting one. Students cannot be held responsible for where their parents live, so it shouldn't deny them access to the course most appropriate for them. I think that what you're seeing is that this is impacting more heavily on those students who live furthest away by some distance. If you talk to anybody about EMAs, they say that the biggest concern they have is transport. In my area, a short distance of a couple of miles costs £12.50 a week, and if you go five miles, it is £24 a week. They simply cannot afford it.

I think I would support your view. If you are in a school, there are routes to school and you can still get on the school bus to get there cheaply. When we interviewed people this year for September, they went through a range of issues and said, "By the way, will your buses still run?" We know that that's the deal-breaker. It is a very important point, and it's about entitlement too. Some young people are being literally disintitled to education and training by this action.

**Jane Machell:** Youngsters, and indeed their parents, have been voting with their feet on quality of provision and what courses are available nearer to or further from them that might be more appropriate, as David just mentioned. It certainly happens where I am. There is a lot of cross-border movement. Some 20% of my students come from Surrey because it is only 10 minutes by train. It doesn't matter that they don't live in Hampshire. They vote with their feet and come to us because we're a beacon, grade 1 college, and they want that high-quality experience. I still think you'll find a lot of that, but those families who can afford it will continue to do it. For those families who can't afford it, the transport costs become a barrier, so you might see less of that movement—I haven't seen it yet, but we might.

**Q53 Tessa Munt:** I want to ask about the proportion of your budgets used in 2010–11 to support travel costs for students.

**Ian MacNaughton:** In my college, it is zero, because the approach we've always taken to resources is that there is no statutory requirement for us to provide transport support. That duty historically lies with the local authority, the Learning and Skills Council and other agencies. We always believe that our budget is there for teaching and learning, so we don't subsidise student transport.

**Q54 Tessa Munt:** I've been trying to get to the bottom of this business of what the statutory duty is on local authorities to provide transport. There doesn't seem to be one.

**Ian MacNaughton:** To add a caveat, that is in general. Of course, through our discretionary learner access fund, we occasionally contribute to some students, but not across the board. The responsibility at 16 to 18 has been the local authority's.

**David Lawrence:** In our case, we put about 1% of our budget into subsidising travel costs, but that is for the very specific reason of dealing with drop-out at 17, and has been about speeding up and creating more effective bus routes. At the moment, Norfolk county council subsidises it. The learners contribute £358 a year, which is halved if they are on low incomes—£15,000 is the cut-off point. Learners with special needs for several years have paid the same rate as any other learner, because, why wouldn't they? It is an equality issue. Everyone should pay the same. We are in discussions, and Norfolk county council has agreed to retain some contribution to learner support, and it should be congratulated on doing so, but it must still save £1 million on the cost in the next two years. We are looking at different ways of operating.

There is a statutory duty to plan but there is not necessarily a statutory duty to fund. There is a massive picture across the country. This certainly affects my colleagues in specialist colleges, such as mine, dramatically. If you're in an area where the county withdraws all financial support for transport, students vote with their feet and go for cheaper provision. In labour market terms, that will have a fairly dramatic impact on the sustainability of some specialist provision as a result.

**Q55 Tessa Munt:** At the moment, students in Somerset pay £600, and that is going up. It will be a huge problem for a family with many children of college age.

**Dr McMahon:** Hull city council has been subsidising. It might not be able to do it at all next year. Currently, it is subsidised by that council but, on average, about £5 out of the £30 that a student gets for an EMA goes towards travelling, too. There is a double whammy. The subsidy is going as well as the money that we are using, which comes out of the EMA. Let us think of the volumes. Of the 4,200 full-time 16 to 19-year-olds in the college, more than 2,900—about 70%—are actually on the full £30, and that will go.

We have worked out that, if the learning support fund is treble what it is planned to be at the moment—even if that were to go through—some of our students would only get 70p if their families earn £20,000 a year. The bulk of those students are in families earning between £5,000 and £15,000 so the maximum

a student in a family on £5,000 could get is £7 a week. That is to cover everything. It will not go anywhere. We are struggling with that at the moment, even with what might come in as a maximum on the learning support fund.

**Jane Machell:** Going back to raising the participation age, an 11 to 16-year-old or a four to 16-year-old is entitled to transport from the local authority because it is compulsory education. If, in 2013, 17-year-olds will have to be in some sort of education or training and, in 2015, the same will apply to 18-year-olds, why do 16 to 18-year-olds not have the entitlement that four to 16-year-olds might have?

**Tessa Munt:** I must say that I have asked such questions quite a lot—even if we were to stagger it from 2013 to 2015.

**Q56 Chair:** Are you all in agreement on that? Let us go back to the point I made at the beginning about recommendations. Obviously, the funding has to be found—it is not an obligation to be put on local authorities without funding—but as a recommendation that there should be an obligation on local authorities to provide transport for 16 to 18-year-olds.

**Tessa Munt:** But that has to be placed into legislation.

**David Wood:** One of the issues we all face is negotiating with individual bus companies. I can't. I only have one in my town, so it will not give me any concessionary rates at all. The university has 6,000 students. If it is a large unitary local authority, it will have the ability to drive a better deal. You will get economies of scale by that joined-up thinking. I would worry trying to do it myself locally, because it would not make a difference. I do not have any bus companies to compete with.

**Q57 Chair:** That brings me to the next question, which is whether you would rather have it come to you, so that you could tailor it to meet the needs of your students, or would you rather it was a statutory duty imposed on local authorities and suitably funded?

**David Lawrence:** From my discussions with Norfolk, I believe that it is an integral part of providing rural transport. If we get it right, it has a much greater economic benefit by being strategically planned than being done on a piecemeal basis. Given some of the points that David made, I am very lucky in Norfolk. It still undertakes that work on our collective behalf, and we contribute to it. I feel very strongly that that is an important principle. If that were part of how it is dealt with under legislation, that would be extremely helpful. The county council's problem is that it is not funded for it, as it keeps reminding us.

**Q58 Tessa Munt:** What you are saying is that it has to be taken out of the realms of political will, and become an absolute.

**David Lawrence:** It does.

**Jane Machell:** Let us not forget the impact if that becomes a right with the raising of the participation age for 16 to 18-year-olds. It would benefit the whole of the local community. The transport services will be there for the elderly in our community. They will be there for our families who are trying to get to the

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market on whatever morning it might be. It is not just about something for young people. It is about transport in the wider network and certainly in rural areas. That is the big issue.

**Ian MacNaughton:** We are fully in agreement with that recommendation. One little caveat was mentioned about local authorities. It seems that there should be an entitlement. Whether local authorities ought to be involved in it or not, I do not know. As it stands at the moment, things are very patchy. We are heading towards the educational funding agency being created to fund all four to 18 education, from April 2012. It seems that that entitlement is probably better delivered through an agency of that nature because, fundamentally, local authorities have almost no role in four to 18 education hereafter. They have an undefined planning role for the future, but funding does not go through the local authorities.

**Q59 Tessa Munt:** It also strikes me that you are not transport providers, you are educators.

**Dr McMahon:** We are talking about the rising participation age and about transport when the participation age is raised in a couple of years' time. This is hitting us from September. Before policy, we need something now, in the interim period.

**Q60 Pat Glass:** May I move on to the discretionary learner support fund? Most of you were here when we spoke to the previous witnesses, so you heard what they said. We have heard and seen a lot of evidence that the EMA's role as an educational incentive has been substantial. Others have played down that educational incentive to some extent. Devon county council has referred to EMA as more of a maintenance than a motivating factor. Do you see EMA as a financial carrot or an educational incentive? Do you think that it started out, in some cases, as an educational incentive and became a financial carrot? In terms of outcomes, does it really matter?

**David Wood:** That is huge. I think in some ways it is everything you said. It is an educational incentive, but without the financial support they wouldn't be able to realise their educational ambitions. I think that is it. Without it you are not allowing a young person to participate. I think it is that important. As they move forward in the future, the point about the EMA, which probably hasn't been made forcefully enough, is that, if we can get them in, by regularising their attendance pattern, they achieve. You are going to see a dip in quality, because many of these young people live chaotic lives, particularly the ones who are vulnerable. With that in mind, the additional factor is that the ones who are very keen will want to earn money to displace the loss of EMA. Right now we are seeing a lot of our young people working. They all work—three days in college and a couple of days working—and that is going to increase. So you are going to have more young people looking for more part-time work, which will have a detrimental impact on their work at college. Of course, there is also less part-time work around, but the part-time work is to support their family as much as themselves.

So I think you will see them looking for more part-time work to pay for the expensive kit and the meals

at lunchtime. We provide free breakfasts at my college. Our young people come to college inadequately fed, so they would otherwise pick up cans of Coke and crisps. You have to do a lot with these young people to change their attitudes and their motivation.

In a sense the EMA is a contract, and it is probably better to see it like that. They have a contract to use their money themselves; I think that is an important point to young people. These young people are very disempowered, and enabling them to have cash and to use it makes them more responsible.

**Dr McMahon:** It is both a motivator and a financial incentive. They have to have a bank account. They understand what happens with this money: it is theirs and it represents independence. Most important, though, is the way its use has evolved. You only get the EMA in a college if you actually attend and if you are actually successful. So there are two main incentives: you have to be succeeding on your course—meeting the tutor's requirements—and you have to attend. If you don't do those two things, you don't get your money.

All the statistics collected by the AOC and 157 Group demonstrate, as we heard earlier with Lambeth college, that the EMA has tremendously improved success rates, and it has improved retention and attendance as a result. In my own college, we know that, compared with those who don't get the EMA, there is in some quarters, at levels 1, 2 and 3, a 10% difference with the students who get the EMA. Obviously, because of the nature of the EMA, those students are from the most disadvantaged backgrounds. They are competing extremely well, which they did not used to do. Year on year, since 2004 when it came in as a pilot, there has been success. It has been a tremendous success.

**Q61 Craig Whittaker:** We heard that EMA is a contract. Elaine just talked about success rates and how attendance is up. We also know that schools will enable economic impact, which is actually the outcome we're looking for. We have 1 million NEETs. Who is breaking the contract? Is it the guys getting the EMA or is it the colleges and schools?

**Dr McMahon:** We would not have NEETs if they came to college. They have dropped out before we get them.

**Q62 Craig Whittaker:** So it's not working, then?

**Dr McMahon:** They are not reaching us. If we could get them, mostly they would be encouraged to stay, especially if we get them on the right programmes. The other big success that has happened in recent years, which I am pleased the Government are promoting, is apprenticeships, and 16 to 18-year-olds on apprenticeships is a big success. My college has just had a significant increase in its contract from the Skills Funding Agency, just because it is such a successful approach. Breaking contracts is about getting them on the contract in the first place, and getting them on the right course is about where the contract starts for the learner.

**Q63 Craig Whittaker:** So therefore it's not the EMA that is particularly the issue. The issues are further down the line.

**Jane Machell:** There are two separate issues. Once they have enrolled and they are on EMAs, I echo exactly what has been said. They have to attend. We have to return their attendance rates on a weekly basis.

**Q64 Craig Whittaker:** But are they outcomes or ticking boxes?

**Jane Machell:** No. They have to be physically in the classroom, learning with a tutor.

**Q65 Craig Whittaker:** But surely the outcome has to be that these young people are going in schools to enable an economic impact for our country. That is not happening. We know that, because we have 1 million NEETs, so something is not working.

**Jane Machell:** That group of NEETs are not in our colleges yet, so we need to look at strategies across the country and how we identify who those young people are.

**Q66 Pat Glass:** Looking at the ones who are on EMAs and in colleges rather than those who aren't, I am interested in what you said, David. Your view is that the abolition of EMAs will not only result in a possible reduction of participation, but that those who do participate will achieve less well.

**Ian MacNaughton:** I think that that is what Mick Fletcher was saying earlier when he was talking about EMAs. He was talking not only about participation but about attendance, achievement and progression, so it was the whole package.

**Q67 Lisa Nandy:** For the record, does everyone agree with that sentiment? I saw some nods in response to David's point.

**Jane Machell:** We are very worried, to pick up David's point—David Wood on my left. We have concerns about the fact that students will now stay in colleges, but they will not be able to afford to stay in education and training unless they do more part-time paid work. There are a number of studies being done. The university of Durham has done one. It started in the USA at the National Center for Education Statistics. As the hours of part-time paid work increase, attainment rates decrease, and we are seriously concerned that those students who really want to—they are motivated but cannot afford it—will do it by working 20 or 25 hours a week in Sainsbury's, Tesco or wherever, and they will not be able to have the attention span and the time to do their work and succeed.

**Q68 Pat Glass:** Craig asked about the evidence behind those who continue to participate and how the outcomes may not be as good. Is that because of the well recognised link between attendance and attainment? Is that what you are basing that on?

**Jane Machell:** Yes.

**Q69 Pat Glass:** Moving on to EMAs, currently, in 2010–11, the cost is £564 million. The anticipated figure for DLSF for 2011–12 is £26 million, although

that will increase threefold for three years. How do you think that the DLSF should be allocated? How will it be allocated in your college, and how important do you think external criteria will be to stop postcode lotteries?

**David Wood:** That is a tough question. If it's at that level, there is barely enough to go round. One of my issues is that I do not want my student services area turned into a benefits office.

**Q70 Pat Glass:** That is my next question.

**David Wood:** How will we determine which young people will get a very small amount? And will that be for a very small number? We are at risk of not having much to give out, and it will not make a difference if we do. The level of support is not enough to be effective, so if it stays at those figures, we may be able to allocate it in a means-tested way, but it would not be enough to make a difference.

**Jane Machell:** It goes back to the issue of transport. If transport becomes an entitlement of some description, which would be a major cost, the DLSF can be used for equipment costs or special things. The transport issue is absolutely crucial.

**Q71 Pat Glass:** May I pursue that? My local authority—I am sure that the Government are quite capable of speaking for themselves—keeps saying to us, "If you are going to provide this, where is the money coming from?" My local authority is losing £40 million. It is not wealthy; it is lucky, because it is consulting at the moment on abolishing its support for 16-plus transport in future. If we make this compulsory, where will the money come from?

**David Wood:** I think Mark Corney's presentation was excellent. He said that you have to look at the whole issue around 16-to-19 child benefit. There is plenty of money in the system—

**Q72 Pat Glass:** So is the recommendation that it becomes compulsory, but we should look at wider student funding?

**Ian MacNaughton:** That is absolutely right. I think we all agree that something must be done to support 16-to-18 student finance for travel and wider issues—probably on a means-tested basis, which we are keen on. Where does the money come from? Local authorities do not have it, and I have already made the point that we are heading towards national formula funding for 16 to 18s, which is just around the corner. Fundamentally, we cannot just say, "We need more here, we need more there." Somehow, we have to find the resources.

Within that context, one of the biggest 16-to-18 issues is the inefficiency and wastefulness of successive Governments in supporting small-scale 16-to-18 provision in and near urban areas. Huge amounts of extra resources for students have been put in, which are often lower quality—

**Q73 Pat Glass:** Are you referring to half-empty sixth forms?

**Ian MacNaughton:** I am talking about any form of provision where there are only, perhaps, 70 to 250 learners. That is much more costly for the

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Government to support, yet we are seeing a proliferation of that type of momentum. There is potential there for saving resources and using them for some of the things that we have been talking about.

**Dr McMahon:** It has to be targeted at the most disadvantaged, which goes without saying. But there must be an incentive for all organisations, local authorities and educational training providers in an area to pool their resources, because there is not a huge pot anywhere. We have got to learn to pool the resources and look at the opportunities. Whether that strand is transport, or whatever, there must be some way of incentivising us to pool the money and work out the best for the learner, instead of having individual organisations competing or trying to do things singly, which, ultimately, will not work.

**Q74 Pat Glass:** Finally, on individual colleges, of the £26 million distributed across the FE sector, which will include school sixth forms, how much will be spent on allocating the DLSF?

**David Wood:** There is a nominal amount of 5% of the budget—you can quadruple that, it is fair to say. My point is that I do not think we will be satisfied with what we do with it anyway, once we have attempted that task. The needs of our disadvantaged young people are so great that the amounts of money on the table will not go anywhere near satisfying those.

**Q75 Pat Glass:** So you think about £4 million of that £26 million, working on the basis of 15%.

**David Wood:** In terms of what?

**Q76 Pat Glass:** Didn't you say that 5% is the current percentage and you could quadruple that?

**David Wood:** Yes.

**Dr McMahon:** We worked out that we needed four more staff to administer it. The information that we get at the moment on the means-testing element is quite detailed, whereas we need to access—

**Q77 Chair:** What do you need information-wise—sorry to cut across you, Elaine—because I know that there are issues around the transfer of information from local authorities. You are independent institutions, so there are data protection issues. What do you need to be provided with so that you can do the best job and reach the most people?

**David Wood:** Understanding the level of income of the family and the family circumstances is really important. The second thing for me is understanding the previous education of the young person. When they come to us, I need to know what their needs are based on their performance, what their issues are and whether they have any specific needs which I need to cater for in my own institution. Very little of that information follows the learner currently. I would want to see far better information passed from schools to FE, so that I can make better representation for my young people.

**Q78 Chair:** Are there any legal barriers to that happening at the moment?

**David Wood:** It just doesn't happen, particularly when you are in a competitive situation. When a young

person comes to me from a competing 11-to-18 school, we can't call for information early, because that school talks to the young person and persuades them to stay, which is not right. But we don't get that information. We are all in the same position. Although we have an idea who is coming in September, all these kids appear, which means you have to put in your provision very quickly. There is no doubt that if we got earlier information we would be able to put the support in earlier to make sure those vulnerable people were picked up much earlier, before we come to September, and guide them into our system. So for me, it is on two levels—the family circumstances but also the attainment of that individual and the issues surrounding them.

**Jane Machell:** I would echo that and also add to it.

**Chair:** Can you tell us what it looks like? You say it would be a nice thing to have. I don't know what a recommendation would look like, what a rule change would look like and what a requirement would look like.

**Q79 Pat Glass:** You mentioned earlier that you get the money this year for what came in last year. Would it be helpful to have some kind of recommendation that there should be equalisation of funding across schools and colleges? In schools there is a mid-year redistribution and allocation to take this into account.

**Jane Machell:** They are obviously changing what is happening in school sixth forms now to bring it down.

**Q80 Pat Glass:** No, I am not talking about the amount. I am talking about the fact that in schools there is a mid-year adjustment.

**Jane Machell:** That would be helpful. But when you have a youngster who appears at the door and the school hasn't given you the information, you discover that they are dyslexic, or dyspraxic, or they have some other learning difficulty and disability. There may be other social issues. There could be a range of mental health issues. You only find out about it on 5 September.

**Q81 Chair:** Do we need a young person's passport and an obligation on any institution? I think it was done with gas companies and a certain time limit was imposed. People did not want to lose their customers and they had to respond to provide this information, so that the customer was not inconvenienced. Do we need something similar, so that when you register these people you can demand and receive the information you need within a reasonable period of time?

**David Wood:** Chair, there is a problem in the system generically. I would absolutely agree with that. The problem in the system is that information does not travel between education institutions comfortably. Often schools will cite the Freedom of Information Act—that is used continually. It is a very difficult area to pronounce on. The second bit is that when you talk to the YPS Connexions service, they won't give you the information either because of confidentiality. At every stage, we have to do our best for this young person who materialises out of the blue in September. It is a very big challenge.

**Q82 Pat Glass:** May I ask one technical question? Do you get access to RAs? Is that not something that would help enormously. It gives all the student's history of achievement.

**David Wood:** No.

**Q83 Tessa Munt:** I was going to ask you specifically about the issue of trust, as well, because from the experiences I have had, my sense is twofold. One is that colleges cannot trust the information that schools provide to them, anyway, where it does come forward. The second thing is that you are saying, Jane, for example, that you find students who are dyspraxic and dyslexic. I find parents who discover that children have those problems when they go to college and not before. Something is very wrong, then.

**Jane Machell:** I have a word of caution here, because I certainly have some fantastic relationships with many of our local secondary schools, and that information flow does happen. But quite frankly, it is down to the leadership of that school.

**Q84 Tessa Munt:** But do you test the ability of your students when they come in?

**Jane Machell:** Yes, we do.

**Q85 Tessa Munt:** Why are you doing that—because they have got GCSEs, or because they have got school reports, or whatever?

**Jane Machell:** Because we want to see whether they need additional support for dyslexia or dyspraxia.

**Q86 Tessa Munt:** I would then have to question the relationship with the schools.

**David Lawrence:** Even when they may have achieved maths A to C, they cannot actually do it in a different context. You have got to test that to understand it. There are some significant issues there.

**Tessa Munt:** I understand.

**Q87 Charlotte Leslie:** I am interested in the idea of enforcement. There seem to be two parts to this. There is leading the horse to water, which is the legal framework, and then the making it drink, which is the engagement with what actually goes on. To concentrate for a second on the first part—what is your view of the enforcement of participation, the concept and the reality of it? Do you welcome the fact that the actual obligation to enforce participation is being postponed?

**David Wood:** Criminalising learners, or their families, is not good. I think we'd all share the view that we would rather people wanted to be in our institutions than were press-ganged in. The difficulty I have is that the young people in that position who are unlikely to attend are very difficult to get at. What I would like to see is more flexibility and funding, which will enable me to go into those communities with sufficient staff resource to spend a large amount of time with the youth service and all those agencies to bring them in. Without that additional funding, I don't think I can get to them in the way that you would want.

**Dr McMahon:** I completely agree with what David has said. I would add that it is also about the move

towards working with employers in a different way. It is about moving on apprenticeships to a greater extent wherever possible. It is also that, if a young person at 16 is working with an employer, that employer has to commit to training and knowledge that is going to be transferable, not just for that company and not just for that organisation's needs. So I think that, for the 16 to 18-year old, if raising the participation age is allowed to broaden what it starts out as, I think we have a good chance of enabling it to be successful.

**Jane Machell:** It is around flexibility. How are we defining participation? That was raised in the earlier session. Is it volunteering? Is it one day a week, doing some training or being with an employer? Not enough work has been done on how we are going to define participation. But I don't think we should be criminalising students and their families. Anyway, if we did, the local authorities don't have the resources to do what they do with a 14 or 15-year-old and put them in a pupil referral unit.

**Chair:** Do you have to do 280 hours of face-to-face tuition in the year? Is that the rule—I think it is something like that. It strikes me that some of our finest universities doing arts courses don't provide that—they are only open 28 weeks a year and they provide far less than 10 hours a week of tuition. So it seems to me that Oxford and Cambridge are going to fail on participation. Sorry, that wasn't a question.

**Ian MacNaughton:** It was a good point. They need £9,000 to do it, as well.

**Q88 Charlotte Leslie:** What extra burden do you think will be put on you if you're going to have to start monitoring attendance as schools do, communicating with local authorities? Another issue is that a lot of the time kids fall off the school roll before they get anywhere near your level of education. I wonder how you see all that joining up with you, in terms of the added burden and whether you see it as a realistic thing that local authorities and colleges will be able to do.

**David Wood:** I think that colleges have superb systems for tracking students. We have magnificent systems of pastoral support—there are myths about that. We have outstanding systems of counselling and careers advice, with professional mentors working alongside them. I know that any student who is not in my college on any day is telephoned or texted. It is 100% done, and everyone here would echo that. We have got it down to a fine art. We know where every one of our students is; we know what they are doing and where they are. The attendance position isn't a problem, and tracking students isn't a problem. We're good at it. We've got extremely good at it, and our data are outstanding at that level.

What we really need to do is work very closely with local authorities and other agencies, because we don't know what we don't know. I don't know where those young people necessarily are, and we've had this issue about finding it quite difficult to find out their names and addresses from agencies, so that we can do something about it. It's a little bit about trust. We need to have agreed rules of engagement about the exchange of information and data to enable us to track these young people. Part of it is that I know my own



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institution and our success rate. Our progression rate when they leave me is a 91% positive outcome, but as soon as they have left me, it erodes. It is very difficult to track a person in that process, and we need to get better at it. It can't be just a college doing it on its own; it needs to be a truly engaged local position, and the localism agenda, which I think Elaine mentioned, is really important. If we can get local leaders buying into that, we've got a chance; but at the moment, it is down a little to whom you're talking to.

**Dr McMahon:** It's about the tracking systems, but it's also about our approach with young people, which is successful. In a lot of areas up and down the country, you'll find that successful colleges have got the same if not better attendance than the schools. That's "post-legal" attendance of course, because there is no need to be in a college. I would also say that a number of colleges such as my own provide a PRU service, so we take those who have truanted. We take them full time as well as part time from 14, and we know how to sustain them. So it is about the numbers game and systems, but it's more importantly about the connectivity with the local organisations to enable us to provide that service, and we could do more of that. We should share our improved systems more than we're doing at the moment.

**David Lawrence:** May I just add one more point to that? Going back to your point, Jane, for me it's about working with the other agencies, and that's another area that's being squeezed mercilessly at the moment. We know who these individuals are through our systems; they are quite often young carers. They have enormous challenges, and the level of support they require to overcome the challenges and get to college is very substantial, and they are the ones who invariably end up back in the NEET group because we can't provide enough support. So the emphasis shouldn't be so much on policing it as we might do pre-16; it's more about focusing attention on key groups and having a joined-up approach with enough resource to provide the support for those individual learners, because they're the ones who invariably fall out, quite often with very good reason.

**Q89 Charlotte Leslie:** I have just one final, more general question on the whole concept of raised participation age. We talked earlier about getting people to you so that they could start to fulfil that contract that we talked about with the EMA. To what extent and to what balance do you think that policing enforcement and legislation to make a legal requirement is the way to ensure that all our young people are engaged in quality training? To what extent do you think the fact that they're not is a symptom of something that we need to tackle far further down the school curriculum at an early intervention level? What's the balance, do you think, of sorting it out?

**Jane Machell:** I do think that we need legislation on it. We're out of sync compared with other European countries, the US or Finland—you name it, we're out of sync. The other bit of your question is about whether they are motivated enough, and are we actually offering them courses that will be motivating, that they will get support for, that will lead to something productive. At what point in their

education do they get turned off? We have to keep working lower down the system with schools and our colleagues in schools to make sure that that doesn't happen. I think it needs both.

**Chair:** I'm going to have to cut you off there, and not let anyone else come in on the answer. I'm sorry.

**Q90 Ian Mearns:** Something that I am particularly concerned about, because in a previous life I was chair of a careers company before Connexions was invented, and that you referred previously, Ian, is the collapse of the Connexions service. The Government's stated intention, as outlined in the Bill, is to secure careers advice. From your perspective, is that intention backed by anything tangible to secure good-quality, independent careers information, advice and guidance for students? Is there any prospect that what is available will lead to more informed choices, better retention rates, and better educational and economic outcomes for students?

**Ian MacNaughton:** In my career, I cannot count the number of times the local careers guidance service has been built, rebuilt and changed. It is often true that the same people seem to resurface under a reorganisation, but they have often been made redundant or had TUPE-right transfers. I have honestly lost count. It must be nine or 10 changes. Every time a change happens, there is a waste of resources, and disruption to service. That is what is happening at the moment.

Our college is in Essex, but on the Suffolk border. Connexions gave a very limited service in 2009–10 and 2010–11, and looking ahead to 2011–12, we believe there will be very little guidance, particularly at the key stage of 14 to 16. Our students at 16 to 18 are getting very little guidance, but the 14 to 16-year-olds in schools receive almost no guidance at all.

I think the new all-age service is to be rolled out in 2012, but it will be a slow roll-out, and I don't think it will be until 2013 that we fundamentally see a reasonable service in place. I do not know about its resourcing, but I suspect that it may have fewer resources than Connexions. For a three or four-year period, such guidance for 14 to 18-year-olds has become minimal.

**David Wood:** In Lancashire, we have virtually a tertiary system, with very good systems in place between schools and colleges. That is evident, and I need to put that down. Young people are well placed, because it is in no one's interest to keep them. That is important. As soon as you introduce the notion of competition, it makes matters formidably different. I'm in an area where there is strong competition, and some schools will not let me in; they will not let us there.

My view about independent advisers going in is that that is fine, but it is no substitute for someone who works in the college and knows the subject going into the school. In some ways, a careers service would not be needed if you let me have access, because you could have any of my staff at any time to talk to young people from the age of six up. I would do that, and I think my colleagues would, but we are simply not able to. We don't want to say, "This is the right thing for you; don't listen to them." All we want to do is to

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have an opportunity to say, “Come and look at this college; come and see what we do; we are different.”

**Q91 Chair:** What would that look like? On the aspiration, we’re interested in the mechanism that might deliver it. Tell me what it looks like, and what would be changed?

**David Wood:** To enable colleges to access young people in schools as a right.

**Q92 Ian Mearns:** The problem with that is that any institution that accesses another institution’s pupils will always be seen by that other institution as having a vested interest. The bottom line, as we have discussed before, is that the number of youngsters you get through the door generates your income. Malcolm Wicks, when he was an Education Minister, described what was happening in terms of advice and guidance in some parts of the country as akin to pensions mis-selling. That was some time ago, but we have long enough memories. I remember when the careers service was part of the education authority and became Connexions. We’ve been there, but now there’s a vacuum. How are we going to get round that vacuum?

**David Lawrence:** Can I just add a little to our proposal? If we were all accredited providers of Independent Advice and Guidance (IAG), which most colleges are, we would all be obliged—we would be tested on this—to give fair, open and transparent advice, irrespective of where the learner ends up. What I find really distasteful is to be told by a number of schools, “You can come in and talk about this subject, but you’re not talking about this, this and this.” We do it. This is about learner choice, isn’t it? We are public servants. My view is that colleges are a means to an end, not an end in themselves, and our job is getting people into economic activity that will benefit wider society.

**Q93 Chair:** What does that look like, David? How do we enshrine, legislate or provide guidance on delivering the right that David Wood talked about?

**David Lawrence:** I definitely think we should require anyone who’s giving careers advice and guidance as an institution to have to work to those matrix standards, because that would be a formal approach, which would be very robust. Secondly, mainstream education providers should be given a right to have access to those learners, either in ways that we used back in time when there were more formal careers services and there were careers events for a wider population, rather than relying on individual schools, or through an access arrangement to school careers events. What you can’t do at the moment is have it separated out, so that a school head can decide they need to fill that particular course, so they’ll stop the colleges talking about it.

**Q94 Tessa Munt:** If you took 13-year-olds and make sure that part of their PHSE was that they should travel to their local college and have a day there, would that break that open?

**Dr McMahon:** Yes, we do that. We work with the schools on what we call discovery days. They come for a day, and they come from different schools on the same days. They go through a range of different taster activities.

**Q95 Chair:** Are schools obliged to do that?

**Dr McMahon:** They aren’t obliged to at the moment, but most of them participate.

**Q96 Tessa Munt:** It’s the ones who don’t.

**Jane Machell:** It’s certainly something that we could welcome outside this Committee meeting.

**Chair:** We’d love to hear from you after today’s meeting any recommendations on how we can improve not only participation, but the quality of education providers. Thank you all very much for being such good witnesses today.

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## Wednesday 11 May 2011

Members present:

Mr Graham Stuart (Chair)

Neil Carmichael  
Nic Dakin  
Bill Esterson  
Pat Glass  
Damian Hinds

Charlotte Leslie  
Tessa Munt  
Lisa Nandy  
Craig Whittaker

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### Examination of Witnesses

*Witnesses:* **Deborah Roseveare**, Director of Education and Training, OECD, and **Professor Lorna Unwin**, Professor of Vocational Education, Institute of Education, University of London, gave evidence.

**Q97 Chair:** Good morning to you both. It is a great pleasure for the Committee to have two such distinguished witnesses to give evidence today. We are discussing participation by 16 to 19-year-olds in education and training. As a broad opening question, in what ways does the UK differ from other leading economies regarding 16-to-19 participation, either in policies or in outcomes for young people?

**Deborah Roseveare:** Thank you for this opportunity to meet you and to participate in your deliberations. The UK, in particular England and Wales, has a number of particular features. I would like to start by pointing out some of the good news. If we look at the work that we have done on Jobs for Youth and at the Not in Education, Employment or Training group, our analysis shows that in the number of years that younger people older than 19 can expect to spend in employment after they have left education, the UK does better than almost all other countries. The gap between the total years expected in employment out of the first five years after education and the total for the low-skilled is smaller than in most countries.

**Q98 Chair:** Before you move on, has that been broadly stable, or is that a situation that has improved absolutely or relatively over time?

**Deborah Roseveare:** The work was done by colleagues in another directorate, so I don't have the details at my fingertips. The figure that they presented was only for one year, but it is an encouraging story. They also identified that the UK has one of the smallest shares of what they called the "left behind"—young people who are never going to make it through the whole working career—and that it has one of the smallest shares of those without upper secondary education. When they look at what they identify as the group of "youth at risk", the UK has the smallest in Europe. That is encouraging. If we look at the group that you are looking at, the UK has one of the smaller shares of participation in education or in employment. Lorna, do you want to complement that?

**Chair:** May I allow Tessa to do a quick follow-up before I bring Lorna in?

**Q99 Tessa Munt:** I just want to clarify something. Can you explain exactly in what context you are using the words "at risk"?

**Deborah Roseveare:** "At risk" was defined as those who either had been left behind and hadn't completed

upper secondary education, or had been poorly integrated into the labour market, so they might have had a temporary job, but that is about it.

**Professor Unwin:** Thank you for inviting me to appear before the Committee. I want to start by saying that I think we come at this in the wrong way. Rather than saying, "How do we compare to other countries?", I think we need to learn a lot more about our own country. I think that we don't understand the system we have. That is partly because the system is complicated, but the system is complicated in most countries. Actually, most countries find the relationship between education and the labour market difficult. It is the hardest part of an education system to get right. It is obviously hard because work is changing and has always been changing. We need to get a better sense of how our young people are placed within employment and what the transition pathways are. We need not only to do that nationally but to have a regional dimension to it, because if we just do this on macro comparisons we have no sense at all that being a 16-year-old in one part of the country is very different to being a 16-year-old in another part and that your opportunities to gain both decent jobs and training are very different too. I want to see much more effort being made to really understand our system and its performance.

**Q100 Chair:** How would that be carried out? Who needs to do it and in what way?

**Professor Unwin:** Well, people like me could do it.

**Chair:** No professor has yet appeared before this Committee without suggesting that more research should be commissioned from them.

**Professor Unwin:** Well, you fed me a line. I think that your civil servants in your Department could do it. One of the ways that they could do it is to get out more and actually go and look at what is happening. That is not to disparage civil servants at all. I have a great respect for them.

I am not just saying that it needs more research from people like me. It needs a concerted effort from all of us who are both responsible for education and training, and committed to it.

**Q101 Lisa Nandy:** Is the point that we do not know enough about what is happening, or is it that the reality for 16-year-olds is not being fed through into policy, or is it both?

**Professor Unwin:** It is both. One of the ways that we differ from some other countries, notably some other European countries, as I am sure this Committee knows well because we have had endless reviews comparing us to other countries, is that we have a much more flexible system. That is partly due to there being a much more unregulated labour market in this country. There are advantages and disadvantages in those two things. But what it means is that we have a more dynamic system, let us say, than some other countries, typically the Nordic countries and Germany, where there is a very stable, consistent system. So we cannot compare like with like. As I say, that is why I think we need to get a grip on what we do.

**Q102 Chair:** Alison Wolf talked about a “vanishing youth market”, not only in England but across the whole developed world. Are we broadly in line with other OECD countries, or are there particularly distinct aspects to our youth labour market?

**Deborah Roseveare:** First, I am not an expert on the youth labour market—I want to underline that point. I am looking at these issues from the education side. I want to follow up, though, on a point that Lorna made, which also came out very clearly in a diagram in the Wolf report. England and Wales are very much characterised by a remarkable dynamism and movement into and out of education, and that seems quite unusual. That is one characteristic where England and Wales stand out. Another distinction is that the UK does not seem to suffer in terms of one of the challenges facing many young people, which is that they are stuck in a succession of temporary jobs that do not lead to a good foothold and a career progression through the labour market. It looks from the statistics as if that is an advantage for the UK.

**Q103 Chair:** Is that something you agree with, Lorna? My understanding is that we talk of young people who are NEET as if they were a solid group. In fact, rather a large percentage of young people are doing precisely what you say—moving in and out of employment on a churn basis and struggling. Do you agree with Deborah’s assessment?

**Professor Unwin:** Yes, and I would add that Alison Wolf is right in the respect that there has been a reduction in the number of good jobs for young people to enter at 16. However, I do not think there is a vanishing youth labour market, because you only have to go into shops and restaurants at the weekend and in the evenings to see there is a thriving youth labour market. Again, it is part of getting a much clearer view of our system that we need to decide what we mean by the youth labour market.

**Q104 Damian Hinds:** But Professor Unwin, in volume terms, retail and food and beverage presumably do not make up for the decline of mass, low-cost manufacturing and lots of other things that 16-year-olds would have gone into once upon a time. I think the point Professor Wolf was making was that

the number of jobs available to 16 and 17-year-olds is considerably smaller than it used to be. Is that not the case?

**Professor Unwin:** It depends what you mean by “jobs”.

**Q105 Damian Hinds:** To be clear, I mean an activity that would typically involve a wage in recompense for effort expended.

**Professor Unwin:** Yes, I understand what a job is. I am trying to make a more subtle point. This is about the type of job. We have young people in part-time, temporary work. As the Chair said, many of them go in and out of the NEET category. The NEET category itself is very problematic. A recent study done in the north-west of England by Warwick university found that quite a number of young people who were categorised as NEETs were working and doing part-time study. Again, we really need to get a handle on this. I agree that there is a reduction in the kinds of jobs that 16-year-olds would have had access to 30 or 40 years ago, and that is also, of course, a problem with apprenticeships.

**Q106 Damian Hinds:** At the risk of labouring the point, although I think this is quite fundamental to our inquiry on 16-to-19 participation, is it or is it not the case, regardless of typology, that there are in total far fewer jobs of the sort that young people go into at 16 or 17 than there were, say, 40 years ago?

**Professor Unwin:** Yes, because work has changed.

**Q107 Nic Dakin:** You used the phrase “good job”. Will you define what you mean by that? Picking up Damian’s thrust, it seems you are saying that there are fewer good jobs but that, in respect of all jobs, there are perhaps more. Can you be a bit more precise?

**Professor Unwin:** If we are talking about 16 to 24-year-olds, a good job is one that has ability to develop expertise in a particular area, trains the person to a recognisable level of skill that has currency in the labour market, and gives the person a platform for progression.

**Q108 Nic Dakin:** Is there currently a measure of good jobs for young people out there?

**Professor Unwin:** You say “a measure”. I think that we know what decent jobs look like.

**Q109 Nic Dakin:** I meant how many. Can you count them?

**Professor Unwin:** No.

**Q110 Craig Whittaker:** To go back to the NEETs, I do not remember the figures, but it comes to mind that 65% of jobs today were not around 30 or 40 years ago. The figure is probably not that high, but it is a large proportion. What does not seem to have changed very much is the education and training of our young people. Is it not the fault of education rather than the job situation that our young people are not being prepared? If that is the case, whose fault is it?

**Deborah Roseveare:** Talking about blame is not terribly useful from our point of view.

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**Q111 Chair:** Maybe we should focus on where policy makers need to concentrate and where they need to improve.

**Deborah Roseveare:** I want to draw on some work that we have done on reducing drop-outs. One of the key messages is that the drop-out decision, whether to drop out of school or of the labour market, is not a, “Okay, today I am fully engaged; tomorrow I am out” situation. School drop-out is the end of a long process of disengagement. The strongest predictor that can be identified of whether someone will drop out of school is the grades at the end of primary school. We do not know if they then go to the labour market but, if they drop out, it is usually before they have completed secondary school, and they therefore struggle on the labour market.

The message is about getting the groundwork right in primary school, in early childhood education and care, so that those who are at risk of becoming a NEET all those years down the track are identified and can be subject to the early intervention and prevention that is most cost-effective. If, at the end of primary school, children are still struggling, we must know how to intervene effectively with remedial programmes to help them catch up and reduce the risk.

I want also to underline the fact that the work we have done on drop-outs shows that it is a complex group. The factors that lead to young people dropping out of school are a complex combination, and they require a good understanding of the characteristics as well as the programmes that address the complexity of challenges that lead to a drop out.

**Professor Unwin:** I agree with Deborah. Apportioning blame is difficult and, to some extent, for 150 years in this country employers have been saying that young people are not good enough. We have had endless reviews on that, too. Rather than apportioning blame, we should be saying, “We’ve all got to do better”. The education system must do better; the labour market has to do much better. The early years are important. There is strong evidence of that, as Deborah said, but we cannot just focus on that. We must focus on young people who need our support now and to think much more, whether it is 14–19 or 16–19, about preparing them for the world of work.

**Q112 Chair:** Sorry, Lorna, to interrupt you, but just to go back to Craig’s question, insofar as we have a problem with young people who end up NEET, or whatever, what is the balance between the extent to which we have not prepared them appropriately for the labour market and the extent to which the labour market itself is simply changed and no longer offers opportunities to people who previously would have been thought perfectly well prepared for the world of work, but are no longer because the labour market has changed? There is an interaction and the question is, do we simply have to change our preparation better to suit the labour market of today, or is there anything policy makers can do to help shape the labour market better to meet the needs of young people as they currently appear?

**Professor Unwin:** I think it is both. I think we have to prepare young people better for the labour market and give them decent platforms to progress through

life. On the labour market side, we need to think more seriously about the signals the labour market is giving to young people. If, as a young person, you know you can easily get a part-time job that will give you enough money—because at 16 your horizon is reasonably short—that is how you will look at how a job might be. If we allow young people to go into apprenticeships that do not stretch them, that do no more than give them credit for everyday work skills, that sends a very strong message that you do not need to do any more training or education. We have to get the balance right between both.

Turning to policy, we need to do much more to support employers who are good at this. We have plenty of examples of very good employers in this country doing excellent work in partnership with education and instead of just doing endless brochures of case studies of wonderful, happy people, we need to take this seriously and support them and find out why they are good at it, across all sectors.

**Q113 Chair:** One last question from me; we will come back to apprenticeships shortly. When the previous Committee did an inquiry into young people not in education, employment or training, we went to the Netherlands, which, as you say, has the best record on this front. Why is it that they are successful and why is it that Finland, for instance, which we visited recently, much vaunted as having the best education system in the world, has so many young people who end up disengaged at the end of it?

**Deborah Roseveare:** Education is not the only determinant of any country’s success. You have pointed to Finland. One of the features of the Netherlands—it is a feature of some other countries as well and is becoming increasingly so—is, as I understand it, the role of effective case management. They have a system, the name of which escapes me right now, for ensuring at a local level that young people who are moving towards becoming NEETs are put into a structure that comes along and takes them in hand. The countries that seem to be tackling this effectively seem to focus much more on how to get an effective intervention for each young person that identifies what their challenges are and how to address them.

**Chair:** Thank you. We will move on.

**Q114 Bill Esterson:** I want to ask you about participation in education. Before I do that, Deborah, you made a comment about measuring at the end of primary. There is a lot of opposition to SATs, in the profession and beyond. What is the appropriate method of measuring practices in primary?

**Deborah Roseveare:** We are carrying out extensive cross-country studies on the different evaluation and assessment frameworks, including student assessment, for improving school outcomes, so I would rather wait until we have the results of those.

However you measure it, I suspect that most primary teachers can say, “This kid is succeeding; this kid is not.” A child might not be keeping up with the class, but whatever measure you want to use, most primary teachers could tell you which children are most at risk.

**Q115 Bill Esterson:** I shall move on to raising the participation age. You touched on comparisons with other countries. Is the issue the level and degree of participation—whether that is up to 18—or something more than that?

**Deborah Roseveare:** I am not sure that I understand.

**Q116 Bill Esterson:** Well, the policy in this country is to raise the participation age to 18. I think you said earlier that we have a low share of those left behind, and you were talking about comparisons with other countries in terms of participation and other factors. What is your view on raising the participation age? Is that the right policy aim? How does it compare with what other countries are doing? Is there something more to the matter than just staying in education?

**Deborah Roseveare:** I would underline the importance of successful completion of upper secondary school. If young people just spend more time in school, but have not actually learned anything more, or managed to attain a greater level of skills and competencies, there is a real question mark about whether simply keeping kids in school is an effective approach. Defining successful completion turns out to be a challenging thing to do, certainly in internationally-comparable measures of completion. But we know that evidence on labour market returns shows that successful completion of upper secondary school is a pretty key determinant of future employability and earnings premium.

**Q117 Chair:** So is the role of compulsion positive or negative? Does it allow poor quality to be delivered because you have made it compulsory anyway? Would it be better to have a voluntary system and then work harder on quality to ensure that what people get is at least worth while?

**Deborah Roseveare:** I am not sure whether we have an easy answer to that. It is worth noting that many countries do not have compulsion and still have very high participation rates. We see that at both ends of compulsory schooling.

**Q118 Bill Esterson:** Is that more around what they are doing?

**Professor Unwin:** Some other countries, which still allow young people to leave the compulsory system at 16, even 15, have quite a strong sense that you have to do x number of years in compulsory schooling, but that you also graduate. There is a sense that you pass through a stage, and it's deemed that you have reached the employability threshold. Then, it's about asking what more you need for particular pathways. In this country, we are curiously both quite caring about young people—certainly, the further education college sector has done a fantastic job for many years in making good provision and so on—and perhaps too caring, in that we allow young people to tread water for too long. We're quite good at endlessly trying to get them to an employability stage—putting them through endless initiatives—while some other countries are probably a bit more robust in what they mean by what you need to achieve.

**Q119 Bill Esterson:** So what sort of things are happening in other countries that we could perhaps learn from in terms of pathways?

**Professor Unwin:** Obviously, a key strength of what are called the dual-system countries—Germany, Switzerland, Austria, to some extent the Netherlands, with its heavy use of school-based vocational education—is that they have more consensus nationally; more buy-in, if you like, from all the different parties about what should be done to get a young person through to that employability stage. They know that that can be done equally well through a so-called academic or a vocational pathway, but both are robust. The French have the notion of a technical baccalaureate that runs alongside the academic one. It's about having different routes, but whatever they are, we need a good consensus about what we want.

**Q120 Bill Esterson:** Coming to 16 and 17-year-olds, what is the comparison between this country and other OECD countries on participation?

**Chair:** Where are they learning?

**Deborah Roseveare:** Perhaps if I can follow up on Lorna's point, one trend we find across OECD countries is greater completion and greater participation, but not necessarily in the same learning environment. There are countries with the dual system; countries that offer upper secondary VET programmes, which we encourage to have a strong link with workplace learning, and the more academic strands. We find that, increasingly, even students on vocational programmes at upper secondary or the equivalent level, go on to further education—either post-secondary vocational or more academic streams. We also find a trend towards trying to raise the status of VET programmes, recognising that the distinction is about different learning styles, not about, "The good students go on the academic track and the students who can't make it there go into VET."

**Chair:** VET being?

**Deborah Roseveare:** Vocational education and training. Countries are making increasing efforts to open the pathways so that students can be on clear pathways, but can move reasonably easily from one to another. That is important. Whatever the programme, it needs to make sure that students reach a level of basic foundation skills, which are crucial for the work force, particularly in literacy and maths. Vocational, technical and work-ready skills are also really important.

**Q121 Charlotte Leslie:** We are looking at international comparisons. To what extent is it labour market-based, and to what extent is it education system-based?

Coming at it from a different angle, I want to put to you a perception and see what your thoughts are. The perception that has often been put to me as an MP, particularly by employers, is that a lot of the limited and the agreed produced number of jobs available to young people in Britain are taken by non-British education system-trained young people—people who have not gone through the British education system. I wonder whether you have any figures or have done any work on that, and whether you have any thoughts

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on what that might say about our education system compared with other education systems.

**Chair:** If you don't know, just say so.

**Deborah Roseveare:** I am sure that my colleagues have looked at it, but I don't have that data.

**Q122 Charlotte Leslie:** A major and interesting part of this debate, to put it in simple employer speak, is that people say, "I often employ foreign young people as opposed to our own because they have the skills I need." That's a perception that is often presented. Whether that is right or wrong, I would be interested in what you think. Whatever the case, it is an interesting perception, and I wonder whether it gets to the heart of what we are trying to talk about here.

**Professor Unwin:** It is a very interesting and worrying question. We should be worried about that. I don't know of any evidence, other than anecdotal evidence. Behind that question and that perception is a challenge for this country and for our young people. I know from working in the Institute of Education that we have many students and young people from overseas who are frighteningly well equipped. They are highly literate and numerate and speak several languages. Some of our education institutions and policy makers need to think much harder about what the competition looks like. The question is worrying, but we would need some data on that.

**Deborah Roseveare:** Lorna mentioned earlier about students having a good idea of what employers want. Another key element that we have identified is the importance of educators having a good idea of what employers want. In most countries, you will find that there are clear messages from employers about what they want. What we see, however, is that that seems to get translated into the responsiveness of the education system more effectively in some countries than in others. The key element of that is at the local level with workplace learning, whether through apprenticeships or through vocational programmes that have a strong workplace element. That is a key factor that we have identified.

**Q123 Neil Carmichael:** Charlotte is quite right. There is a huge gap between what people think our education system is churning out and what people think they want in the workplace. In my constituency, for example, I have countless manufacturing and engineering firms, and the one thing that they all say to me is, "I look at my work force and I think to myself that it is ageing, but I don't know where I will recruit from when the time comes." That is so consistent that I think it sends out a strong signal. How is it that we are failing to match our output in education with the labour market's demands?

You both touched on it, but neither of you has shown us what is happening in, say, France, where there is a strong corporate sector that is interfacing powerfully with the education world, and therefore producing the kind of training necessary for it to recruit. I can see no sign that the French are having difficulties in recruiting in the corporate world. I think it is different in the SME sector, but the corporate world is okay. Of course, as you have said, the Nordic countries are very

good at this because of the dual system. You are absolutely right.

We have an opportunity in this Committee today to find out the key causes of our difficulties and the lessons that we can learn from abroad.

I can see three or four possibilities. First, you have a more regimented and articulated labour market, and I want to know more detail about that. Secondly, in response to the question that Bill was posing about leaving education at 18 or 16, I would say that the real question is what does the pupil or student leave with? It is about not whether he is there from 16 to 30 but what he leaves with. That is what we need to hear from you. We need to know what happens here compared with what happens in Europe.

The third issue is what we understand as vocational training and apprenticeships. It seems to me that in this country you can get a description from anybody and it will not be same as the one from the next person. We need to start defining it more clearly. Here again we can get some lessons from the Germans in particular. What is it that they think is vocational training and apprenticeships? Those are the three questions that you need to answer.

**Chair:** Who would like to pick up on that excellent question?

**Deborah Roseveare:** I will leave aside the first possibility about the nature of the labour market. As for the second point, I can see from my reading of the situation that it is a lot less clear. The range, or panoply, of qualifications that you have here is vastly wider than what I can see in most countries. I live in France. You either have the general baccalaureate or the professional baccalaureate. We know the baccalaureate whether it is as a parent, student or an employer. Furthermore, it is pretty clear what is in there and what it represents. On the third point about VET and apprenticeships, everybody has a different definition, but there is a lot more clarity about the work force and the work-employer relationship and role in providing vocational education in countries where there are strong apprenticeship systems such as the dual system. The employers are very clear and have many opportunities to signal exactly what it is that they want. What they really want is someone who can learn.

**Chair:** Lorna? Don't feel obliged to answer the whole panorama that was set out so brilliantly by my colleague.

**Professor Unwin:** On the labour market side, one of the key things that countries with strong vocational systems have is a licence to practise. One of the things that we should take much more seriously is thinking about the entry to the labour market. Obviously, it needs to be organised by employers, but we need to send out stronger signals that it is about not just education doing its job and getting young people to an employability stage but what the employers mean by what they want. In some other countries, employers are much clearer than they are here. They are clear that if they are to take on 16 to 24-year-olds—it is not just 16 to 19—they want someone who has the basic requirements of literacy and numeracy, but they will do their part as well. They are saying that these jobs are worth having and they involve

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training. You can set yourself up in this country as all sorts of things without having any training or any licence to practise. If we got a grip on that, you would start to see much better articulation between education and the labour market.

**Q124 Chair:** Would the rigidities that followed be worth while?

**Professor Unwin:** Yes.

**Deborah Roseveare:** Could I follow up and say that one feature of the system in England and Wales seems to be the complexity of the qualifications framework compared with that in other countries. I find it hard to negotiate my way through it.

**Q125 Tessa Munt:** I want to go back a bit to this holding operation involving the enforcement of attendance at 16 and 17. To paraphrase slightly, the OECD's *Jobs for Youth* said that the international evidence is that where there are no mechanisms, this policy has only a small effect. What are your views as regards taking the stick or the carrot approach?

**Deborah Roseveare:** My view is that what is really important is that young people get the signal that education has value and that they have the sort of education experience that adds value and that they feel engaged in and positive about. I am not sure whether that answers your question.

**Q126 Tessa Munt:** Well, it is quite interesting. To go back to what you were talking about earlier, you can look at young people when they leave primary and tell what will happen post-primary. You can go further back still. I remember reading a study of Martin Narey's work on three-year-olds or two-year-olds, which said that you—the professionals, the teachers, the nursery staff, the child minders or whatever—can anticipate what will happen to that young person at 16, 19 or 24. Are we operating a fire-fighting system? The point you made is that we have to deal with the people who are with us now. Clearly, policy makers can change what happens to the 2, 3, 4, 5, 6, 7 or 8-year-olds. We have legislation from 2008 that says young people will stay in school at 16 and 17. If they do not attend, do we sue the parents? Do we sue the children? What do we do?

**Professor Unwin:** That is the question. Who will the stick be wielded against?

**Q127 Tessa Munt:** A suggestion is that it might be the local authority.

**Professor Unwin:** Yesterday, I had a conversation with one of my colleagues at the institute, Susan Wiborg, who is an expert on the Nordic system. I asked her whether the Nordic countries have sanctions. She scratched her head and looked very puzzled. She said, "That's not a question you would ask in the Nordic countries." There is an expectation that young people will stay in education for the time it takes to reach the point where you can then progress. The idea of sticks and carrots kind of goes against this notion that there is a shared national consensus that education is a good thing.

**Q128 Chair:** But in Finland, at the end of their great education system, they have 25% youth unemployment. In the Netherlands, the sanction has been put on local authorities to deliver, and if they do not, they suffer financial penalties. They have transformed the outcomes for young people because, as it turned out, they could not afford not to. So let's not get too soppy about it.

**Professor Unwin:** That is the Netherlands, and we have to think about what would work here.

**Q129 Chair:** So Deborah, incentives or sticks? Enforcement or voluntarism?

**Deborah Roseveare:** There is a third way. It is important to look at the actual services that are in place to provide an intervention that works for these young people. That is what, in my reading of the situation in the Netherlands, the local authorities are doing.

**Q130 Tessa Munt:** I know hundreds of young people in my constituency who would say to you that the best carrot they could have is the EMA. It could be proven that making a payment of some description for participation automatically increases the outcomes and makes it better for young people because they flippin' well have to turn up to get their £10, £20, £30 a week. That is quite a nice carrot that we did have. We are all veering away from that, but the other side is should you have legislation that you cannot enforce? That's completely pointless, isn't it?

**Professor Unwin:** There was lots of evidence, about which certainly people in the further education sector had known for years, prior to the EMA being introduced that a lot of young people do need some support, whether it is with travel costs or basic things like the right sort of clothes to wear to go into the workplace and so on. There is more to be done in terms of support.

Rather than sticks and carrots—although the EMA needs to be re-looked at, yes—we need an architecture of support for young people. Because, at the moment, ironically, if you do very well at school, you have all the support in the world. If you are part of the 50% that is failing to hit that level 2 benchmark, you're left to the marketplace. We know there are problems with careers advice and so on. So, at the moment, we are asking the more vulnerable young people to go out and jungle trek and make it on their own.

**Q131 Charlotte Leslie:** In her report, Professor Wolf picks out England as being unusual in its degree of early specialisation in terms of vocational and academic compared with other countries. Do you agree with that assessment or do you have any further comments or distinctions on that?

**Professor Unwin:** With great respect to Professor Wolf, I do not think I understood that part of her report on the notion that, in England, people specialise early in vocational terms. Obviously, a major part of her report is a critique of certain vocational qualifications that were used as equivalents to boost GCSE targets. Some of those so-called vocational qualifications do not represent a vocational education at all and they would not be recognised in other



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countries as proper vocational education. So I do not think we do specialise too early because we have not yet got a proper vocational education system post-14.

**Q132 Charlotte Leslie:** So you are saying it gets too specific in the subject—in other words, with regards one particular thing—but the way in which it is delivered is sort of one-size-fits-all.

**Professor Unwin:** Well, it is partly that. One of the main qualifications that was used to boost equivalences was in IT. That is not a vocational education because those qualifications were not taught in a way that those of us who understand vocational education would recognise. I don't think that we do specialise because we can't.

**Chair:** Thank you. Deborah.

**Deborah Roseveare:** Without commenting on the UK system, what we do see across countries is two things. One, that there is an increasing convergence on leaving specialisation into a vocational path versus an academic path to upper secondary school. Secondly, perhaps this addresses the point raised by the Wolf report but I am not sure, we also see more emphasis on what the French call a “socle commun”—a quite large core set of subjects and competencies that all children are expected to have by the end of lower secondary school. This is not only the core subjects of English, maths and science. In the French system, my son happens to be coming to the end of lower secondary school, and he has about 10 subjects: history, geography, languages, technology and so on. That is a trend that we can see a convergence on across the OECD.

**Charlotte Leslie:** Would the English baccalaureate, in your view, fit into that kind of model of ensuring that everyone has a core set of subjects, regardless of how they then go on?

**Chair:** Let's leave the English baccalaureate out of this right now. Do you have one more question?

**Q133 Charlotte Leslie:** What is the evidence and what is your view of early specialisation, say at 14 to 16, and its impact on continued participation rates at 16 to 17? Is there a link?

**Chair:** On vocational education pre-16, Alison Wolf suggested it should be no more than 20%. The UTC's want 40%, that sort of area—any thoughts on that?

**Professor Unwin:** Deborah may disagree, but I do not think we have enough evidence on that. I do not know, certainly in this country, of a serious study that has been done of that. I think Alison Wolf quotes the Nottingham Trent study. I think that was carried out in two institutions. It is a perfectly good study in its own right, but it does not give us evidence to make that kind of claim.

**Deborah Roseveare:** I would like to underline, from our international work, that we see primordial importance of maintaining open pathways. So that if kids do not know what they want to do, or they thought they knew what they wanted to do but have now decided actually, you know, what they thought they wanted at 14 or 15, by 16 or 17 they want to do something different, they can do that easily without suffering any penalties. That is really important.

**Q134 Neil Carmichael:** Professor Wolf asserts that in other countries apprenticeships are basically financed, to some extent, by education expenditure. Is that correct? To what extent does that happen, and where is it most notable? Do you think that we should be building a case for it here? Both of you.

**Deborah Roseveare:** I do not have the details on the financing and different systems at my fingertips. What I think is really important in any country is to look at how to develop the financing of the different parts of the education system in a way that offers sensible and coherent incentives to young people, and also to employers and educators, rather than producing some perverse results. It is really important to look at how the whole system works together.

**Professor Unwin:** To clarify the question, you were saying should it be financed through—

**Chair:** Payment to employers, was that the idea?

**Q135 Neil Carmichael:** If apprenticeships are such a good thing, which we all agree they are, and that they are really an extension of the education system, then should employers effectively be helped financially to provide the schemes?

**Professor Unwin:** Some employers.

**Q136 Neil Carmichael:** In other words, it is a question of quality, isn't it?

**Professor Unwin:** Yes, it's about quality. But I think it is important to say that all countries do it differently. It differs across Europe. For example, in Germany only a few employers are given extra funds to, if you like, train for the nation. The bulk of them do not receive support. They cover the training costs themselves. However, the funding of the vocational schools and colleges comes through the education system.

I think we need to see it as being part of the education and employment system. Many employers in this country do offer support. Sadly, not enough do, but where they do it well, they pay a lot to train apprentices. What we need to get a better grip on is the ones who are doing it well and whether they can be supported more.

**Q137 Neil Carmichael:** Can you briefly describe to the Committee what you think an apprenticeship scheme would be which would meet the criteria to justify funding?

**Chair:** What does good look like? Deborah, any thoughts on the quality of apprenticeships and what they look like across the OECD?

**Deborah Roseveare:** We know that the quality of apprenticeships depends on really good workplace experience. It is not just sweeping the floors; it is actually learning skills in the workplace, combined with sufficient emphasis on maintaining and developing the sorts of foundation skills, especially in maths and language, which tend to be weaker for vocational students, so those are not neglected and forgotten, and efficient, generic and transferable work skills, so that the apprentice can go and work somewhere else in the sector, or indeed in another sector, and has those mobility skills. It is not just

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training for that particular employer; it needs to be more general and high-quality.

**Professor Unwin:** To achieve what I would call an expansive apprenticeship, we need to support the SMEs particularly and put much more effort into

things like group training associations so that they can share resources, facilities and so on.

**Chair:** Thank you both very much for giving evidence this morning. It has been most illuminating. Can we change over to our next set of witnesses?

### Examination of Witnesses

*Witnesses:* **Caroline Blackman**, Head of Organisational Effectiveness, Laing O'Rourke, **Eric Collis**, General Manager, HETA (Humber Engineering Training Association), **Jane Connor**, HR Director, Kwik-Fit GB Ltd, **Keith Smith**, Director of Operations, National Apprenticeship Service, and **Bill Sutton**, Operations and Development Manager, SEMTA (Sector Skills Council for the Science, Engineering and Manufacturing Technologies), gave evidence.

**Q138 Chair:** Good morning. What a stellar panel we have before us. We have limited time, so I request members of the Committee to keep their questions short and pithy. I know, looking at our witnesses, that you will keep your answers as short and pithy as possible as well.

On the raising of the participation age and ensuring that people do not end up classified as NEET, what is the single biggest change that you would like to see, either in current Government policy—a change in direction at the moment—or in addition to it? What do you think could make a positive contribution? Eric?

**Eric Collis:** The greatest contribution would be the guarantee of literacy and numeracy at age 16. Keeping people on till 17 and not addressing that problem will not make a significant difference to their employability when they do eventually leave. There is evidence in several reports that even after staying on to 17 and 18, there is still a significant growth in the number of NEETs once those students come back to the market. It is not a solution to the NEET problem.

**Q139 Chair:** I'm not clear. Are you saying we have to get it right before 16 and forget sorting it out afterwards? Alison Wolf says that if we haven't got people up to the required level by 16, we must persist and find ways of getting them there. I'm not clear what you are recommending.

**Eric Collis:** I would recommend that the problem is looked at at age 10. There is clear evidence that at age 10 boys start to become disaffected with the education system. The system tends to be prescriptive in general, and we do not address the learning styles of 10-year-olds. Most certainly, as boys get to age 15, there is a significant proportion whose endeavour is to earn a wage and become independent. That independence and money-earning capacity become important to them, and I think we could tap that. That is something that we do not tap. We seem to continue to believe that we can drive in more understanding, more employability and more knowledge when we are failing to address their aspirations to be independent, to be employed and to have their own cash.

**Caroline Blackman:** I support Bill, because I think literacy is a big issue. But I also think that they need a lot more career advice at an early age.

**Q140 Chair:** "Early" meaning?

**Caroline Blackman:** When they start secondary school, you have got to start looking at aptitude at that

point. We are a construction industry. There is a whole range of really hands-on type skills that you can start to identify at that point. We are finding that at 16 we end up being the dumping ground for kids who have failed who think that the construction industry can pick them up. We are having to address confidence issues, literacy and numeracy, and we are having to rebuild a career path. So they are getting bad careers advice—

**Q141 Chair:** You would give careers advice at age 11? How would that stop a disengaged youngster?

**Caroline Blackman:** I think it's introducing them to what work looks like. It's opening their minds, and by the time they are 14 they are getting some degree of experience of what that looks like. But if you don't open their minds at an early age, what success looks like is purely academic for them, whereas what success can look like for youngsters is a whole variety of different skills and aptitudes.

**Chair:** Thank you. Bill?

**Bill Sutton:** The previous speakers have summarised it. I would like to see a far greater involvement of industry and employers in general from a very young age. The construction industry has Bob the Builder. I put that forward in jest, but the mere fact that the youngsters can actually visualise themselves building is a huge advantage and enables a great deal of things to go forward. In engineering, which I represent, it's a little difficult. We can't wait until they are 16 and suddenly say, "Come and be an apprentice in engineering." We need to get in there and talk to them beforehand. A number of companies—BAE is one—have ambassadors in schools, who go to talk to really young children, so from a very early age you start to foster those career possibilities, and I think that is very important. It is a model that should be replicated in many areas.

**Q142 Chair:** As we make recommendations to Government, how would Government facilitate that? Companies not having that forward-looking vision—they don't come forward at the moment—is the problem, isn't it?

**Bill Sutton:** We need to encourage them. I talk to a lot of employers who have approached schools and been rebuffed and not got access to the school. There is a lot of good will among employers. Obviously, the national companies could put far greater models

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together to do that, but we need to open the doors of schools to employers to bring them in.

**Chair:** Thank you. Jane?

**Jane Connor:** We are a fully embedded training provider, so we don't outsource our apprentices to somebody else. There is very little support through financial incentives, or indeed anything else, for us as an employer. No matter how many places we have—260 apprentices at the moment—we are over-subscribed to the tune of some 4,000 for every 120 places we offer. People who apply for our apprenticeships know very little about our business. In support of what Bill said, we have tried to go to a variety of different educational establishments, and been turned away. It would help if someone would at least listen.

**Q143 Chair:** I don't want to make it too burdensome, but could you write to us letting us know about your experience, perhaps naming names? We would not necessarily make them public, but it might be possible to inquire and to find out what has led to that situation?

**Jane Connor:** Of course.<sup>1</sup>

**Bill Sutton:** Yes.

**Chair:** Thank you very much. Keith.

**Keith Smith:** From the perspective of the Apprenticeship Service, we would like more integration and flexibility in the offer pre-16. We often find that many young people who want a career progression through an apprenticeship do not have the basic skills that have been referred to previously. A better balance, if young people are not on track to achieve the traditional route through the five GCSEs, is the nature of the vocational offer 14 to 16, which can be more strongly embedded alongside the principles of an apprenticeship rather than just general vocational training. The power of an apprenticeship is that the skills are properly embedded in terms of real jobs and clearly defined occupational standards. That is what we'd like to try to do, instead of having young people leaving school who want to take a vocational route and us then having to struggle to get some of the basic skills in place to get them to a point where they can enter a job and add value to an employer.

That is what colleagues are saying can be seen in terms of literacy and numeracy, but also in attitudes to work, and understanding work and what it means to be in the work environment. That is very much what employers are looking for, and that is the bit that we must try to deal with, as other members of the panel have said, in terms of 50% not achieving the traditional—

**Q144 Chair:** Okay. Wolf had things to say about younger work experience, and the focus on education up to 16 being much more academic. Do you agree with her views in those areas?

**Keith Smith:** Broadly speaking, yes, but we must be clear about what the vocational offer means. It must perhaps be more than just work experience in that every pathway that a young person goes on will eventually lead to the world of work, whether through an academic route, higher education in universities, or

an apprenticeship. The ambition is always the same—giving people a productive pathway into the world of work. Work placements work well, but that must be reinforced by something.

**Q145 Chair:** Alison Wolf seemed to think that in some cases they didn't, and that we needed higher quality work placements, and perhaps later. I may be misreading her, but I think that's what she said.

**Keith Smith:** I think that is broadly what she's saying. She is saying that work placements on their own are great, but they must have a proper context to them in terms of what you expose a young person to. Just putting a young person into an employment setting for a week may be helpful, and they may get some experience from that, but it must be reinforced by something, and perhaps have a little more longevity to it so that young people have a feel for what is in the commitment that they will be asked to make to an employer, about turning up on time and having the right sort of attitude.

**Q146 Chair:** Without pressing you too hard, I didn't think Alison Wolf said they were great; I thought she said the opposite—that they weren't great.

**Keith Smith:** What I'm saying is that I think she said the current experience was patchy and could be strengthened. What I'm trying to say is that we agree that work placements are valuable, but they must be more than what they currently are in terms of the context, their offer and the experience.

**Q147 Chair:** What about the timing? What we're picking up from what other panellists suggest is that we need to get this interaction, understanding, careers advice and work experience as early as possible. I picked up from Alison Wolf that she was suggesting that it was better to have higher quality and to have it later. I'm trying to find out whether you agree with her, if I have read her correctly.

**Keith Smith:** I disagree in the sense that—

**Q148 Chair:** You do disagree with her.

**Keith Smith:** In part—

**Chair:** I thought you did—I just wanted you to say it.

**Keith Smith:** No one is going to argue with the high quality because that is clearly what has got to happen across the board. I do not think that anybody is in the business of putting young people through poor quality experiences or programmes. That goes without saying. The question about later is probably where the challenge point is because if we leave it so late in terms of the cohort's experience when they come to the end of school, what happens when they reach 16 and want to enter the world of work? There is naturally a gap that exists. It is a case of how you fill that gap. That raises the question about how you get access routes into apprenticeships and into other types of pathways. What I am challenging back is that we cannot afford there to be a gap that has to be bridged in some particular way. We clearly have to provide a bridging for where the system is not working for certain groups of young people, but we have to intervene at the right age and at the right time, so that

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we can provide a seamless progression and experience for young people.

**Q149 Chair:** That time in your opinion should be younger than was suggested by Wolf?

**Keith Smith:** I think that the time for that—

**Q150 Chair:** Yes or no, Keith?

**Keith Smith:** Yes.

**Q151 Bill Esterson:** Some of the evidence that we have received about raising the participation age suggests that many 16 and 17-year-olds will favour work-based learning at that stage. Do you agree that that is likely?

**Eric Collis:** Yes, definitely. We are the GTA and we recruit for 130-odd companies in Humberside. Because of the reputation of the companies we work with and the reputation of the quality of the provision that we deliver, the number of young people who apply to our vacancy advertisement in February and March each year is massive. We have more than 600 applications for 200 vacancies and 50% of those who make the application do not even make the first cut because they do not have the basic GCSE grades or the expected grades to undertake the advanced apprenticeship pathway that is required by Government-funded agencies. As part of the protection of our GTA, we have to ensure that we recruit the right young people to enable us to have a successful retention and completion rate that meets the Ofsted standard. There are 600 people who apply, and 300 of those 600 are not even able to enter into the pre-selection programme.

**Caroline Blackman:** There is a similar experience in construction. Some 50% are not getting through the standard aptitude testing and mostly fail on numeracy and literacy. We run two apprenticeship programmes. The standard two-year programme and the apprenticeship plus programme, which is a four-year programme. In construction, because there are inherently dangerous areas to work, behaviourally you need maturity to be able to work safely. We find that you have to take on people and give them not just work-based training, but life training and lots of skills. We end up having to involve parents in that. Sometimes we feel that we are rather like a sixth form college, bringing parents in so they actually understand the inherent dangers. It is interesting to note that, with parents, that is putting them off letting their 16 and 17-year-old come to work in construction. So there is a maturity piece in there. We have taken on 31 on the apprenticeship plus programme, which is our four-year programme, and we had over 1,200 applications to that. There is a real desire, but we have got a skills gap.

**Q152 Bill Esterson:** Your organisation described the predictions about the increase in work-based learning opportunities as alarming. Could you say a bit more about that?

**Bill Sutton:** We are alarmed about it, but I think my colleagues were describing a situation to which we had a solution. During the last four-and-a-half years, in consultation with our employers, we have put

together the diploma in engineering, which was launched in 2008. It has been a very successful qualification. Employers love it and they are falling over themselves to employ youngsters finishing at 16 with the higher diploma. Of the few who have completed the advanced course so far, we have even had one accepted on to the second year of an engineering degree. So, we believe that the solution has been put in place.

I am probably making myself unpopular by talking about this here today, because the present Government are all but ignoring the diplomas. We very strongly believe in the diploma in engineering and we very much hope that, should a technical baccalaureate come to pass, components of the diploma in engineering will be transferred into that qualification. We are talking about a problem to which we had a solution, but we have not had long enough—we probably need 10 years—to be able to fully prove it.

**Q153 Bill Esterson:** So the issue for the three of you is that there is huge demand and that there will be no opportunity to meet it with the changes that are coming through.

**Bill Sutton:** Absolutely. Within the science, technology and engineering sectors we have a net requirement—between 2010 and 2016, we require 232,000 recruits, which is 32,000 a year. This has been described by some people as a skills time bomb in those sectors, as 354,000 will retire during that period. The skills and experience of those people, many of whom are teachers and tutors, makes that a very worrying statistic indeed.

**Jane Connor:** I hate to sound like the poor relation, but we don't have a minimum qualification requirement at entry level. If you apply, we will test you for numeracy and literacy, and we will also test you for social aggression, motivation skills, self-awareness and self-esteem. In fact, you will go through an assessment week. But we take people who are not literate or numerate. It is our responsibility, as part of our apprenticeship programme, to teach them key skills. This is a problem, because what the education system has failed to do in 11 years, they are expected to manage in two.

We don't have a magic wand, but we find that once they are engaged in a practical application, they feel successful, even if it is simply—in my business—fitting tyres. They have succeeded because they are no longer thought of as a loser or in any way a failure, educationally. They have contributed in some part to a business. Therefore, they are more inclined to learn, and we have a very good success rate at key skills.

I am well aware that this is about raising the level of functional skills—that is, by half a level again. If you will forgive me, I am not altogether sure how, if you can't deliver the key skills in an education system, you plan to deliver functional skills. But that won't stop us, because we have no minimum entry requirement.

**Keith Smith:** To bring the initial question back to the vocation offer in the context of RPA and so on, you have already heard about the nature of the need group and the churn. There is an important point, which I shall make in two ways. First, information, advice and

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guidance are absolutely critical to young people in terms of making the right informed choice for them. We don't feel that the system is strong enough on that. It has to get better, and it has to get better across the board.

Secondly, there is the question of what young people decide to do in terms of their ultimate career pathway and progression opportunities. I don't think that it necessarily follows that apprenticeships or other vocational training will be the only way that we will meet increasing the level of participation. It is also important to reflect the choices young people make about their ultimate career ambitions. If, for example, more young people decide that a university route is not the way for them, apprenticeships might actually prove to be so. We may see a change in the balance of the characteristics of young people who currently go to a school, sixth form or college, and who decide to take the apprenticeship route.

Of course, it is going to be important to make sure that apprenticeships are there and are accessible for those not currently participating but, as you have already heard this morning, apprenticeships in terms of a product or brand is something that cannot be weakened. It has to stay as a gold standard, and it has to say something that we feel is stretching and appropriate. Therefore, our challenge is to get more young people to a level at which they are suitably qualified to do an apprenticeship.

Again, as you have heard, that will be different for different sectors, because the entry requirements into different occupations and sectors vary greatly. Some sectors have very strict and rigid entry routes. In some occupations, the entry criterion is a level 3, although that is not the case for many other sectors where the entry route is at level 2. We are trying to ensure that we have in place the right opportunities for all young people to be able to make that right choice, and to have that right pathway taking them through.

**Q154 Bill Esterson:** May I ask Eric whether raising the participation age is an attractive policy for employers? Are there things employers can do to help it succeed on its own?

**Eric Collis:** I suspect that most employers have never even considered it, and many of them will not even be aware of it. It won't make much difference at all to their recruitment policies. Even though we train for 134 companies, we only train 200 apprentices a year, so that gives you an idea of the volumes per company. In fact, one of those companies employs 60 apprentices, so the 134 companies are not even recruiting every year. The effect will be minimal.

Most of the companies that we train for are looking for highly technical young people with capability to progress to higher education very quickly, so they will probably look for A-level students aged 18, for two reasons. First, the companies will still be able to claim the maximum amount of funding support for work-based learning, which is currently about £17,000, as opposed to choosing someone who has scraped through a set of vocational qualifications in an FE college, and the funding left in that virtual pot is somewhere between £8,000 and £1,700, depending on age. If that person has reached the age of 19, achieved

a technical level 3 and is performing engineering operations level 2 NVQ, and if the employing company is large and so suffers a 25% reduction in funding, the funding could be as low as £1,700.

Who would you take? An A-level student aged 18, with £17,000-worth of funding and a clear track record of academic success, or someone who came through a pseudo-vocational FE option and did not even need to pass maths in the BTEC ONC in order still to achieve a pass. Which is the option?

The reality is that employers will go into the marketplace and buy what they want. That reinforces the example of employers buying in foreign labour, because they can buy what they want from among aspiring people from other parts of the world who, in their own countries, have much lower expectations of employment and wage earning. It is a global market, and we will see large companies buying what they want regardless of what we want to deliver as a society.

**Q155 Chair:** Keith, Eric has talked about this virtual satchel of cash and the fact that it can be used up by people. A-level students use none of it, appearing with a full satchel, while others on courses which have not busied them very much, although they have been in full-time education just like A-level students, don't have a full satchel. Anyone whom I have raised this with has shaken their head and looked disbelieving, suggesting that it isn't a problem—apart from Eric Collis. Can you confirm or deny that, of two 18-year-olds, both of whom have been in full-time education, one can have a full satchel of cash to help them on in an apprenticeship while the other does not?

**Keith Smith:** I will try and answer that, although I don't completely recognise everything that was said. I think for 16 to 18-year-olds, the amount of funding for an apprenticeship is the same, regardless of what age you are—there is no differential in relation to that. What is perhaps being suggested is, if a young person enters an apprenticeship at the age of 19 rather than 18, then the rate at which funding is paid is halved. From 19 onwards, there is an expectation of an employer contribution to the cost of the apprenticeship, with 50% funded through public subsidy and 50% expected through employer contribution. However, for any employer recruiting a 16 to 18-year-old apprentice, the funding is the same, regardless of the age they start. So there might be an incentive to recruit at 18 rather than at 19, because you then get the full funding support, but that is within the overall shape of Government policy.

**Q156 Chair:** Eric, what is your response to that?

**Eric Collis:** There are some positives and negatives—some truths and some misinformation—in there. The funding for a 16 to 18-year-old is the same, but that funding can be tapped by FE outside of an apprenticeship framework and the qualification, whatever it may be, is considered to be prior learning and it has to be reduced from the capital fund for an apprenticeship. If a youngster has done a performing engineering operations level 2 qualification, even at school, the prior learning value of that qualification is about £4,800, which has to be taken off the

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apprenticeship funding that is available to a company or an apprentice-training provider, and likewise if the youngster then decides to go to an FE college. And believe me, this is a business. Education is a big pot of money. There is a big pile of cash in the development of young people and there are organisations out there that depend on it for their existence. Among those organisations are training providers, FE colleges and sixth-form colleges. So when these youngsters are attracted to a sixth-form—

**Chair:** Keep it short please, Eric.

**Eric Collis:** These youngsters are attracted to an FE college with the tempting statement, “If you do a BTEC ONC, it will improve your chances of getting into this or that sector.” When that happens, that again has a credit value and that is reduced from any employer or employer scheme by the tune of about £5,000 or £6,000. So the money can be halved even for a 16 to 18-year-old outside of an apprenticeship framework. And the facts are here.

**Keith Smith:** What’s being described is this. If a young person enters an apprenticeship, having already completed parts of that apprenticeship through a different route such as a college, what is being said is that the young person is not expected to be put through that same qualification again. In that respect, it is a question of ensuring that the funding system is not paying for the same thing twice. If a young person is leaving school and has done no elements of the current framework, of course it is right and proper that the full funding is made available. If the young person has left school, gone to a college, done part of the technical certificate or the competence element of a framework, and they then choose an apprenticeship later on, perhaps at 17 or 18, we say that the prior delivery of that should be offset. We say that because if a young person has already had an educational input to the elements of that framework, the Government must not be seen to pay twice.

**Q157 Chair:** So it’s appropriate, Eric, that the money should be less because the young person does not need that bit of training, as they have already had it delivered.

**Eric Collis:** That’s the law, but the reality is that the qualification does not equal the industry standard.

**Craig Whittaker:** I just want to back up what Eric is saying. Over the last year, two people attended my constituency surgeries because of this issue. It goes beyond apprenticeships. It also applies to university, because if somebody goes through the technical route and they have money taken off then universities demand that extra money that they are missing out of the pot up-front. In one case, it actually meant that somebody was denied the chance to go to university and we really need to look at that issue.

**Q158 Bill Esterson:** How effective are local authorities in stimulating the take-up of apprenticeships? Indeed, can they be effective in that regard? Perhaps we’ll start with Keith and then see if anyone else wants to comment.

**Keith Smith:** I think the answer to that question, as with many similar questions, is that it is probably mixed and variable, in that local authorities generally

start from very different places in terms of current participation levels, particularly in apprenticeships. There are some local authorities where there is currently very high penetration to apprenticeships and there are others where it is currently very low. That often reflects the demographics and the cohort of young people in the authority’s area.

Local authorities can be particularly powerful because they are able to bring together all the support services for young people. Often, young people need support around them—getting young people ready and supporting them through the progression that is required to enter an apprenticeship or any other form of education—particularly those who have done poorly educationally at a younger age and those who have more support requirements because of personal barriers and family difficulties. That is the power that local authorities have, and I think they are well placed to be able to do much more in terms of the information, advice and guidance services that are given to young people, and in particular in their role in working more closely with schools.

It is very important how schools are tackling the issue of options and how that information is given, not only to pupils but to their parents and the young people’s support networks. There is a real challenge for us in terms of aspirations and information, and in challenging some of the conceptions—or misconceptions, as it might be—about the relative benefits.

**Q159 Bill Esterson:** Jane, what’s your experience?

**Jane Connor:** It’s interesting, because we find that for a lot of people who come on an apprenticeship scheme it is the second best option. A lot of them have wanted to go down more traditional educational routes but haven’t been successful at school. I think one of your colleagues spoke about how boys turn off at 10 and wish to go out earning at 15. That’s what we find, but we also find that they feel that applying to us is second best, and that they haven’t really got many other options, other than AN Other manual labour job, or going into the benefits system. So, we often get a group of quite disaffected young people who we have to turn around in terms of the behavioural standards they have from the society in which they have been brought up.

It’s far more difficult as an employer to talk to you as policy makers—we tend to be commercial organisations with finite labour budgets and can do only so much with the people we have—in terms of whether the local education authority is going to do anything positive at all to help us. By the time we get the young person, they have almost been given up on by the local education authority, and it falls to a combination of us, our trainers and assessors, and sometimes, but not often, the parents, to engage and to get the child through the apprenticeship. It is very rare that the local education authority is present at all.

**Q160 Charlotte Leslie:** Eric, thank you for raising the issue of the international marketplace. Of course, we can’t talk about this in isolation, in just the national context. Earlier in the session I asked about employability, and about the employment rates of

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overseas students who haven't been through the British system, and of our young people who have. It is so essential that we equip them well because they are competing not just among themselves but globally. I would like to ask the employers on the panel, if it is appropriate, what percentage of overseas young people you might employ, compared with young people who have been brought up through the British education system. Are there any key lessons, from the consumer end, that the British education system could take on board from any differences that you find, if indeed any?

**Eric Collis:** As well as being a training provider we are of course an employer, and we employ 66 people, who are all British. They range from engineers with degrees in electrical and electronic engineering, through to administrators with degrees in administration and business management, and HR management. I guess that no one has really ever asked how many of our brightest and best go overseas and take jobs in America and other powerful economies. The message I was giving is that it is a global marketplace and we have seen the labouring jobs being taken over by people with lower expectations of earnings and conditions—East Europeans and others. A classic that is always quoted is that there are graduates working in call centres in India. If call centres can attract graduates, that says something about the whole structure of the economy, and you cannot discuss education without the economy, welfare and everything else. To discuss education in isolation is useful, but it is not complete.

**Caroline Blackman:** All our training places are given to UK nationals. In fact, we do not get a lot of applications from overseas anyway. The market has not spread there. However, of course, in the construction industry, we get masses and masses of workers from Europe coming in. Part of our job then is to make sure they are skilled appropriately, so we put them through the NVQ programme. They have to have NVQ base level 2 or 3, and we have to do the skill translation process. Of course, at that point, it is equal opportunities, and their willingness to work and move around the country where the projects are is certainly a factor.

**Bill Sutton:** I do not have an official figure for you, but I would estimate it at between 5% and 10%. It is not unusual to go down a long track to an engineering SME somewhere like rural Somerset and find a company with 10 people, and four very good Polish or Eastern European engineers are there just holding the operation together. I am aware of a number of companies that proactively conduct trade tests throughout Eastern Europe to get people to come on to their craft and apprenticeship schemes, because they cannot get enough people to come on who are good enough to pass the initial trade tests to get on the course.

**Jane Connor:** At the risk of repeating myself, we do not have a minimum requirement, so anybody who works for us generally tends to be a UK national between 16 and 18.

**Q161 Charlotte Leslie:** Thanks very much. That was very interesting. One of the things that you talked

about was willingness to work. You also mentioned literacy. To what extent and in what balance are soft skills such as willingness to work and discipline something that you recruit on, and to what extent are literacy and numeracy recruiting factors—hard qualifications versus or in conjunction with softer skills? I know that Jane has mostly answered that already.

**Eric Collis:** As part of our pre-recruitment, because we are a group training association, we do a lot of work on behalf of the Government, including providing mentor training for their infrastructure and staff. A significant element—it's recognised as good practice by Ofsted—is a behavioural assessment, a health and safety assessment and an assessment of ability to maintain attention in the workplace. We do a rigorous pre-selection. Once the youngsters have come to us for four to six weeks—they come for the first full year with a contribution from the employer as well—we treat them as though they are our employees. We manage their behaviours. We put them through employment law disciplinary procedure if it is required. We engage the parents. We take them out to a four-day Outward Bound development programme and we do drugs and alcohol awareness training and testing and talk to them about teenage pregnancy and sexual health. It becomes a full training, education and development programme. That is recognised as a quality programme.

The word "apprenticeship" is such a wide-based description that it is like calling every moving vehicle a car. It would be wrong, because every moving vehicle is different. Every apprenticeship is different. There is no one solution. The apprenticeships that we deliver are recognised as different from a level 2 or an apprenticeship in care, retail or anything else. We need to be very careful how we describe apprenticeships.

One quick example: my contracts manager deals with all the funding from the Skills Funding Agency. Her 16-year-old son was in conversation with her, and she said, "What does an apprenticeship mean to you?" He said, "It's for people who can't go on to A-levels." That is not the truth in our scheme. They do not have to be at level 2; they have to do four GCSEs of grade C as a minimum. We actually recruit from below level 2 and taken them on to a foundation degree within a year. Between 25% to 30% of all the apprentices in our scheme go on to a foundation degree at Hull university at the end of one year. That progress can be made if they are on the right programme.

**Q162 Chair:** Any thoughts on hard qualifications versus soft skills?

**Caroline Blackman:** We have to do that assessment because of health and safety and working on site. We find discipline a major issue. When you start an apprenticeship, you are often asked to start work with the rest of the work force at 7 o'clock or 7.30 am. As that is very unusual, it takes a lot of training and development to get youngsters' personal attitude to the right level. We often start quite raw. It is of equal importance to literacy. We must have youngsters who really have the attitude and the aptitude that they want

to work, and we recognise that we have a job to get them there.

**Bill Sutton:** One of the strengths of the diploma model was the generic section, which required youngsters to spend 10 days over a two-year period at all levels with an employer. During that time, they would do functional skills, English, maths and ICT and another thing called personal learning and thinking skills, which, in effect, were employability skills by another name. That really drove home to young people that, as well as all the responsibility that the employers and staff had to them, they themselves had responsibilities to be at work on time, in the right outfit and not under the influence of drink or drugs. It may well be that they had to work with everyone in the organisation, including suppliers and customers, to get a product out of the door. Many were very excited about that, plus they had to undertake a very involved project under the direction of the employer, which led to another raft of communication skills and soft skills being noted.

**Q163 Damian Hinds:** You are far too young to be able to answer the question that I shall ask in a moment, but bear with me. We are politicians and you are in business, but as it happens, because of the timing of the inquiry, many of us were business people until only 12 months ago, so we probably share some of the same issues. In my business, people talk a lot about the gap in interpersonal skills, communication skills, team working, discipline and so on. It is important for us to get to a point in the inquiry to see how that has changed over time. Have people always complained about such matters in Britain to the same extent? Has the problem got better or worse over time? Compared with 20 years ago, are you seeing more work-ready people in your organisation or are you seeing less work-ready people?

**Chair:** Or even “fewer”?

**Damian Hinds:** No, I investigated internally whether I should say “fewer”. I meant “more ready”, as opposed to more of them.

**Chair:** I didn't follow that, but I stand corrected.

**Caroline Blackman:** I can only go on anecdotal evidence. Senior people would say that we had a far more enthusiastic work-ready group of people at 16, who were very encouraged to enter construction engineering and work their way up through a vocational base. They work up through distance learning or part-time learning and are sponsored throughout. Many of our senior people started their careers at apprentice level and are quite passionate about apprenticeships being a fantastic career route. The issue is that they see a gap between how youngsters come across and how they are really prepared to come to work.

**Bill Sutton:** You are very kind to say that we all look very young. Each year that we get older, we think that the younger generation coming through is more undisciplined and workshy. In general terms, things are deteriorating and I put that down to the greater separation between industry, business and the secondary school system.

**Q164 Damian Hinds:** What can schools do about it? At a previous sitting, we talked about the alleged lack of ways for employers to get a message into schools about what skills they were looking for. Do you ever get frustrated by that suggestion? How come that message has got through to schools in Latvia, Lithuania and Poland, but not to schools in Britain?

**Bill Sutton:** We are moving towards many changes in education, one of which is the advent of the university technical colleges, the first of which is the JCB academy. That is an example of an employer being the secondary educator as well. What more perfect system could we have than one that marries business and education? Yesterday, I was at the launch of Walsall UTC's skills and qualifications body, just across the road there, so that is another one coming on line to look at the skills in the black country region. The UTCs are something which certainly the STEM and advanced manufacturing areas hold great store by.

**Keith Smith:** May I look at this from a different, probably more positive, perspective? It is fair to say that the aspirations of young people have started to become greater than they were. Young people are more ambitious now, and they are clear about what they ultimately want to try to do. The difficulty is that they have not kept in tune or in touch with what it will take to get them to the point that they want to reach. They want everything now, and—

**Q165 Damian Hinds:** Are you trying to say that they have unrealistic expectations?

**Keith Smith:** I think that it is about managing expectations—about what it takes to be successful in a career: that you have to start at a given point in a workplace, and you have to work through from there to be successful, and that it is not always possible to go into a job environment or any career at exactly the level you ultimately want to reach. There is something that we have to do, which comes back to the point about advice, guidance and support. We have to do something about supporting young people, not just helping them make the right choice, but managing expectations about what it will take to be successful in the career, and explaining that it takes some time to get there—and you can't do all of that quickly.

**Damian Hinds:** Perhaps you can't do all of it through schools or employers at all. Perhaps it is something to do with society, and so on.

**Q166 Neil Carmichael:** One of the things that we must probe is the quality of apprenticeships, and what we think of as a really good set of criteria for a young person to go through. Will you all describe what you think that is?

**Chair:** We'll start with you, Jane. You said that you were less selective, but you take people who may not have qualifications, and you use, doubtless, a highly structured approach to try and get people moving in the right direction.

**Jane Connor:** I don't want to sound as if I'm bragging, but we are rated outstanding by Ofsted. It is quite difficult, but for a business, a prescriptive approach does not work. I am sorry to say that I cannot remember which member of the panel said that apprenticeships are not just a silo and one size doesn't



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fit all. Everybody has to be slightly different. Yes, you must have 280 hours of learning and yes you have to hit certain criteria, but most businesses—I can't talk for anybody else—will offer more than that. They will give people more than that. So, in fact, the Government are doing slightly better out of it than they have previously.

It depends, frankly, not on what you want, but on what the apprentice wants and what he is prepared to put into it. Yes, you can have a framework, and you can have key skills—functional skills—but it is what the apprentice puts in and gets out that is important. We were asked, “Is it about education, or is it about softer skills and education?” It really doesn't matter. Our apprentices are the best trained, most adaptable people in our business. Some of our older people—I'm not being ageist here—don't like change. They don't like the new, modern technology that has come in with the car industry, and they struggle to adapt to it. Attitudinally, they are more mature, but I think that a balance is needed. You can't ask 16 to 18-year-olds—

**Q167 Neil Carmichael:** Your firm has a very strong brand image; everybody knows that if you need a new exhaust pipe, they go to you.

**Jane Connor:** They do. We do a lot more, too.

**Q168 Neil Carmichael:** You have a strong corporate image, and therefore, wherever you are in this country, you will get the same standard not only as a customer, but as an apprentice.

**Jane Connor:** Yes. We have that.

**Q169 Neil Carmichael:** The problem with the SME sector—and there are plenty of exhaust companies in that sector—is that they will not all have that image, and people will not necessarily think that that is the direction of travel to take. It is a slightly unfair question, but how can we encourage SMEs to go down that route, too, in providing the right kinds of training and apprenticeship opportunities?

**Jane Connor:** It is about making it available to them. It is almost like a closed shop—trying to find everybody who is a provider. When you do find one, there are hundreds; there is a raft of them and you have no idea whether the training is consistent. We have looked at outsourcing hundreds of times, every time we look at cost efficiencies—it is always my function that gets hit first, and we tend to look at what we could do. But the consistency of it is a problem. I don't want to go down a regulatory route, because I don't think that is the way forward, but in terms of training providers it can be quite hit and miss geographically, which is why we have avoided it and gone down the fully embedded route, because it enables us to control the consistency.

If you were an SME exhaust provider, you might not know where to go to put your apprentice through a really good programme. You will not be inclined to ask and it is not frightfully easy to find. Oddly, some of our competitors ring us and ask us to train their chaps, who then go back to our competitors to fit exhausts. They do that because they don't know where to go. Some of your Government and education language is quite jargonistic sometimes.

**Q170 Chair:** Bill, you have members who are small companies. What are the challenges for SMEs?

**Bill Sutton:** We are the guardians of the apprenticeship standards and frameworks for all the apprenticeships within our footprint. We jealously guard that, and we guard it after deep consultation with our employers to ensure that as time goes on—and many of our industries are very dynamic—any obsolete material is removed and new requirements are incorporated. We spend a great deal of time on it. Yes, of course the delivery of apprenticeships will vary across the country, but our aim is to police our frameworks. We have our own awarding body, EAL, which has its own external verifiers and Ofsted will also conduct a certain amount of inspection. We try very hard to maintain the standard across the engineering industry, so that there is confidence in it—so that if someone comes in with an engineering apprenticeship from an SME, he will be as good as someone who has completed their apprenticeship at Rolls-Royce.

**Q171 Chair:** And do you achieve the standard? You try to maintain it, but is there a problem with SMEs? Will the quality and consistency be as good in SMEs—a whole bunch of small companies that are supported by someone like you—as in a very large company?

**Bill Sutton:** The only problem with SMEs is getting someone who has not taken on apprentices for many years to do so. That is a difficult journey from the beginning, but through deep consultation with SMEs, through trade bodies and GTAs, we are increasing the number of apprentices every year.

**Chair:** Neil, do you want to ask Keith about SMEs, too, because he has responsibility for the National Apprenticeship Service?

**Neil Carmichael:** Yes, I do.

**Q172 Chair:** SMEs—very briefly, please, Keith.

**Keith Smith:** I won't repeat all that colleagues have said, but the challenge of SMEs is making sure that the right support arrangements are there for them. Some SMEs are unsure about the direction of their businesses. Many that we talked to are nervous about investing in apprenticeships, because they fear that people will move on. If they put an investment in and people move on within a year or two, they feel that that is a wasted investment. We want to do more around GTA and ATA-type developments, so that we can get support mechanisms in for small businesses and they can have the confidence to recruit. Even if they don't have a full order book and cannot recruit and employ an apprentice full-time, an apprentice can be shared across a network of different small businesses and they can all benefit. There is a lot of work that we have started to do and we need to continue to do, to provide support to small businesses. The other part to that, which links to the quality question, is removing some of the barriers to accessing apprenticeships. We are very aware that we must be clear that we can continue to offer a high-quality programme and the experience, but in a way that is accessible to all businesses. We are very aware of what employers say about the bureaucracy around

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certain elements, and that is very important to us to help us make an accessible programme for everyone.

**Q173 Pat Glass:** May I ask you about pre-apprenticeship models and your view on whether these programmes prepare young people for apprenticeships—models such as the Young Apprenticeship programme, or the programme-led apprenticeships? Are they valuable in themselves, and can we afford them in a time when funds are short?

**Bill Sutton:** The Young Apprenticeship model was exceptionally successful across the STEM sectors. We regret its demise greatly. We even put in a model with a higher diploma whereby a young person arriving at the age of 16 could have completed a higher diploma in engineering and a Young Apprenticeship in engineering. What an employable person they would be! So, yes indeed—greatly valued across all of our sectors and we are very, very disappointed by its demise.

**Eric Collis:** Young Apprenticeships were not universally available. They were rationed and we never had the opportunity to deliver Young Apprenticeships. They would have been useful, I am sure, to turn young people around. We work with 14 to 16-year-olds in our workshops. If you can get to a 14-year-old who is dedicated to achieving an apprenticeship, you can turn them around in that two years and they will improve their GCSE grades, because they see an end game; they see the benefit from their investment.

For programme-led apprenticeships, I have the facts in front of me. When the downturn bit in 2009, 40% of the cohort that we took on were programme-led apprentices. We, as a duty, made a commitment to those young people that we would find them jobs at any cost, and if we didn't we would pay them a training allowance in their second year until we did find them a job. We are still carrying a cohort—a very small cohort now—from the 2009 intake. They are finding the jobs. We are paying them and it has cost us £184,000 in this academic year. But that option gave us the opportunity to recruit 66 new companies through the PLA model, because we had a ready-made, quality-assured apprentice who we could place with them and we could deal with all the bureaucracy and all the support systems that need to be taken care of. PLA was extremely useful. It will be sadly missed if it is taken away and it will, in my opinion, certainly in our area, reduce the number of apprentice vacancies overall, and it will reduce our penetration of SMEs.

**Q174 Pat Glass:** Is that a consensus among you all? Do you feel that those pre-apprenticeship models were valuable and should have been continued?

**All Witnesses:** Yes.

**Q175 Chair:** Keith, the Government are proposing to come forward with preparation for getting people apprenticeship-ready, aren't they? We have not heard much about what will replace PLA.

**Keith Smith:** Briefly, in terms of what we can talk about at the moment, the PLA issue had to be confronted because of the legislation about the employed status of an apprenticeship. It is very clear,

in the current legislation, that to be an apprentice you have to be employed in a real job.

**Q176 Chair:** Which legislation was that?

**Keith Smith:** The apprenticeships Act.

**Chair:** Passed by the previous Administration.

**Keith Smith:** Yes. It came into force this April. That is the basis of the PLA position. However, as you said, the current Government—Mr Hayes—are talking about doing some work across Departments about access to apprenticeships. That programme of work is ongoing. I am sure it will be discussed more openly in terms of what the offer might be, and the support arrangements for young people and adults—particularly young adults who want to engage and enter into an apprenticeship—which, currently, on day one, are not necessarily ready.

**Q177 Pat Glass:** So in a couple of weeks, when we have the Minister here in front of us, what you would like us to ask him is: can we look at the legislation again, because the pre-apprenticeship model programmes were felt to be very useful?

**Keith Smith:** When Minister Hayes gives evidence, I think we need to ask questions based on whatever policies have been announced and how things sit at that particular point in time. However, it is an area of work that he and his officials are currently looking at.

**Q178 Chair:** Marvellous—we are going to finish on time. Any final thoughts on what we should be saying? We take evidence, we write reports, we make recommendations and the Government are obliged to reply to us within a certain period—at least in theory; they do not always manage it. So what would be a key recommendation—the thing that you would most like to see changed? Bill, we have heard that you do not like the loss of PLAs or the loss of the engineering diploma.

**Bill Sutton:** We have not lost it yet.

**Q179 Chair:** Sorry—you dislike the loss of emphasis on diplomas and you do not want to lose them. For those who can say—I suppose that excludes Keith—what is the No. 1 thing you would like to see in our report on improving the success of 16–19 participation?

**Jane Connor:** As an employer, we would like more financial support, obviously. I think it was in your previous discussion that somebody said that some employers should be given more money and others are just shocking and should not be given any. There is certainly a quality-proving point. I would like there to be some sort of financial support for those employers who try to support young people through an apprenticeship. I am well aware that this may well fall on deaf ears, but there is something to be said for any business that puts a young person through an apprenticeship and they end up with a job at the end of it, as opposed to college-based learning, where there is, perhaps, only unemployment at the end.

**Q180 Chair:** You are speaking from self-interest, I know, but should the Government—as Governments often do—throw money at those who are not very

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good at it and are not doing it, in the hope that they will, or should they pay the money to those who are already doing it, get them to do more than they need for their own immediate needs, because at least you are investing in people who have a proven track record delivering quality? If you train more staff than you actually need, you get to pick the best, hopefully, but you also send out excellent people to go and work for SMEs who perhaps cannot do it themselves. Is that the thinking?

**Jane Connor:** I am not sure it is as binary as that. You could have a mixture, but certainly investment and a basic understanding among SMEs would help. Now that the LSC has gone, a lack of bureaucracy would also help, because they were marvellous at that. Anybody who tried to put more in would be met with opposition from business. We would gladly take more on as long as we were supported to do so. We do not mind training the opposition.

**Caroline Blackman:** I support your latter point. Construction companies have enormous supply chains, we employ many SMEs to do additional work and there would be a wonderful opportunity for us to embed apprenticeship programmes through the procurement process. We could then support Mr Carmichael's idea of being able to switch those apprentices across the industry. However, at this point all the funding for construction is managed through Construction Skills and it varies. We never quite know how much we will get because the construction industry pays a big levy for the numbers we employ, all that money goes into CITB-Construction Skills and they parcel it out. We have quite a big administration team who have to try to get that levy back. We need to rethink how we fund that, because at the moment there is a bit too much administration behind it all, which does not make it pleasant for employers.

**Bill Sutton:** Nothing, but nothing, puts money back into UK PLC like science and engineering manufacturing and there has never been a better time to be an engineer or a scientist. So much is happening now, with the low-carbon agenda, through sustainable manufacturing and all the emerging technologies, so I welcome anything that this Committee can do to improve the standing of mathematics, physics and other sciences among young people, to turn those subjects into the new rock and roll and encourage young people to come in. There are many ways to learn about mathematics, not necessarily through pure academic A-level and GCSE learning. I learned about mathematics through engineering and science; many people do and probably become better mathematicians because they understand applied mathematics as well. I must advise you that a tremendous amount of work is going on between industry and sector skills councils to understand exactly what engineering and science employers need, so that we can say to education, "If you want to send someone into those industries at whatever level, right from the most junior apprentices all the way up to chief engineer or chief scientist, we have the format for what is required". It is documented and we are getting more and more labour market intelligence together year on year. Can we please keep that effort going? The real thing is mathematics and physics. We need to improve the

teaching work force and the standards, and engage everyone in those particular subjects.

**Q181 Chair:** I think we would all agree with those sentiments. How much we will be able to lead on that, I don't know, because I spend so much time with my own children, trying to persuade them that science is the way ahead—with limited success at times.

**Eric Collis:** The Government should seriously consider generating a small over-supply of qualified quality STEM-based apprentices, but they need to be regulated and measured. If they become an open market and just a means of generating classrooms full of Government-funded learners, it will destroy the value of apprenticeships. I am suggesting a controlled and managed over-supply that is regularly reviewed to make sure that the slight over-supply gets people into employment. We don't want to discredit a training programme to the point where the expectation of the learner is, "This is going to give me a quality career opportunity", only to have their hopes dashed because there is an over-supply or there is a poorer quality.

**Q182 Chair:** Can you say a little more about what that looks like? Ineos—which, very quietly, is the largest chemical company in the country and has a base in my constituency—has an excellent and highly acclaimed programme. I talked to it about what would get it to take on more people than it needs. Companies may not wish to supply people to their competitors, but if it is made worth their while and if they have a greater choice from it, hopefully the commercial gain will be there. It felt that the funding needed to change. What would it look like, Eric? How will we get the big companies that you deal with, which have a proven quality track record, to take on more people who, as you say, must then be able to get jobs, so that we start to produce more quality apprenticeships?

**Eric Collis:** BP has always done that—again, it is in your constituency. There is bureaucracy, responsibility and accountability for young people. The expectation, once young people go into a company, is that they will stay there for life. These youngsters are at the beginning of their career. An attempt to get more companies to over-supply or over-train to put people in the market is not necessarily a good thing. SEMTA tried to do it six years ago with the SEMTA 500 scheme. It was not particularly well supported and crashed after 12 months. It was misinterpreted by many companies as an opportunity for them to take an over-supply that is paid for by the state into their companies so that they could cherry-pick the best and shove the rest out through the door. There are lots of dangers with getting companies to over-supply and be paid for by state money.

The over-supply needs to be carefully looked at. I have a vested interest, and I will openly admit that our GTA has proved the track record of over-supplying in the last three years, but on condition that we get them employment. We've made a commitment, and that commitment of employment has to be there. Otherwise, it just becomes another training process, with no guarantee for the youngsters.

IAG is critical. Most of our youngsters have no appreciation of money. As a society, aren't we closed?

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Do we tell them how much we earn, what the earning potential is and what they have to do to achieve it? We don't. We keep our youngsters in the dark, and well-informed youngsters do well because they come from a background, family and society where they are given the inside track. A significant proportion of our youngsters are completely in the dark, and if we told them what the earning potential is, what that buys you in life, and what you have to do to get there, we would see a significant difference.

**Chair:** Keith, a final word?

**Keith Smith:** I have just one final point of observation. What we should also perhaps do on the question about the report and where it needs to focus—we talked a lot about barriers and issues—is to learn from what is working now. Apprenticeships

for 16 to 18-year-olds increased by over 17% last year, in a period of difficult economic downturn, so there is evidence that it is possible to create more jobs for young people and to get a better match between what young people need and the support to get them into real apprenticeship opportunities. It is important that we reflect on the success that we are currently getting across the system. A lot of positive things have been said about that. A challenge for us is how we build on what works and apply it so that we are moving things forward, be it RPA or whatever.

**Chair:** A very positive note on which to end, and an excellent plug for your service, of course, and its success in the previous year. Thank you all very much for giving evidence to us today.

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## Wednesday 18 May 2011

Members present:

Mr Graham Stuart (Chair)

Neil Carmichael  
Nic Dakin  
Bill Esterson  
Pat Glass  
Damian Hinds

Charlotte Leslie  
Ian Mearns  
Tessa Munt  
Lisa Nandy  
Craig Whittaker

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### Examination of Witnesses

*Witnesses:* **Martin Doel OBE**, Chief Executive, Association of Colleges, **Joanne McAllister**, Cumbria County Council, **Martin Ward**, Deputy General Secretary, Association of School and College Leaders, and **Professor Tony Watts OBE**, Life President, National Institute for Careers Education and Counselling, gave evidence.

**Q183 Chair:** Good morning, and welcome to our Select Committee's deliberations on participation by 16 to 19-year-olds in education and training. Thank you particularly, Martin Ward, for stepping in at the last minute. Thank you for coming. It is a pleasure to see you, Joanne, as well as lags who have been before the Committee many times, who are also very welcome; it is a pleasure to see you.

The Government have accepted all the recommendations of the Wolf report. In the context of 16 to 19-year-old participation, do you think that decision is to be welcomed?

**Martin Doel:** Yes, I am pleased that they have accepted the recommendations, and I am particularly pleased that the recommendation on English and maths GCSE has been softened somewhat to attend to the fact that some young people at 16 won't find English and maths GCSE the right way forward to engage them, which is particularly important in terms of raising the participation age, so giving consideration to an alternative way forward for them is very welcome, as is acceptance that some young people may take longer than 16 to 18 to achieve the best standard in maths and English that they can. In that sense particularly, it is welcome, and generally the complete nature of the report is welcome. I was concerned at one stage that the some parts of it would be cherry-picked, and that it wouldn't be done coherently. It is important to preserve the coherence in the report as we go forward.

**Professor Watts:** My main concern is about the weakening of work experience pre-16. In her report, Alison Wolf confused exploratory work experience pre-16 for all young people with preparatory work experience post-16 for some young people. They are different. Work experience is a really important part of young people's ability to explore the world of work at an early stage. That is my main concern.

**Q184 Chair:** And on the positive side, excepting that, do you accept it overall?

**Professor Watts:** In general.

**Martin Ward:** Yes. Most of the recommendations seem entirely sensible to us. There is slight concern about the point that Martin made—that over-emphasis on English and maths GCSE, as distinct from numeracy and literacy, would not necessarily be

helpful. Clearly, it wouldn't be an easy sell to a 16-year-old who has hated doing English and maths GCSE for the last two—or, arguably, five—years to say, "Come along and do it all again." Although young people clearly need those skills—numeracy and literacy—they don't necessarily need to be studying GCSE English and maths, at least not straight away.

The other slight concern is about moving away from vocational courses in the 14-to-16 phase. Although one would agree with Alison Wolf that over-specialisation at 14 is not a good thing, moving away from vocational courses may make it more difficult to motivate and keep engaged some of the young people in that age band. If they are obliged to do a narrowly defined academic course and nothing else, we may find they reach 16 all the more likely to want to leave.

**Q185 Chair:** It was 80%, wasn't it? So she was allowing up to 20%, claiming that there was enough balance there.

**Martin Ward:** That's right. It's a good point, but some of those courses were somewhat larger than that and probably could continue to be so. Of course, it also depends on exactly what one means by a vocational course. They don't want anything too narrowly defined at age 14. We're not talking about training people for a particular occupation at that point, but something that is looking outwards and looking forward can in that sense be very useful for some young people.

**Q186 Chair:** She specifically rejected the idea that vocational courses did exactly what you said they did, which was to help to re-engage those who had been turned off by more academic study. Was she wrong in that respect, Martin Doel?

**Martin Doel:** I think there was more than an implied criticism in the report of inappropriate provision of vocational education to some young people within schools because of the lack of specialist lecturers and specialist facilities—the laboratories and workshops you would want to have in those situations. They weren't as effective as they should or could have been, and she saw a greater role for colleges delivering to 14 to 16-year-olds in making use of those specialist facilities and lecturers.

Although we're supportive of that recommendation, there is a lot of work to do to address how that's to

be done. In a situation in which funding is now more constrained and the competition therefore is to catch the student and the funding that goes along with the student, the high-quality provision that colleges make for 14 to 16-year-olds, which has been praised by Ofsted, is, I think, at risk in the meantime before we get new provision or new freedoms for colleges that take on 14-year-olds. The number of 14 to 16-year-olds going to colleges has been declining over the last two years, notwithstanding the value that Alison saw and Ofsted sees in this provision, so we need to get on quickly to understand what the barriers are to colleges doing more with 14 to 16-year-olds.

**Joanne McAllister:** I agree with all the points made, particularly about pre-16 work experience. In terms of vocational education, our experience in Cumbria has been that it is a very useful tool for 14 to 16-year-olds. We've had some really good college courses, and progression to post-16 courses has been significant as well, so it will be interesting to see how that plays out.

**Q187 Bill Esterson:** Good morning. To what extent is what goes on in schools responsible for low participation post-16, especially compared with what goes on in the systems of our comparable European neighbours?

**Martin Ward:** Clearly, what schools do is very important in that respect. If they bring people to the age of 16 alienated from the education process, that is not going to be at all helpful, but it would be unfair to lay the problem at the door of schools. The great majority of young people at 16 are going on with their education and training and want to do so. In relation to those who don't, although that can have something to do with their school experience, it almost invariably also has to do with the poverty—monetary and educational—of their home background. In some cases, it has to do with poor parenting, poor diet, the local peer culture, gang culture and so on, mental health problems or drug or alcohol addiction. All these things bear on that last group who are not engaged in education and training post-16. You can't lay all of that at the door of the schools system. That said, the schools system can do more; of course it can.

**Q188 Bill Esterson:** What's the likely impact of the emphasis on academic learning?

**Martin Ward:** As I just said, if that is too narrowly defined, and young people who are not temperamentally inclined to want to work in that sort of way find that they are obliged to do O-level English, maths, and history—sorry, I am going back in time there, but that sort of strand of GCSE work—clearly there is all the more danger that they will reach 16 thinking, "This isn't for me. As soon as I can get out of it, the better." If that happens, then I think we will see an increase in young people who are not productively engaged in the 16-to-19 phase.

**Martin Doel:** I wouldn't want to make it a whole morning of school versus college, but colleges do, at points, I think, pick up the problem from a disengaged youngster at 16, and then try to change that person's approach to learning. In doing that, I accept that it is clearly not only the schools that are responsible for this problem. I am quite persuaded, having read the

2007 report on NEETs last night, that this is not a homogeneous group; it is heterogeneous. Every individual, almost, has a different set of issues and problems. What I would say colleges are particularly adept at, in terms of their pastoral support systems, is trying to personalise the learning to the individual who attends at 16.

I have to say, I share Martin's concern that if the English baccalaureate is the driver of behaviour in schools, I'm not sure that personalised provision will so easily be made available to 14 to 16-year-olds. This relates to my issue about colleges having more of a role here, but having the freedom to deliver in a way that engages those young people and prevents them from becoming NEET at 16. Interestingly, the stats we are seeing now are saying that the NEET problem is being displaced to 18, substantially, which is logical; you would expect, in terms of raising the participation age and increased participation, the point at which people become engaged to slide to the right, but that needs attending to.

**Professor Watts:** The personalisation issue is the reason I want to focus mainly on guidance programmes in schools, which I think are hugely under risk. Perhaps we'll come to that a little bit later.

**Chair:** We will indeed. Thank you.

**Joanne McAllister:** It is not just a college issue either, at 16. I think there are other providers that can provide for these young people and offer a personalised programme, particularly around foundation learning, etc. We have obviously got to look at the needs of the person as an individual, and ensure that what is being put in place for them meets their needs and breaks down the barriers that they have to education.

**Q189 Bill Esterson:** May I ask about part-time vocational learning? What's your view on what is done in schools at the moment?

**Martin Doel:** In terms of vocational provisional and part-time learning?

**Chair:** Are they doing enough to enable part-time vocational learning?

**Martin Doel:** In schools?

**Chair:** Yes.

**Martin Doel:** I have a concern about the vocational provision within those schools—part-time or otherwise—mainly because of the lack of facilities, and the way that the league tables have operated, putting perverse incentives in front of schools, in terms of doing the right thing. In terms of part-time provision and work experience, I don't know that part-time learning is the issue. I would move towards 16-to-18 apprenticeships as a kind of part-time learning provision. There are interesting issues to observe on the nature of apprenticeship pre-18, and apprenticeship post-18, which need some further attention.

**Martin Ward:** Do you mean children in school who are learning in a vocational way part of the time, and in academic strands the other part of the time, or post-16 youngsters who are doing part-time learning, and working the rest of the time, or not learning?

**Bill Esterson:** The 14-to-16 group.

**Chair:** The 20% that Alison Wolf talked about.

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**Martin Ward:** Yes. That is a good model; it's something that does make a lot of sense. There certainly have been cases of schools making provision of that general kind evidently to improve their league table standing, rather than to improve the experiences of their youngsters. That is true, and we need to get away from that. The problem there is the perverse incentives introduced by poorly chosen performance indicators. The fact that that is true does not mean that this type of provision should not be made, and for many young people it is appropriate provision and something that can be well done. As Martin says, it is often done in conjunction with colleges that have expertise in that sort of area. We certainly welcome the Government's acceptance of Wolf's suggestion that teachers with QTLS should be permitted to work in schools in order to do this type of work, because they are often the people who have the right sort of expertise that Martin was alluding to.

**Q190 Bill Esterson:** May I move on to what needs to change at 16 to 19 to keep students in learning?

**Chair:** Does a great deal need to be changed? What needs to be done to make it more effective for 16 to 19-year-olds?

**Martin Doel:** One of the most significant aspects is to acknowledge that the point of entry to the job market is now presumed to be 19 rather than 16. We've had an education system that almost presumed that entry was at 16 for many years when the facts say something different. The curriculum needs to adapt to acknowledge that fact, although I accept the notion that, up to 18, it is significantly about broader education and preparing the young person for life, rather than working in an individual sector.

That then moves to the point, if you like, about narrow training to work in one particular area. I therefore support the notion that sector skills councils should have less of an impact over the curriculum from 16 to 19. We should be looking to have broader programmes involving substantial amounts of maths and English, in order to give the young person the life skills they require for their future, and not just for working in one particular career.

That is also my point on apprenticeships. We need to think carefully about what it means to have a broad education within apprenticeships from 16 to 18. We were supportive of apprenticeships within the association, and I am personally very supportive of them. There is a tendency at the moment to say, "The answer is an apprenticeship. What's the question?" We need to think through the pedagogy that attaches to apprenticeships from 16 to 18, and what it means to have a broad curriculum for 16 to 18-year-olds, rather than one that is made up of a series of qualifications. I therefore think that there is some important continuing work to be done, arising from Wolf, around the curriculum and how it is delivered, and the experience that we have had with things like the diploma.

**Q191 Chair:** What about the loss of enrichment funding? Surely that goes in the opposite direction. It would narrow to a qualification-driven track, rather than ensuring a rounded course of study.

**Martin Doel:** I absolutely agree, and one of the interesting things that arises from Wolf is how you arrive at a different funding formula to drive the behaviours that the Government seek to achieve. Some would say that the difficulty is that it is a complicated funding formula for 16 to 19-year-olds; others would say that it was a sophisticated one. When you start moving bits around in this formula, the law of unintended consequences applies very quickly. It needs to be done sensitively, but it needs to be consistent with the aim of having a broad curriculum that engages the 16 to 18-year-olds, and prepares them for the world of work or higher study and the rest of life. The work that needs to be done is not insubstantial, and like many things at the moment it is being done at high speed, but it needs to be done with due care and attention.

**Q192 Charlotte Leslie:** I want to ask about the transition period as participation becomes a requirement. Are schools and colleges prepared to take on a new intake of 16 to 18-year-olds who find themselves now under a requirement to be in education or training? Are the colleges ready, do you think?

**Martin Ward:** Yes; in one sense, colleges in particular are ready. There is sufficient flexibility in the curriculum offer—the sort of courses that can be offered—to give a good experience to those students. Clearly, if young people are in a college or school on sufferance, that will bring extra problems.

There is also the question of needing in the first place to reach out and engage with these young people and bring them in, and it may be that voluntary agencies can help with that. However, the Pareto principle applies: the last few are much more difficult to engage and retain than the first few, and are much more expensive. The issue becomes one of support, monitoring and mentoring at a much greater and more intense level than may be necessary for some of the other students. That is expensive. The point that the Chair just made is very pertinent; the loss of that enrichment funding will clearly make it that much more difficult for schools and colleges—it may well be colleges in particular—to engage with this group of students.

**Martin Doel:** In answer to your question, we have been concerned for some time about aspects relating to the participation age. We are very supportive of raising the participation age, but there is an issue about compelling people to attend until 18, when previously it had been post-compulsory. That might include a change of behaviour. If I were looking for a plus on this, I would say that colleges, through their very nature and what they have had to do over the years, have become the most responsive and adaptive layer within education. They are ready to respond and adapt.

The key thing will be personalising the programme and meeting the needs of individual learners who attend a college. We need to attend to them and engage them through those means. That will be around the pastoral support systems, and matching the students to the right course and the right options, to emphasise what Martin was saying. That is where the

real threat around entitlement funding plays into this. It is about the ability to support tutorially those previously disengaged learners, or those who feel that they should not be in learning.

**Joanne McAllister:** I think there is a role for the voluntary and community sector and other providers, particularly around preparing young people to move into a college environment. We find that some youngsters are daunted by moving into that environment as a first step. For example, in Cumbria, we have tried to work with our foundation learning provider to link into the colleges and work with the young person and prepare them—have those first few weeks with them—before progressing them into a college programme. The other point to make is that I agree with Martin about the cost. When you get to the bottom line, about 900 people are NEET in Cumbria, which is low for the size of the county, but it is very resource-intensive trying to get to them and engage them. It is costly.

**Q193 Chair:** The key question is: how well prepared are you? Martin is saying that colleges have particularly good strength. What about schools? A lot of people in rural areas are not going to travel all the way to a college—I don't think many do—and will want to go to their school. If they are the sort of people who disengage, the school will have to change the quality of its offer if it is to re-engage those people. You have to get them there, keep them there and give them something decent to do. Is the system ready for raising the participation age?

**Joanne McAllister:** I am not sure how ready it is in that respect. Obviously, when you look at school sixth forms the majority of their provision is at level 3, a lot of these young people will not be ready to go in at that level. There is still a lot of work to do within the school system.

**Q194 Chair:** So it isn't ready?

**Joanne McAllister:** No.

**Martin Doel:** I am moving on slightly to another issue that you might want to cover this morning. A particular aspect of the way colleges are required to do business that plays well into this issue is how performance is measured within colleges and the issue of success rates. Colleges' success rates are a calculation of a combination of the achievement of the student—the grades they achieve through their courses—and the fact that they are retained and complete their course. Therefore, the calculation of their success, if you like, in our league tables, is the combination of those two: the student must complete the course and pass the course, not just pass the course.

School is a measure just of the achievement of the students at the end. There is therefore less of an imperative on schools to match the students to the right course and support them to ensure they complete. In a college, retention is the key word—retention and completion of the course—whereas in schools, it is much more about the achievement of the A-level grade that puts you up the table. The Government have given an indication that they wish to align the performance measures between schools

and colleges. We say that that cannot come along quickly enough, because it allows an informed choice about where you study. It also drives the right behaviour in the institution: focusing on the students so that they complete.

**Q195 Charlotte Leslie:** You talked about funding resources, but you also need information about likely capacity needs, such as what kind of intake can be expected and what that will be made up of. What information do you need and by what time do you think colleges will need that in order to be ready by 2013?

**Martin Ward:** For the most part, the information is pretty much available. The big colleges in urban areas have potentially the biggest change to look forward to, because it is in those areas that the largest proportion of young people have not been carrying on with their education. They have pretty good information about the demography and previous patterns of behaviour, so they will have a pretty good idea of what numbers of students are likely to come forward. Of course, they will find it very difficult to know how many of those students actually will engage. We have this notion that the participation age is going up to 18 and everyone will be engaged, but whether they will be is another question, and there is no way to know until after the event.

**Martin Doel:** I have one additional point. In this uncertain circumstance, there is some benefit of scale in terms of 16-to-18 provision, because you have the ability to weather the ups and downs. A small school sixth form is dependent on numbers being recruited to add to the viability of groups and classes and to offer young people what they want. There is some benefit to, say, a minimum scale, and sixth-form provision of over 250 is absolutely necessary to weather any uncertainty. That is one consideration, and it bridges to two other points.

You asked about information. Colleges have good and well-developed business skills to understand what is likely to be coming in the next year and to make an assessment of that. There are two areas I would identify as particular concerns, and the Committee might want to talk about them later. The information needed to operate the bursary scheme gives us much concern. The other issue is about information as it flows to the student to choose whether they will come to a college—that is the careers point that Tony made, and we may touch on it later.

**Q196 Chair:** But colleges complain about lagged funding, because is based on the previous year. You have talked about scale. Why can colleges not do more to provide mid-year starts to people? When it comes to trying to engage the difficult to engage, colleges do not do enough, they use lagged funding as an excuse and they need to do more—discuss.

**Martin Doel:** The AoC position is that lagged funding is in Winston Churchill's phrase "the least worst system" you can come up with. It drives a more stable system, but it does mean that people provide this year and earn next year. It stabilises the system, but unless you make some sensible refinements, particularly around mid-year starts, you could be waiting for the



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money for the student you have taken on in January for a full 18 months. You might retain it when you do not have the students, so it does mitigate the peaks and troughs in the system. But you can get the wrong side of a lagged funding model, and if you have a bad year, catching up from that is very difficult. We are in the early days of this lagged funding system, and some principals are finding it more of an issue than others, because they find themselves in a difficult position. We need to work things through with the new funding agency, as the YPLA transitions, to understand how we can make sensible, but not over-complicated, system refinements to take account of particular circumstances and situations. The model is fundamentally right, but we need some refinements.

**Q197 Chair:** If you have any recommendations on that front, we would love to hear from you, because it will be important for us to encourage more mid-year starts if we are to engage with people. If you have any proposals, we would like to hear about them so that we can consider recommending them in our report.

**Martin Doel:** I am happy to help.

**Q198 Craig Whittaker:** I want to ask you about the local authority role in all this. What are local authorities adding to the range of provision for 14 to 19-year-olds? How much of their work is talking and planning, and how much is about applying pressure and generating results?

**Martin Doel:** We are on record, as the former Apprenticeships, Skills, Children and Learning Bill was being considered, as saying that colleges did not relish the thought that they would come more directly under local authority control in terms of what they were to provide in what would have been a highly planned environment. We have moved now into an alternate future, where there is much more of a market mechanism, not least as a result of the lagged funding numbers basis. That offers some concerns about the range of provision, because the market operates does not operate in a perfect way in all circumstances.

As to the local authorities' role in this, I struggle somewhat to say what it is. The legislation is still in place, but they do not have the wherewithal or the mechanisms to do much about it, particularly since many more academies have formed, and they are outside local authority control. Colleges are autonomous bodies outside local authority control and direction. I would say, the role of the local authority in this area is now much more one of facilitation, rather than direction. I think we are still finding our way in terms of what that means. From a college perspective, we are very keen, particularly in the association, to encourage colleges to do of volition what they were previously directed to do—to engage with their local authority and their partners in the area in order to come up with provision that meets the needs of the communities they serve; reaching forward to do that.

**Q199 Craig Whittaker:** Does that actually happen though, Martin? In my experience it is incredibly disjointed. With things such as apprenticeships, local

authorities tend not to get involved, or they know of them and pay lip service to them. Surely, as the commissioner, the local authority has a real role in banging heads together to make sure that we have all these provisions.

**Martin Doel:** Integrally, we have a very uneven system. It is a transitional point, we are between systems, so it is uneven because of that. Inherently, it is more uneven in that regard, but my point is that the local authority, if not a facilitator, transitions into the role of champion on behalf of local people, championing them and their needs to the various providers—the third sector, colleges and schools—in order to make sure that there is a breadth of provision. As I say, they still have some legislative responsibilities, I just do not quite see how they can action those legislative responsibilities that hang over from the previous Bill.

**Q200 Craig Whittaker:** So it is not working?

**Martin Doel:** It is working imperfectly. I would expect it to be working imperfectly here, but in most places, colleges—I only speak for colleges—are acting responsibly to fill the gaps that exist and meet the needs that are unmet, because it is in their interests so to do.

**Joanne McAllister:** I agree. We can only really be in a facilitation role at the moment and try to influence and persuade. I do not think that we really have the teeth to bang heads together, because the funding comes through a different agency and although we have the statutory responsibility, we do not really have anything else that goes with it. Our ability to generate new provision, especially in Cumbria, is restricted by volume—providers are restricted by small class sizes and that is how they decide whether or not to run provision. If they do not think it is cost-effective, it will not be run. We can only try to have a facilitating and influencing role at the moment.

**Martin Ward:** The pattern is extremely variable around the country. In some areas all the colleges and schools and the local authority get together regularly, are on extremely good terms and always have been. In other areas, the exact opposite is the case and there is very little communication. As someone who speaks for leaders of schools and colleges I would say that they feel that, at an institutional level, they are in the strongest position to make sensible decisions about what provision to put on and how to get the best value for the public pound. They were therefore very reluctant to see the local authority directing them to do certain types of work. The local authority can clearly have a moral leadership in saying, "Come on, folk, we have this group of young people who are not being served and somebody has got to do something about that". Whether institutions of any variety will then come forward to do so will depend much more upon the funding mechanism than upon the moral pressure, I suspect. If it is the sort of provision which is being properly funded, which they can do well and where the young people will be successful, then they will put it on. If those factors are not true, it will be very difficult to persuade them to do it by any mechanism.

**Q201 Craig Whittaker:** You are saying that where it works well it is basically down to the colleges and schools rather than the local authority?

**Joanne McAllister:** It is a partnership. Until now, we have had five travel-to-learn area partnerships comprising schools, colleges, the voluntary sector, employers and so on and that has worked well. People have understood the partnership model and the need to collaborate, but now, with the cuts that we face, some of that could be under pressure because there is less local authority support to facilitate that role across a county.

**Q202 Craig Whittaker:** You need money to get a partnership together?

**Joanne McAllister:** It is not so much money as actual bodies. If you want the local authority to be supportive of facilitating, persuasion and so on, there have to be local authority officers in that role to be able to take part in those partnerships.

**Q203 Craig Whittaker:** I have a final question on facilitation. There are authorities that do well and those that don't; what levers do those that do well have to use that the others aren't using?

**Joanne McAllister:** Again, it's persuasion, it's influence and it's probably using the moral argument that Martin has just described. I don't think that they have any ability to force people to do anything that they don't want to do.

**Q204 Ian Mearns:** The words champions, aspirational, commissioners, facilitators and moral leadership have been used, but local authorities are democratically elected organisations with a local mandate from the public that they serve. Isn't there a role for strategic planning in terms of the local authority and its local area? Or is the logical conclusion that we just have a free-market approach?

**Martin Doel:** I would say that from a college perspective, a major concern we had with the planning regime was about the colleges serving more than one local authority area. The notion of an elected official, who serves a particular small community, conditioning what a college that serves five or six local authorities does, and driving what goes on there, seems to us likely to do the very opposite of a planned system—to atomise a system down to local authority level. For colleges that have complicated specialist facilities that only work across boundaries, that would be a problem with the planning approach that was being proposed. There could have been ways around it, but whatever way you do it, it becomes inevitably very bureaucratic and therefore not as responsive.

**Q205 Neil Carmichael:** We touched on local authorities, which is what I was wanting to talk about. With the introduction of an all-age careers service and the uncertainty about Connexions as we stand now, does that have any implications on the participation age being increased for 2013?

**Chair:** Neil is more enthusiastic about the answers you are going to give than he sounded.

**Professor Watts:** Are we talking about the all-age service more broadly? The specific thing about the all-age service is that we do not have an all-age service, and there is not going to be an all-age service. BIS is continuing to provide a service for adults, but there will be no significant service for young people. That is the reality of the all-age service. We have to get into the issue in a much broader sense. I don't know whether this is the time—

**Chair:** It is indeed. This is the time to let fly.

**Professor Watts:** Can I say this as clearly and unequivocally as possible? We are seeing a collapse of the help that is available for young people in terms of their career planning in two respects, and both are important. First, access to professional career guidance, which was traditionally through Connexions, is being stripped apart at the moment. The funding is being not cut and pruned but totally removed. It is very important to understand that.

Secondly, in terms of careers programmes in schools, we have talked about work experience, which is severely under threat; Aimhigher has been removed; and the statutory duty to provide careers education is being removed in the Act. At a time when youth unemployment is a massive problem and when young people are facing massive changes in the funding of higher education, we are stripping out all the help that is available to young people in relation to that. I think it is very important that the Committee understands that that is happening and addresses it in its report.

There are lot more things to say. Let's just talk about the funding. There are two bits to Connexions; one, the NEETs bit, if you like, will remain within local authorities, but the assumption was that the career guidance bit—around £200 million—was going to go into this all-age service alongside the funding from BIS. That was clearly what John Hayes thought, and the plans were all about that. What seems likely now is that the only bit that will go in is the little bit—around £7 million at the moment—for the distance service and the telephone helpline.

The notion that that in any way addresses the issue is nonsense. Of course, it is a terrific resource, and of course you can do massive things with ICT, but it is puny and it is absolutely not the answer. Where is the £200 million going? Well, it is absolutely being allowed to vanish. The notion now is that schools have to buy back this service, which is a new idea for them, but there is no sign of budgets being enhanced or of money going into those budgets.

The whole policy towards school autonomy is based on international evidence, such as PISA and others. The White Paper is all about that, saying that the best performing systems involve school autonomy. I do not deny that in relation to pupil attainment. The notion that it is true in relation to support for effective transitions—absolutely not. I have done studies for OECD and others in 55 countries and I can tell you unequivocally that there are three things systemically that happen in relation to school-based guidance systems, which is now what we are moving towards. First, they are not impartial. I am sure others will have comments on that. We know that that is an issue. It is going to get even worse because schools have an interest. Secondly, the links with the labour market are

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always weak. Subject choices are treated as subject choices: they are actually career choices but there is nobody to help young people to understand what that means. Thirdly, they are always uneven. Some schools will do it and do it well. Many schools will not. So you get unevenness. That is systemically true.

In addition to that, there are two countries that have done precisely what we are now doing in terms of allowing school commissioning of these services. Those were New Zealand and the Netherlands. In both cases they resulted in significant erosion in the quality of the help that was available and its extent. But in both cases the funding was transferred. We are not even doing that. So it is going to be even worse here. So that notion that school autonomy, whatever the arguments for it and I do not dispute them in general terms, may apply in this area is absolutely not the case. I have made these points in a paper commissioned from me by Ministers. But so far they have been totally ignored. John Hayes's initial vision was absolutely right. The Government came in with a strong commitment to re-professionalise this area of work and to an all-age service. Terrific ideas—there is enormous support for them. But what has actually happened is that there has been absolutely no support for them in DFE and step by step that vision has been eroded. So we are facing a major crisis. I think it is a huge issue for your Committee.

**Q206 Neil Carmichael:** After that very clear answer, I have several other questions—

**Chair:** You should have had higher expectations.

**Q207 Neil Carmichael:** Several questions spring to my mind and I will ask two of them. What kind of structure do you think should be introduced, given what we have just been hearing about local authorities and the variable standards, the issues that Martin Doel made interesting points about? It is not much good local authorities having a strategic view if there are five of them serving one college, which is a really good point. So what kind of structure should we have? If it is to be local authority based, do we need to strengthen the statutory functions of local authorities?

**Chair:** I will bring in Martin Doel first.

**Martin Doel:** On the narrow point of information, advice and guidance, I would not necessarily modify my earlier remarks but would be entirely consistent with what Tony has said. He made a very persuasive case from our perspective. All I would add in that regard is that I would hope we can reverse the direction of travel with the Department for Education, even at this late stage. Were we not able to do that, it is absolutely critical that we understand the effectiveness of the careers advice and guidance that schools are giving to establish whether this policy is working or is not working, as we suspect it will not. Otherwise in two years' time we will be having a debate about the evidence, which won't exist in any persuasive way to show what the consequences of this decision have been.

We would also say that there is strong role here—I know this is always resisted by Government, for understandable reasons, and also by Ofsted—for Ofsted to have a remit to look at careers advice and

guidance within schools to establish whether this statutory duty or this responsibility that they have is being carried out effectively. It seems to me that Ministers are trusting schools to do this, but they are not following the trust and verifying principle. You need to trust, but then establish whether that trust is being repaid in terms of the quality of the service that is being provided. I think there is a role here for continued funding and continued direct funding for advice and guidance. How that might be arranged between local authorities and the partnership with schools, I just do not know. But I know that you need to understand the consequences of policy changes in order to revisit them later if they are not working. I am concerned that at the moment changes have been made with no way of establishing whether they are successful.

**Chair:** So much for evidence-based policy making.

**Martin Ward:** I certainly agree with Tony. We are extremely concerned that the existing system is apparently being dismantled and phased out, and the new system, however well it is funded and on whatever basis it is provided, is not ready yet. At the very best, there will be a gap in provision. Clearly, there is a danger that those with the expertise in the area will go away; they will be laid off from their existing work and there will be nothing else for them to do, so they will work in an entirely different field. It will take some time to rebuild the expertise. Clearly, schools have a problem in this respect. One thing we need to remember is that a little more than half of secondary schools in the country have sixth forms, and a little less than half do not. Those two groups of schools are in quite different situations. We have to keep that in mind, but we tend, at a national level, to think in terms of 11-to-18 schools.

The colleges complain that the advice being given to 11 to 16-year-olds in those schools cannot be impartial, because there is obviously an interest in retaining people into the sixth form. Sometimes, that is literally the case and schools are setting out to do that, but they are doing their best to provide impartial advice, which, of course, can easily be undermined by the advice given by individual teachers. If I teach A-level French, I would want people to be in my A-level French group. The 11 to 16 schools are in a completely different situation, because all their students leave at 16 and they have a different attitude.

**Q208 Chair:** Tony, can you give as short an answer as you can manage on what it should look like?

**Professor Watts:** The concept of the partnership between schools and colleges and some external services that are closer to the labour market is the right model. That is what the all-age service was designed to do. It is the right model; I am absolutely convinced about that, and that was why it was rightly welcomed. It has to be a partnership. Taking that bit of it out of local authorities made sense. What we have not got at the moment is a realistic model for operationalising that, and a sense of how we get from here to there.

When the Conservative party was in power in the 1990s, it marketised the careers service, which had been a local authority responsibility. Criticisms were

made about it, but it was extremely well managed and it produced a lot of benefits. This time, it has been appallingly managed. There is no sense of a serious transition plan. The Government may make clear where they want to get to, but the steps that we need to take to get there are absolutely not clear. As Martin said, the Government say, "We will have transparency and accountability in relation to school autonomy," but what forms will it take? All the rhetoric has been about a destinations measure on which schools will not have to report. That is an incredibly weak tool. It is largely about the nature of local labour markets and things of that kind. As for the notion that it in any adequate way tests the quality of what is happening in careers programmes, it absolutely does not. So accountability and transparency are critical issues.

**Q209 Neil Carmichael:** You have touched on the lack of interface between the labour market and careers advice. I completely agree that that is a serious problem in this country. You referred to research in the OECD countries. Will you write to the Committee and tell us what structures exemplify what we should be doing to improve our interface?

**Professor Watts:** The interface with the labour market, in particular?

**Q210 Neil Carmichael:** Yes. I am not expecting a full answer.

**Professor Watts:** Very quickly, under Connexions, there was erosion of the professionalism of careers advisers, including their knowledge of the labour market. That is one of the things that this Government have got right; they want to re-professionalise and strengthen it, which I welcome. A lot is happening in relation to that, the careers professional groups are coming together and that link is being re-established. The all-age service is the right model because it is all-age. People do not choose careers any more. They construct careers throughout life, so it needs to be all-age. All the way through, it must have very strong links with the labour market, and careers advisers should always be well informed about all the changes taking place both in the learning system and in the labour market system.

**Q211 Chair:** To summarise, Tony, would you like to see an all-age, independent careers service available to everyone from the age of 13?

**Professor Watts:** Absolutely, at the latest. Incidentally, we have not touched on the need for early intervention. Young people's ideas about who they might become are formed very early. The case for career-related learning in primary schools is really strong; it is not just 13. As far as career guidance is concerned, yes, it should be available from 13, but it should be available particularly strongly for young people, because at that stage it is critical. The irony is that we used to have a careers service for young people, and all we had for adults was a strategy—an IAG framework. What we now have, believe it or not, is a careers service for adults, and a very loose IAG framework for young people. It is complete nonsense.

**Q212 Chair:** Again, looking to summarise what you said, basically you thought the Hayes vision was a good one.

**Professor Watts:** Absolutely.

**Q213 Chair:** But it was betrayed by the Department for Education, which has supplied neither the money nor the work to deliver it in reality.

**Professor Watts:** Spot on, and step by step you can see the erosion of that vision in relation to quality standards. There is a statutory duty in the new Act, but we are now told that schools may meet the statutory duty by providing access to websites. What is the point of spending parliamentary time on a statutory duty of that kind?

**Q214 Damian Hinds:** I want to come back on what you were saying about the careers service. You mentioned the level of youth unemployment. There is an interesting sequencing point here, because youth unemployment peaked at 1.024 million under the last system of careers advice, and carried on rising all through the boom years. There are no doubt multiple reasons for that, but what are your thoughts on the role that careers advice played, and what would you identify as the top three failings of the service in that regard?

**Professor Watts:** In relation to youth unemployment in particular?

**Q215 Damian Hinds:** Clearly, careers advice is ultimately about young people getting jobs. A number of them didn't get jobs, and I wondered what your thoughts were on the role of the careers service in that.

**Chair:** I must ask you for a brutally short answer to a question that doesn't really allow it.

**Professor Watts:** Yes. I am sorry, I haven't got the precise—you're going to have to say it one more time.

**Q216 Damian Hinds:** I will try to be as precise as possible. Careers advice to young people is about young people ultimately getting jobs. It is about other things as well, such as further and higher education and so on. Over the past few years under the current and previous careers advice regime, youth unemployment carried on rising. I am just wondering what failings there were in the careers service that may have contributed to that, no doubt alongside other factors.

**Professor Watts:** Career services cannot solve youth unemployment—of course they can't—but they can significantly ameliorate it, and they can help young people to cope with it and to work their way through it effectively; that is what they can do. I think they did do it reasonably well last time, but the risk this time is that that kind of help will not be available.

**Q217 Damian Hinds:** So what is a measure of success, if youth unemployment keeps rising? What are we looking at that we are encouraged by?

**Professor Watts:** As I say, they can make a contribution, but they cannot solve it. The causes of youth unemployment are far deeper.

**Damian Hinds:** I accept that.

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**Professor Watts:** But they can ameliorate the problem, and can help young people to cope, and to find strategies. Getting a clear outcome measure is not easy, because it is about quality. It is not just about where you go; it is about the quality of the decisions you make. That is very difficult to demonstrate effectively, but there is very strong evidence of the effects of those programmes, in terms of helping young people to cope more effectively with their transitions.

**Q218 Lisa Nandy:** The Government have said that they intend to replace the EMA, which is an entitlement, with a discretionary scheme. Joanne, in your submission you raised quite a few concerns about the impact of the stigma that might prevent people from applying, and a particular impact on people with disabilities. How can we make sure, with the scheme that we have and the limited pot that is available, that the money really reaches those young people who are most in need?

**Martin Doel:** There is something of a dilemma when talking about the amount of money in the scheme, and £76 million was talked about initially. Our strong view was that the best way to achieve a targeted effect with that relatively small amount of money was to give it to the colleges, instead of spending money on a national administration scheme, which would have consumed much of the £76 million instead of sending it on. Somewhere between that and £550 million, which is the current EMA sum, there is a point at which a national scheme becomes valid again. I judge, and the association's position is, that £180 million is not sufficiently far on to justify a national disbursement scheme. That means you have to disburse it at local level. A key element in being able to do that is having good information in the hands of colleges in a way that avoids, as far as possible, the stigma of a direct means-testing regime in each college—a regime that is different across the country.

**Q219 Lisa Nandy:** On that point—this is to Martin, specifically—what information would you need that you do not have at the moment to administer the scheme?

**Martin Doel:** We are currently talking to the Department on this area. There could be information in the hands of colleges on current benefits received within families. That might be one way to do it. We have a one-year win around the EMA data, which at least give an allocation. In subsequent years, it could be around benefits. Free school meals entitlement at 16 is one we have discussed and might be worth investigating.

Like much else in the introduction of the new bursary scheme, this is being done at disreputable speed. If you look at the introduction of the scheme within higher education for tuition fees, that has been the subject of a one-and-a-half-year study by Lord Browne, I think, and is subject to a series of consultations and two years' transitional funding before we emerge in the new scheme. A decision has been made to do away with EMA in October, and we are still not in a position to say what the new scheme will look like on its introduction in September. To get

perfect information on that in year one will be next to impossible.

**Q220 Lisa Nandy:** Can I challenge you on the notion of local discretion for colleges? The AOC submission said: "Colleges have been unable to inform people of the financial support that will be available." You seem to be making a similar point now. A point that came over strongly from Joanne's submission was that students need to know what support they will get in order to make the decision in the first place about whether to go on and study. If there is not clear guidance available to students, so that they know before they make the decision to go to college, how will they be able to decide?

**Martin Doel:** I don't think there is any distance between Joanne and me on that. We are all doing it too late. The last safe moment to have introduced these changes was about November last year, when students were coming to college to think about what their future might be and what they might do at 16—when they were approaching that point of decision. We had no information to give them. I made that point very clearly to the Secretary of State at the time. We needed information to give out as quickly as possible. I said at that stage that the last safe moment was early in the new term—that is, the winter term. We are now well into the summer term with no information. It is very difficult to see how to do it.

When you find yourself in that position, what is the answer? Is it to come up with a set of dirigiste, centrally directed—but inevitably ill-considered—directions here that would not fit the local circumstances of many colleges and young people? Or do you have to make the best of a bad job at this stage, and trust the people in colleges to do the best they can with where they are, and take that first year as a way to learn things in order to make it better in subsequent years? From the association's point of view, that is the pragmatic line we have been almost forced to take because of the circumstances. Where we are now is: "Here is the decision, there is the amount of money"—actually, we don't even know the precise amount. We need to get on and do our best to make it work as well as we can.

**Joanne McAllister:** The point I was making about disabled young people was more about those with learning difficulties and disabilities who are in post-16 special schools at the moment. In Cumbria, we have a number who are accessing EMA, which is contributing to their learning around independent living, looking after finances and so on. Obviously, special schools will not attract this funding because they are not contracted with the YPLA; they will not draw down any of the discretionary learning support fund. That leaves a gap for those young people; that was the point I was making. The other point was about how it would look within a college. If you start looking at free school meal issues, there are people on low incomes who are not eligible for free school meals who could be cut out of accessing this funding benefit.

**Martin Ward:** I think we would all prefer an entitlement scheme such as EMA, so that people know in advance what their entitlement is, and they know it

will be the same whatever institution they choose to go to. In fact, we would prefer to keep the EMA. Given that that has gone, in the present context, as Martin says, the only way we can cope is to allow schools and colleges to make local decisions. In the fullness of time it would be much better to move back to an entitlement system, except perhaps for a small proportion kept for unforeseen circumstances. It is always true that schools and colleges have occasionally had to bail out their students, and there still needs to be a little bit of funding for that.

**Q221 Lisa Nandy:** I do not know whether the Chair will like this, but as I do not have time to ask for this now—this question is particularly for Martin, but also for anybody else who thinks that they have something to contribute—if there is information that is not currently available to colleges that would make a significant difference to targeting that money where it is most needed, I would be grateful if you let the Committee know in writing.<sup>1</sup>

**Chair:** I did like it.

**Q222 Nic Dakin:** Do you see any logic in making free school meals available to 16 to 18-year-olds in schools, but not in colleges?

**Martin Doel:** None whatever.

**Chair:** Martin Ward? None whatever from Martin Doel—we have to be brutally quick and you have been very clear. Thank you.

**Martin Ward:** No. It makes no sense at all. Schools and colleges—now there are two sorts of colleges, sixth-form colleges and general FE colleges, and 17 different varieties of school—all work under slightly different regulations and that often produces that sort of unintended consequence. It does not really make any sense at all.

**Martin Doel:** Ministers might say that not all colleges have canteens where they could deliver free school meals. If free school meal provision was made for students in colleges, our sense, as a college just recently said, is that all colleges would make provision for those students to make use of free school meals within their estate. Some of them will not currently have a dining room as you would have in an 11 to 16 school or a sixth-form college, but every college we have asked says that if that provision was made they would make it available.

**Q223 Nic Dakin:** So that is not a significant or practical inhibitor.

**Martin Doel:** I don't think that is a practical or significant inhibitor to applying free school meals to colleges.

**Q224 Nic Dakin:** Are there any other difficulties, which you haven't already highlighted in answer to Lisa's questions, that colleges and schools face in introducing the bursary scheme now?

**Martin Doel:** The only thing I might reflect on, and I think this is one where the partnership issue again becomes interesting, is that a college will have significant managerial capacity to actually take on this scale of change and to apply the scheme. Therefore, I

would hope they will make the very best fist that they can of the late arrival information and its allocation. I must confess to being slightly concerned about some schools' capacity to take on this responsibility. This view is not founded on research, because I do not know enough about schools, but just making a logical conclusion, this will be, particularly in the first year, administratively difficult to apply. Having managerial capacity and capability in a larger institution seems to me to actually assist you to do that. So, I have a concern. I think we are encouraging colleges to work as far as they are able to with their local schools to have a common system so that we do not use this as a means by which you can compete for students, but to see if we can align administrative systems and drive down cost by working across institutions.

**Q225 Nic Dakin:** Is there a danger that a student going to college x might get a different outcome in bursary support than if the same student went to school y?

**Martin Doel:** I think there is. There are times when that would be justified, particularly if you are in a rural area and the needs are different. But equally, where they are exactly in the same travel-to-learn area that would be unhelpful, let us put it that way. So far as we can work together co-operatively and collaboratively, it seems a sensible thing to do.

**Q226 Chair:** The danger is if you have an overloaded, relatively small school sixth form struggling administratively, then two children in the same situation at the same school could end up getting different support and then you could have that same overloaded head or administrator ending up in court defending their inequitable behaviour. Is there a danger of that, Martin?

**Martin Ward:** There is a point about the need to administer this for a relatively small number of students in a school sixth form. There is also a very real danger that the system will actually be different in different institutions and that will create the sort of problem that you allude to. There is also a danger that it will actually be used quite explicitly as a marketing tool by some institutions. Of course, that is not what it is intended for, but that may actually be the outcome. The other problem that may create such inequities is if the funding mechanism that drives the funds to the schools and colleges does not do it right. This year, the only thing that I think we can use is last year's uptake of EMA. That probably won't be too far adrift, but it will soon become increasingly out of date. If we do not have a good mechanism for getting those funds out there, there will be real inequity, because in one place it will be easy to get such support because there are few disadvantaged students and a lot of money, and the opposite will pertain in the next door institution so it will be difficult to get such support.

**Q227 Nic Dakin:** Finally, on the administrative burden on schools and colleges, is the new system more or less similar to the EMA system?

**Martin Doel:** One particular area about which we are concerned is access to bank accounts. One of the great side benefits of the EMA system was that young

<sup>1</sup> See letter from Martin Doel Ev ??

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people were required to get a bank account. The banks have been very supportive in allowing them to open accounts earlier than they would normally and without the normal requirements. If an EMA system is not applied nationally, colleges will spend time encouraging and facilitating those young people to get accounts, because the last thing that the colleges will want to do is operate a cash system.

The colleges will want a cashless system that works for people who may come from difficult family backgrounds and do not have the experience of working with a banking system—certainly not for themselves. Working towards that is an unseen administrative burden. I have written to the Secretary of State to ask for his assistance in working with the bankers association. That has been relatively constructive, but there is still a lot of administrative work to do in that area and on how local banks will respond to the need for those young people to get bank accounts.

**Martin Ward:** In terms of the economies of scale, clearly it will ultimately be more expensive to administer in total.

**Chair:** We need to move on as swiftly as we can—poor chairmanship and timing.

**Q228 Pat Glass:** The Committee has had evidence from young people who have told us that they have used EMA in the past to travel to a school or college that meets their needs rather than necessarily going the local college. I know that it is early days, but are you picking up any indicators yet that young people are opting for the nearest school or college because they simply cannot afford to travel to the one best suited to their needs?

**Martin Doel:** The changes were announced only relatively recently, so, no, we are not seeing early signs of that. The alternative concern I have at this stage is that some local authorities under pressure with their funds will withdraw current transport provision for young people in their areas and rely upon the bursary scheme to pick up the slack. Local authorities that have taken a responsible view about enabling choice and do not require young people to pay for transport might see this as an opportunity to withdraw that funding. This is very variable across the country as well, because appropriate transport provision for young people in an area has been a local authority's duty, but it has not been applied consistently and rigorously. When local authorities are under budget pressure, I think that this will become an opportunity for them to use the bursary, so colleges will have to pick up the bill for local transport being withdrawn.

**Q229 Pat Glass:** My local authority is consulting on removing travel for 16 to 19-year-olds completely, but I have seen no evidence that the bursary system is being used as an alternative. Is there evidence of that across the country?

**Martin Doel:** It is more about the type of indications we are getting from Durham that this might happen rather than that it has happened. Northampton is a very difficult area in terms of transport from rural areas, and therefore the EMA was being used substantially in the past to allow young people to

access the course they wanted, rather than the course most local to them. I can see the Northampton situation spreading across the country due to the pressures that local authorities are under, which means that the bursary scheme, which could have been used to enable students to study and to support their study, in terms of equipment, books and living costs, will increasingly have to be used to subsidise transport.

**Joanne McAllister:** In Cumbria, through consultation our post-16 discretionary transport has just been removed, although they are looking into a hardship fund for the most disadvantaged to apply to, but, again, that is an additional administrative burden for young people who will also have to apply for the discretionary learner support fund. Obviously, we will have to review that situation as we move through to see what effect it has on participation, particularly in rural areas.

**Martin Ward:** We have not seen any change in behaviour yet, because it has not yet happened. But it is hard to see that there won't be such changes in behaviour when young people find that it will be expensive to get to the provision that they most want. There clearly will be pressure to support that transport from the discretionary learner fund, which, as we have heard, is much smaller than the EMA pot. There is some expectation here that it will be very difficult for schools and colleges to meet.

**Q230 Pat Glass:** Let me take you to the post-16-plus participation era where colleges are not subject to the same rules as schools on free school meals. Obviously, we all want travel. Do you think there will be an impact on college enrolment?

**Martin Doel:** I see a threat to college enrolment. Colleges will work and will be very responsive, entrepreneurial and businesslike in reaching out to the students that they want to serve, but there is an implied threat. We will have some difficulty dealing with that, which is why we were so keen to get the amount of money in the replacement scheme to a level that would protect the ability for students to choose the course that most suits them.

We support the notions of funding following the learner and increased choice for students that the Government are propounding, but they mean nothing unless you can access those choices. That is dependent on having the wherewithal to be able to travel to the college or the school that provides the best provision. I would put it as being at risk.

How will it turn out? I don't want to be less than confident that what the colleges provide is sufficiently good to attract students and provide what they need, what they want and what employers are looking for. I am paid to be optimistic about what colleges can achieve, but I am pessimistic about the nature of the threats that they face.

**Q231 Chair:** Are colleges putting transport first? Is it a top priority to make sure that students can access education?

**Martin Doel:** It is dependent on where you are in the country. There are issues with transport in the city, but it becomes somewhat easier here than it is in a rural area, where transport becomes uppermost.

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One of the areas is restricted-size replacement schemes. We were keen to have local flexibility on how that restricted sum would be most effectively used. The needs are different across the country.

**Q232 Chair:** That has been provided, has it not?

**Martin Doel:** The flexibility is provided. We hope that when the detailed rules come out, flexibility in the detail will allow us to do that. It is a very significant concern. A lot of colleges, probably a majority, put transport at the head of their concerns about accessing the right course that fits the young person's needs.

**Q233 Pat Glass:** Access to transport is different in places such as London, or even Tyne and Wear, where young people's transport is subsidised across a much wider area. I have concerns that young people in constituencies such as mine, in Cumbria and in other rural areas will have much less access to the course that suits them than other young people. Do you think that people will be disadvantaged by that rural-urban divide? Are colleges ready for that?

**Martin Doel:** We will have to work it through. This is not an excuse, but, because of the speed with which we are doing it, we will learn things in the application of the scheme in the first year, and that is one of the lessons that we might learn. The alternative that has been mooted is a travel voucher scheme, with which we could recognise the different needs in rural areas.

The difficulty comes down to the cost of administration, such as having people in local authorities going around with pedometers to see whether you qualify because of the distance to the local college. At the speed we are doing it, I cannot see how you could apply a travel voucher scheme that would allow such an approach. Whether or not we learn something from the year ahead—we have to be open-minded about it—there is a tension between rural and urban and how we apply this most fairly and effectively.

**Q234 Chair:** A final remark from Professor Watts.

**Professor Watts:** The notion of funding following the learner reinforces the point about the importance of clear guidance. It is crucial that the decisions that learners make are well informed and well thought through. That is the Leitch argument, which has driven the BIS interest. There are two core arguments: that one and social mobility. Those are the two core arguments, and the Government agree with both of them, which is why the points I made before are all the more important.

**Chair:** Thank you all very much for your evidence this morning. Keep in touch with the Committee if you have any further thoughts. We have touched on some things on which we would welcome further information from you.



## Wednesday 8 June 2011

Members present:

Mr Graham Stuart (Chair)

Neil Carmichael  
Nic Dakin  
Bill Esterson  
Pat Glass

Charlotte Leslie  
Ian Mearns  
Tessa Munt  
Lisa Nandy

### Examination of Witnesses

*Witnesses:* **Anne-Marie Carrie**, Chief Executive, Barnardo's, **Seyi Obakin**, Chief Executive, Centrepont, **Bob Reitemeier**, Chief Executive, The Children's Society, and **Dr Thomas Spielhofer**, Senior Researcher and Consultant, Tavistock Institute of Human Relations, gave evidence.

**Q235 Chair:** Good morning and welcome to this session of the Select Committee on Education looking into participation by 16 to 19-year-olds in education and training. We tend to do things fairly informally, so if you are comfortable with us using your first names, we will do so. The Committee conducts inquiries, takes oral and written evidence and then makes a report to Government, to which they are obliged to respond to Parliament, through us. If there are any recommendations you would particularly like to see in our report to Government, please make them clear to us in your testimony today. We do not have very long. I know members of my Committee will keep their questions short and pithy. If you could do that with answers as well, that would be fantastic.

The number of 16 to 18-year-olds who are so-called NEET—not in education, employment or training—increased by more than 30% between 1999 and 2009. Do you have any particular thoughts as to why that was, and what do we need to understand in order better to address participation by young people in that age group? Who would like to start? Bob?

**Bob Reitemeier:** I'll jump in. Thank you very much. In relation to that percentage increase, one of the things we would encourage the Committee to do is look at particular disadvantaged groups within it. Our concern really lies with disabled children, children with special educational needs and refugee and migrant populations. Part of the reason why they, unfortunately, are in the NEET category is that the support services surrounding them that are necessary to help facilitate their transition to higher education, apprenticeships or work placements are greater than is necessary for other children. If there isn't that additional support, we see a lack of success in that area.

**Q236 Chair:** Right. What about the labour market? Has that played a significant role, Thomas?

**Dr Spielhofer:** You've put me on the spot there. I was going to talk about something else.

**Chair:** You answer as you see fit. Don't be led by me.

**Dr Spielhofer:** One of the things that we have looked at is the fact that the increases and decreases have been different for different age groups. One of the things you will see—I am sure you know the numbers—is that for 16-year-olds, the numbers have decreased significantly. That has been balanced out predominantly at the 18-year level. There are various

hypotheses to explain that. One is that, generally, these things are related to the opportunities available once young people complete their education and training, but they are also related to what young people who engage at 16 actually do.

This is a well-rehearsed debate, and it relates to the Wolf review about what young people actually do when they engage—it is definitely an issue. One of the aims was to replace E2E with foundation learning. In my previous role in NFER, we did an evaluation of foundation learning. One of the criticisms of E2E was that it was like a holding cell, and people did not actually go on to anything positive. The aim with foundation learning was to introduce more progression, so that young people would do something that would lead on to something. The recent impact evaluation that we did on behalf of the Department for Education showed that there was some positive impact and some evidence that foundation learning did lead to positive outcomes and progression. The Wolf review suggested that one of the disadvantages of foundation learning was that it did not lead to employment, but I do not think that was really the intention of foundation learning. Foundation learning is at such a low level that you would not expect it to lead into employment, but you would hope that it would lead on to further learning.

**Seyi Obakin:** I was going to add that, before you get to thinking about the impact in terms of the labour market, you first need, for the disadvantaged groups that Bob was talking about earlier, to think about where their lives are, because they are that much further back from the labour market. If you take the sorts of young people who will come to Centrepont, for example, they will have very chaotic lifestyles, so you need to sort that out first of all. They would have very poor basic education—literacy, numeracy and those sorts of things. About a quarter of our young people have that, so they are that far back from the labour market.

The point about flexibility of provision is a problem, too. We were talking earlier on about people not having a second chance. The fact of the matter is that that is quite true, and it is a serious problem for young people who are over 16—the sort who end up at Centrepont, for example. What you need is some way of creating the flexibility for them to get back into attaining basic literacy and numeracy. Then, you can move them nearer the labour market. We have done

some work around that theme, which we can share with the Committee.

**Q237 Chair:** I am just trying to work out why you use that particular statistic. What deteriorated? Obviously, I am particularly interested in the most vulnerable young people, but why was there an increase in the numbers? These problems—with flexibility and homeless people moving and struggling to maintain their education—did not change between 1999 and 2009, but the number of 18-year-olds, in particular, increased.

**Anne-Marie Carrie:** But, Chair, the provision was not suitably differentiated, so we did not have multiple start and finish dates. There were not individual learning programmes. For example, a young person in a young offenders institution is told 24 hours before they are due to be released which bed and breakfast they are going into. There is no real chance for them to plan for a college course. When they are released 24 hours later, they cannot start a college course until the next semester—into the spring or whatever. There is no flexibility in start and end dates, in terms of when young people can enter individualised programmes. The flexibility of provision—differentiated provision—is one issue.

We have not necessarily addressed pre-entry barriers—the fact that children often cannot even have a shower or get transport to education and employment. The other barrier is children who have disengaged from education, and the question is how we get their confidence back so that they can participate. We are working with 2,500 children, and some of our statistics show that 80% of them go on into further and higher education and into employment, because we can put a flexible package and support around them.

**Q238 Pat Glass:** What do you see as the balance between motivation and barriers to participation? What is the role of incentives in that?

**Dr Spielhofer:** Can you explain exactly what you mean?

**Pat Glass:** Some of the young people I have worked with and have known over the years have massive, complex barriers to learning, and I am not talking about learning difficulties. They need massive incentives, and compulsion alone is not the issue. Where does the balance lie for most young people?

**Dr Spielhofer:** In terms of motivation, our research has shown that generally, when you ask young people in almost any group—we have done a lot of research with disaffected young people and young people in the lower achievement groups—how important it is to achieve qualifications and get an education more generally, the vast majority see value in it and want to achieve. They want the things that everyone else wants. When we did our now famous barriers to participation study, I think 94% of all the young people surveyed said that they saw the value of education and training—I don't remember the exact phrasing—in getting on in life. Of course, that leaves 6% who do not, and they will be a lot of the young people with whom my colleagues here deal.

The question then needs to be: since 94% see the value in education and training, why isn't participation as high as that? That is where the particular barriers and constraints that young people face that prevent them from participating come in, and there are various things, such as personal issues. There are 6% who do not want to participate, and that will often be related to their experience of school. They will have been put off by education and training, so they just do not want anything to do with anything that they associate with their previous experience of it. I guess that the strategy there is about preventing that from happening when they get to 16. There are other things about flexibility, which my colleagues were talking about.

When we researched raising the participation age in, I think, 2009, the press was quite negative. Studies were published that said that young people were against it. We interviewed 120 young people and asked them what they thought about raising the participation age. There were some who were negative, but there were quite a few who were positive about it, and they were young people who were NEET, who were in jobs without training or who had previously been in those positions. Their interpretation was that the advantage of raising the participation age would be that it would force providers to deliver the kind of provision that would suit those young people's needs. It would not be that young people needed to adapt to what was already there, but that providers would be forced to provide the kind of provision that suited those young people. I thought that that was an interesting angle. I think that what they were talking about is, as the Committee said here, flexibility of start dates and the kind of provision that really engages them.

Pretty much all the research I have done is with disaffected and disengaged young people, and a lot of them say that they want the kind of provision that is relevant to them—often work-related and employer-based. They are often denied that provision because of their low educational achievements. When you ask young people at the decision point at 16 what they would like to do, a lot of them say the traditional stereotypical thing, which is, "I want to do an apprenticeship", but often that is denied to them because of their low educational attainment, and also because that provision is not available for them. The employer apprenticeships are often just not available.

**Anne-Marie Carrie:** I wanted to comment on three types of provision that I think address both the barriers and motivation. We have some projects that work with what I would call soft skills, and I do not think that sixth-form or FE colleges have the capacity to deal with some of those soft skills—punctuality, attendance and how you get yourself motivated to get up in the morning. We have volunteers who pick up children and take them to further education—and then they fly. Sixth-form and FE colleges are not prepared for those barriers and that soft skill work, and there needs to be something about how we get the soft skills to support young people.

The second area is vocational training. We run Dr B's, which is a training restaurant in Harrogate for children with both learning difficulties and behavioural

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difficulties. We have children turning up at 8 o'clock in the morning who have never turned up at any time for school. It is work-based training for getting skills in restaurants; then they move on into the restaurant trade. A high percentage—70%—of those children go on to secure good employment.

That is vocational training. There are also soft skills, and there is another area: Barnardo's Works, an award-winning scheme operating in Scotland with Scottish and Southern Energy. However, SSE has developed a work-based employee scheme in partnership with Barnardo's that we are now running out across England. There is an 80% take-up into employment from that scheme. There are volunteers pooling cars to pick up kids to take them to that work-based learning. So there are three things: soft skills, vocational training and work-based learning. All three of those can transform some of our more vulnerable children into what we were discussing earlier. You need to recognise the social, human and financial cost of not getting these children into employment and training.

**Seyi Obakin:** I do not think motivation is a real problem; it is an apparent problem. When you scratch beneath the surface, all the young people we work with want to do well. They want to attend; they know that if they have qualifications they will do better in life. They could come across as not motivated because of the barriers they faced before—because they were falling out of a regular school system, because they got into trouble with teachers.

About a year or so ago we started to think about an idea that we call college without walls. We simply said, "What if you got a personalised learning opportunity that starts with where you are, that doesn't fit with the constraints of an academic year, and that means that you can take short and modular courses that are accredited? You are allowed to enrol and, if you drop out, that doesn't mean that your enrolment stops. When you are ready you can come back again and pick up from where you were. It is not bound by time in that sort of way, and it is passportable." Every single young person said yes, that would work for them. There is something in there about how you make provision a lot more flexible for those who have fallen out, in order to get them back into participating.

**Q239 Chair:** Can you flesh that out at all? We often have aspiration. What we have to struggle towards is a policy recommendation that Government or local authorities can implement that will make it more likely.

**Seyi Obakin:** We were thinking at that time about putting together a combination of online learning with being in school with a learning mentor, who might be a volunteer, who helps the young person to ensure that they don't drop out. I think that is possible, in a policy context, to implement.

**Bob Reitemeier:** One of the benefits of having a panel is that there can be slightly different perspectives on the same question. On motivation, I think you are right to talk about when young people are self-motivated, and when they really do have that desire. The issue is that a large percentage of those who are NEET or not engaged do not have self-motivation.

The reason is that they are not being motivated. People's expectations of their future and possibilities are extremely low.

When pointing to recommendations, there is an issue around the workplace and work force and how we help schools, workplaces and the apprentice environment to have higher expectations and ambition for these young people. We know in human relationships that we all react to how people perceive us—how people think about us and our potential. There are a lot of young people, unfortunately, on whom the adult world is looking down, saying they have no potential. That really needs to be addressed for those who are not self-motivated. In terms of recommendations, work force training is a critical area.

**Q240 Pat Glass:** Can I ask about transport in particular and how much of a barrier to participation that is? I come from a large rural county that has just abolished all 16-plus transport. I see that as one of the biggest barriers. How much of a barrier is that?

**Chair:** Short, sharp answers, please.

**Dr Spielhofer:** I agree. The interesting study that got all the press about the EMA essentially focused on transport—the EMA was just a subtext—and it showed statistically that transport was more likely to be a barrier in rural areas than in other areas. So I strongly agree. Transport is definitely an issue. We have just done another study looking at three local authorities and aspirations, and again transport came up as an issue.

**Anne-Marie Carrie:** Transport is certainly an issue for many of our young children. We are lucky that we have been able to dip into a pool of volunteers. I know of one child who has a team of 14 volunteers who take her to a workplace placement in a hotel for 4 o'clock in the morning, and they have been doing that for three months in rural Cornwall.

**Bob Reitemeier:** I agree with the point about transport. There are two things about transport. One is that when it is covered—included into a package of support—it is often transport just from home to a course or from home to an activity. For a lot of disabled children, but also for disadvantaged children, it is not getting just from A to B; it is all the transport in between, which is about enjoying life, being part of activities and getting out—the friendship aspect of it. We push that aside as the soft side, as Anne-Marie mentioned earlier. It is actually hugely important for a child's development. We often limit transport to getting just from A to B, and transport has to be looked at in a much wider context.

**Dr Spielhofer:** Can I just jump in? I know that I have made my point, but can I make another little one? I want to relate to something that was said earlier by Bob. With some of the young people who don't participate, it is not necessarily an issue about motivation or self-motivation; in many cases, the issue is about resilience. Transport overlaps there. Often the issue with young people who do not participate is that they have very low resilience, so if anything is a small barrier or if anything goes wrong they drop out or do not even start to participate. Transport then becomes an issue.

If somebody who is very motivated comes from a background that is well supported, transport is a constraint but they overcome it. But if they come from a background where they are not supported or there are more problems—if they have issues about education—they can use transport to some extent as an excuse or it just becomes a barrier. I have had a number of interviews with people who have said, “I started college, I realised it took me too long to get there, I dropped out.” That is where transport becomes a barrier.

**Seyi Obakin:** Transport is an issue. For a typical young person who is, say, on income support, the income for the week is £51.85. Young people are telling us that if you live in London, transport for a week is probably £20 of the £51—it is very substantial—so it is a problem.

**Q241 Charlotte Leslie:** Thank you very much for coming along. I want to start with an observation that will lead to a question. Using as an example the independent travel training schemes, I know that the NFER has done some work that shows that only about 17% of those aged 16 or 17 with learning difficulties or disabilities take them up. In a sense, it struck me that that should not be surprising, because the very thing that makes it difficult for young people to work out timetables, and to work out what travel is available to them and how to use it, is exactly the same thing that is going to make it difficult for them to work out what help schemes are available to them. My first question is: to what extent is the challenge facing our helping the most disadvantaged children and young people with learning difficulties or disabilities into the right kind of opportunities an access problem, in which even the information that is provided is difficult for them to access and unpack, which is a double whammy? To what extent is it that suitable opportunities do not exist? So, to what extent is it access, in a sophisticated way, and to what extent is it opportunities?

**Bob Reitemeier:** It is similar to the previous question about motivation and barriers: it is both. There is still a big issue despite all the legislation, and there has been loads of legislation about how to improve accessibility—helping children with special educational needs and disabilities to have proper access to forums and to understand the process. It is about the realisation that the child, and even the child with the family, needs further support—that independent person, either an advocate or tutor, who can explain at the pace of the child and the family what is available and how to access it. Access is still a major issue. It is more about implementing what is actually already available, but not being applied universally.

As for opportunities, you asked about the labour market. If we do not recognise children’s special educational needs and that disabled children and some refugee and migrant children have extra needs than those under a universal package, they will not get such opportunities. The process is a slower process; it requires more intensive one-on-one support and somebody who is acting on behalf of the child. We must recognise that it is a resource issue and, if we do

not put it in place, the opportunities will not be successful.

**Q242 Charlotte Leslie:** More specifically, looking at things such as pre-apprenticeships and earlier vocational work-based learning, is the demise of the pre-apprenticeship model causing difficulties for most disadvantaged young people? Is it having an effect? What is your view?

**Anne-Marie Carrie:** There is something about pre-entry and pre-entry support. Whether that is part of a pre-apprenticeship model or foundation courses, there is something about pre-entry being ready to take up to the next stage. That is certainly true.

**Seyi Obakin:** We are delighted that it will create a lot more apprenticeship opportunities. We say that there will be 50,000, but we are quite worried that disadvantaged young people who are further away from the market will not benefit from that unless we have the pre-apprentice schemes that deal with those sorts of issues.

**Q243 Charlotte Leslie:** In the headline figure of so many apprenticeships being created and offered, do you have any thoughts or concerns about the quality of each apprenticeship?

**Bob Reitemeier:** The labour market has changed over a decade. Currently, even though the financing is available for apprenticeships, the apprenticeships are not being filled because employers are finding it difficult either because of the economy and their own financial situation or because they can choose between a 22-year-old graduate and a 16-year-old disadvantaged youth for the same post, and the common-sense choice for them is the 22-year-old graduate.

There is a general principle in respect of disabled children, especially those with educational needs. With that particular group of children, it may be helpful to look on pre-apprenticeship and apprenticeships as a transition into adulthood as opposed to a transition into education, training or employment. For the transition to work successfully, it will take the children well into their adulthood. We should look at it as a pathway in that regard, as opposed to a limited time offering.

**Dr Spielhofer:** One of the things you should probably look at is the evaluation that we did of foundation learning, which is just about to be published. It found that the foundation learning programme has the most positive effect on young people with special educational needs and learning difficulties. There are various hypotheses why that is the case. It is a type of pre-apprenticeship.

**Q244 Charlotte Leslie:** Not to pre-empt your thoughts, but do you have any recommendations in that regard to put to the Committee?

**Dr Spielhofer:** I’ll think about that.

**Q245 Tessa Munt:** I would like to concentrate a little on the National Foundation for Educational Research study in which you were particularly involved. I have a note saying that you surveyed 2,029 young people.

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How many of those were rural, how many were in suburban areas and how many were in urban areas?

**Dr Spielhofer:** I don't have the figures in front of me. It is worth saying that I am not a statistician. I was leading the research. Statisticians who did the study would be able to give a more precise answer. The study was criticised very widely in terms of the EMA, not being representative. The 2,029 young people were the main sample size, and the EMA was a subgroup within that. They were sampled to be representative; we went to six different local authority areas and we sampled on the basis of the CCIS data. I always forget what it stands for.

**Q246 Tessa Munt:** I can see that there is a balance of gender, attainment, incidence of learning disabilities and difficulties, and destination. I am particularly interested in the geographical areas. What were the six local authorities?

**Dr Spielhofer:** They were not named in the report. You would have to check with DFE. That is part of the policy of the research that we don't name the six areas. The DFE would know what the six areas are and you could check with it. Again, we sampled. We did not just go to six rural areas or six urban areas. We chose different types of areas and we had a rurality factor within that. I really don't think that that would be an explanatory factor.

**Q247 Tessa Munt:** I would like to put it to you that it might be. You have spoken to children in schools. Am I correct?

**Dr Spielhofer:** No. The research has been misrepresented in many ways. People have said that this was only based on children in schools. It was not. It was based on school leavers. It was based on 16 and 17-year-olds who had either just left education or had left a year ago.

**Q248 Tessa Munt:** But they had only had experience of school? Am I correct?

**Dr Spielhofer:** No.

**Q249 Tessa Munt:** How many had gone to further education colleges?

**Dr Spielhofer:** We did not specifically ask what they were doing. They were people who had left year 11 either that October so had not yet started and ones that had left earlier. It was basically a sample from the CCIS that was not based on the type of provider they were with. It included something like 32% who were doing a below level 2 qualification, so it was not just students doing A-levels.

**Q250 Tessa Munt:** All right. You talked to young people who were year 10 and year 11.

**Dr Spielhofer:** It was not year 10 and year 11.

**Q251 Tessa Munt:** Sorry. I beg your pardon—had done year 10 and 11. You say that they were 16 and 17-year-olds.

**Dr Spielhofer:** We were talking to young people who had either just completed year 11, so were just making the transition or did the transition a year ago. So it is basically young people who have either done one year

of post-16 education or are just moving into post-16 education.

**Q252 Tessa Munt:** Okay. I would like to know how many of those young people were in further education college. I will take my example as a scenario. If you are a young person in Somerset and you are looking at what your opportunities are, there is almost no transport system. I have one station to the far west of my constituency. No trains. The bus service is appalling. If you want to buy a car you buy a banger but it still costs £3,000 to insure and tax it. You can't fill it with fuel because it is so expensive. So what you think are your opportunities are fantastically limited. If you ask a young person, "How are you going to go to college?" they are not going to be able to tell you what the answer is because it is so far out of their reach that they are not even going to consider that. They are not going to raise the question of transport half the time because money is always the answer.

**Chair:** Question please, Tessa.

**Tessa Munt:** So I would really be interested in knowing exactly what those samples were. I think if you are in a rural area your expectation is nothing. No cash will solve that. What I am particularly concerned about is that we have Government policy around EMA which has been wholly based on a 12% figure, who will apparently have their problem solved by having money. We've got this thing where only 12% of EMA recipients—

**Chair:** Tessa, I must insist on a question please. I want to hear from the witnesses.

**Tessa Munt:** Okay, so are the Government justified in basing their policy on that 12% of students to whom EMA would make a difference?

**Dr Spielhofer:** That is a very direct question. It is a sort of yes and no and I don't want to give a yes and no answer in that sense. One of the things that I want to emphasise about the study is that first of all it was not about EMA. It was about barriers to participation of the population as a whole. We were not asked to sample just rural kids. That was not the aim of the study. We had one question in the study that was about EMA and a sub-question related to that. The question was—and it was basically young people who were in education and training—whether they were getting EMA. Of the 2,029, 838 said they were getting EMA. Then we asked, "If you had not received it, would you have done the training anyway?" and 88% said yes and 12% said no.

Now, you can interpret that in different ways. You can interpret that 12% quite negatively, and say that for 88% that was wasted money, but I don't actually see it that way. I think it has been misinterpreted, in that sense. The 12%, I think, is quite worrying—the 12% saying they would not have done it. I think that is quite a worrying statistic. The 88% can be interpreted in different ways. It will include some young people for whom it probably didn't make any difference whatsoever, but it also probably includes young people for whom finance is a constraint. Actually in some sense it shows resilience; it shows that they are so committed to their education and training that finance would not have stopped them from doing that,

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but the percentage of that we don't know, because that was not the focus of the study. We did not provide enough supplementary questions on that, so we don't know. I think to say, "It's only 12% for whom this is an issue, and for all the others it isn't an issue—therefore it's wasted," is misinterpreting the facts.

**Q253 Tessa Munt:** It is a bit of a shame, isn't it, that the whole Government policy around funding young people is based on something that might possibly have been misinterpreted. I accept that you made notes about the fact that they are not the only barriers, and stuff like that, but I think that, particularly in rural areas, young people tend to go into catchment.

**Dr Spielhofer:** I'll give you a sort of alternative thing. Look at, for example, free travel for over-65s. If you asked over-65s a question—"You receive free travel; would you travel even if you didn't receive that free travel?"—do you think 100% would say, "No, I would never get on a bus?" No, so do you abolish free bus travel for over 65s?

**Chair:** Good idea.

**Dr Spielhofer:** I'll probably be credited with this as well.

**Q254 Nic Dakin:** Just to follow that up, are you happy with the concept that's been put forward that EMAs are therefore a dead weight—this 88%?

**Dr Spielhofer:** No. First of all, there have been other studies as well, by the IFS, that actually focused on EMA. We did not ask, because it wasn't the focus, "How much EMA are you receiving?" so some of our 88% may only have been receiving £10. Do you really expect that that would be a deal-breaker for these young people—that all young people would say, "Because of £10 I'm not going to do any education or training"?

**Q255 Chair:** Anne-Marie, do you want to come in?

**Anne-Marie Carrie:** I want to say that some of our 2,500 service users are the most vulnerable children in the country, and actually EMA has been a bit of a deal-breaker for them. For our service users—I'm not saying for the population, but for our service users, who are vulnerable people—the EMA is, our research would show, a big deal.

I have to put on record, because I want you to know Barnardo's position, that we are utterly in opposition to the discretionary support fund, and to moving that fund to providers—that is a proposal in the legislation—so that it will be colleges and sixth-form colleges who decide who gets the support fund, and at what level. I consider that unfair. It is inefficient, and it will stigmatise some young people who don't want to say, "Well, actually, I was in a young offenders institution and I need a bit of extra support because of x, y and z." You ask for specific recommendations; you ask what we want to say. I think there are huge flaws in giving the discretionary learner support fund to providers to disburse to children and young people.

**Q256 Ian Mearns:** This is so important. We have a significant Government policy on education maintenance allowance. Thomas, you are saying that

the study that you did was about barriers to learning. Quite clearly, I am getting the impression that you are not happy that such a significant shift in Government policy has been based on research that you carried out. I doubt that you ever thought that the outcome would be the abolition of EMA.

**Dr Spielhofer:** That is completely correct, yes, and it was done without any discussion with us as well. It was just announced that it had been abolished as a result of NFER research and the 88% figure.

**Q257 Ian Mearns:** I have put questions to Ministers about the number of young people receiving EMA at the higher level, and we have got a figure of 567,000 youngsters in Britain getting EMA at £30 a week. In north-east England, it is 36,000 youngsters, and in Gateshead, which I represent, it is almost 3,000 youngsters. This policy will obviously have different impacts in different parts of the country.

**Dr Spielhofer:** That is another thing that has been ignored from the studies. That is the headline figure. I completely agree that for particular sub-groups with particular needs, that was a barrier. A very high proportion of teenage parents, for example, said that if they hadn't received EMA, they would not have continued. Among those who had not continued—those in jobs without training, or those who were NEET—there was a question about whether they would have considered participating if they had received more money for transport and so on. I think a third said yes, which is a very high proportion. There are other barriers as well; it is not the only one, and our research showed that. As we know, you can't just say, "Throw money at them and they will all participate," but it is a significant issue.

**Seyi Obakin:** I was just going to say that you can't say, "Throw money at them and they will all participate," but our experience from the young people we work with is that EMA is a deal-breaker if they don't get it. I invite anyone at all on the Committee to come and talk to the young people who live in Centrepunkt who are disadvantaged. They will tell you that it is a point for dropping out.

**Bob Reitemeier:** To support the panel, we at the Children's Society had the same concerns that all the panel members have expressed about the discretionary element of what is being proposed. It is worth reminding ourselves that the vast majority of children who received EMA were in families that earned £21,000 or less.

**Q258 Lisa Nandy:** I want to ask you about the new bursary scheme that replaces the EMA. The Government have confirmed that people on income support, people in care and care leavers will be automatically entitled to it, but are there other groups of disadvantaged young people that you are concerned about, which this bursary scheme may not reach?

**Anne-Marie Carrie:** It's quite interesting, because the applicability of the bursary scheme will be different in different settings. I will need to get the figures correct on this, but if you were in work-based learning, the scheme, which is £800, would give you only £15.38, or whatever it is, a week. If you were on an academic course, it would go up to £20.51 or

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something. I will give you the exact figures, but it is quite different. The sum of money remains the same whether you are in a year's work-based learning or on an academic course, so there is an issue there.

We think there is also an issue for some children, such as teenage mums and children who are carers, as well as children who are care leavers and children who have problems with mental health and substance misuse. They do not seem to be part of this discretionary bursary. Also, it is quite silent on the detail of at what stage people will know, and where the transferability is. Seyi and I were discussing this; some of our children will move inevitably, because they get moved in care homes or wherever. If the money is with the provider and not with the young person, when that breaks down, they will have no money for some period of time until the system catches up with the fact that they have moved and they are in a different foster home, or they are in a different bed and breakfast.

**Seyi Obakin:** A further concern about that is that if the schools are administrators, we do not know that they will necessarily take account of the chaos in the life of these particularly disadvantaged young people. If we stick with that, it is really crucial that a third party is able to mitigate that, so that penalties that actually put those young people back are not applied unjustly and too quickly. This would be similar to the rules that currently apply in proving estrangement in 16/17 year olds' benefit claims.

**Bob Reitemeier:** We were particularly focused on disabled children, children with special educational needs and the refugee population, some of whom are included in the care system. As a general group, we would include those as a special target for the bursaries.

**Dr Spielhofer:** One of the real strengths of EMA was the universal awareness of it and the way that the rules worked. A big concern about a discretionary fund is that because it is discretionary, some people do not know about it and might not even consider education and training, because they will think, "Well, I'm not going to be eligible anyway." Again, it comes back to the dead-weight thing. The big strength with EMA was that people were aware of it and saw it as a way of continuing.

**Q259 Lisa Nandy:** We also heard evidence in this inquiry from witnesses who were concerned that stigma would be associated with having to go forward and ask for the fund, because we are moving from an entitlement to a discretionary system. Do you share those concerns?

**Anne-Marie Carrie:** Absolutely. That could have huge unintended consequences. The fund is supposed to get the children who are most vulnerable into education and employment training, but they might have to give someone very personal information to qualify for it. The only other issue that has not been raised is whether there will be an incentive or a disincentive for pre-excluding some children. We are now saying that schools, sixth-form colleges and further education will be responsible for exclusions, so during the admission process, might there be a weeding-out of some children who might need further

support in sixth forms and colleges? We have not explored using admission processes to pre-exclude vulnerable children from the system.

**Bob Reitemeier:** The word "culture" comes into play here. The culture in schools and colleges might not be of trying to raise children's ambitions and encourage them. As we mentioned, children might not have the self-motivation or the resilience to put themselves forward for the bursaries, so it is almost illogical. It really is a big issue, and that comes back to work force training, too.

**Q260 Lisa Nandy:** We have heard evidence from a lot of young people directly about what the EMA has meant to them. Some of them have told us that the allowance is now an essential part of their household income. Do you have any concerns about the fact that under the new system, they will not necessarily know what they are going to get when they are deciding whether to go on to college?

**Dr Spielhofer:** That is what I was saying. A key thing was that people got some EMA and could budget it in, but with the discretionary fund they will have to wait and see. It is very much up to providers, as we discussed. The onus will be on providers and schools to make sure that young people are aware of the fund and that a decision is made early on, so that people can budget.

The problem is that the most vulnerable will be the hardest hit. They will probably not even go there. They will just say, "It's not for me; I'm going to look for a job." In our study, a very high proportion of young people in jobs without training said that finance was a key concern, as you can imagine. Why did they go into jobs without training? Many of them said that they could not participate, or that they needed money to pay rent to their parents and so on, which was a key financial barrier.

**Q261 Charlotte Leslie:** Just a quick question: did you consider that every single penny under the EMA system was 100% efficiently spent or delivered? If the nation's ability to pay for the overall budget of EMA was always constrained, how would you ration it down to ensure a targeted effect? How would you reduce an overall EMA budget, and has there been any waste?

**Bob Reitemeier:** Is 100% of any budget efficiently spent? The only answer to that is: "Of course not; no budget is 100% efficiently spent." The point is that the scheme is going from £550 million to £180 million. Is that representative of the inefficiency of EMA? No, it is not, so it should be a higher amount. If you compare that to the 30% increase in NEETs, it is a much more drastic cut. Once you take away the automatic recipients—children who are in care or in transition, or who are on income support—the allocation will be equivalent to £800 for 15% of the 16 to 19-year-old population. That is a much lower percentage of children who need support than I would argue is necessary.

**Anne-Marie Carrie:** I can only speak on behalf of our service users who have EMA. They do not save it up for holidays. They use it to get dinners, to get transport, to get equipment, and to get themselves

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washed and clean so that they can turn up on time for their college course.

**Q262 Charlotte Leslie:** What I'm asking is this: the Government have had to make a difficult decision, which is what Governments must do. What priorities would you have in protecting those who most need it? What would your priorities be and how would you deliver them, if there had to be a constraint in budget?

**Anne-Marie Carrie:** I think we have identified vulnerable groups. We have identified children with special educational needs and disabilities, asylum-seeking children, children who are carers or who are the significant carer, children who have been in the care system, and children who have been fostered or have had multiple family placement breakdowns. You could have a list of children whom you consider to be the most vulnerable, and the system could be set up to support them, and there may also be an element of discretionary income levels, in terms of household

income and what is available. I do not think it is for us to design the system. However, you can, without doubt, design the system to support the most vulnerable, but a discretionary learner support fund is not that system.

**Bob Reitemeier:** I would suggest that the way in which the proposal is projected is that the two criteria are either the care system or income support, so it is an income-based analysis, if you will. What we have been talking about today is the fact that other groups of children require additional support, because of their personal needs. We have talked about special educational needs, disability, and so on. I would add to the categories of care or income those with additional support needs. Those are identifiable, and I would include them in the categories.

**Chair:** Great. Thank you all very much for your evidence this morning. We will move on to our next witness.

### Examination of Witness

*Witness:* **Peter Lauener**, Chief Executive, Young People's Learning Agency, gave evidence.

**Q263 Chair:** Mr Lauener, thank you for joining us today. Congratulations on your appointment, which was announced yesterday, as the new chief executive of the Education Funding Agency. It is a pleasure to have you with us. We have just heard from a set of witnesses who feel that 16-to-19 participation, particularly for the most vulnerable groups, is being put at risk by current Government policy. How would you respond to that?

**Peter Lauener:** It might be helpful to start by looking at the historical context on this. I looked back recently at figures over the post-war era. If you go back 60 years, the participation rate for 16-year-olds was 20%, and the participation rate for 17-year-olds was 10%. Going back to 2009–10, which was the last benchmarked year, the figure of 20% for 16-year-olds was up to 93.7%, and the figure of 10% for 17-year-olds was up to 85.2%. We think that that has gone up further in the current year of 2010–11, and the allocation of places that we have made for 2011–12 will, we think, result in that going up a little further again. In terms of that trajectory, it is actually one of the biggest changes in society in the post-war era. It has continued over the last couple of years, and I think that there is every prospect that we are on a good trajectory to get to the RPA targets for 2013 and 2015.

**Q264 Chair:** And the answer to my question?

**Peter Lauener:** I took the question to be whether we are on track to get to full participation in 2013 for 16-year-olds and—

**Q265 Chair:** My question was this: we have just heard from a pretty distinguished set of witnesses that some of the most vulnerable children are less likely to participate as a direct result of Government policy, whether because of the unfair, inefficient, hugely flawed bursary scheme or the loss of the EMA. I want you to comment on that.

**Peter Lauener:** Looking at EMAs, there is no doubt that the change from the EMA to the bursary scheme is a big change. It would not be right for me to comment on the policy. No doubt you will be addressing these issues with the Ministers who follow me. When the bursary announcement was made, there was a substantial increase in funding over what had been expected in this sector. I think the bursary pot of £180 million, although less than the EMA expenditure, would be sufficient to allow good targeting on those who would particularly need financial support to help them participate in the first place, and stay in participation at 17. The bursary pot is really important.

**Q266 Chair:** On participation, you talked about the trajectory and the huge societal change that that indicated, but our trajectory is below that of most other European countries, is it not? Our collective participation is less than that of most of our competitors. Are we going to catch up with them over the next few years?

**Peter Lauener:** It is pretty good for 16-year-olds. We are not far off 100% participation for 16-year-olds in the current, first post-compulsory year. There is certainly a way to go for 17-year-olds. There are still young people who start at 16 and then drop out at 17, and that raises questions about whether we have the right range of courses for young people to take. We all get into a position where we start on something and think, "Actually, I would rather have done something else." Are we giving enough support to young people to make those choices and changes? That is the area that I would focus on most—the participation of 17-year-olds, where there is a bit further to go than on 16-year-olds.

**Q267 Ian Mearns:** Good morning. The YPLA, in its 16-to-18 funding statement published in December



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last year, said that it expected 98% of 16-year-olds to be in education or training in 2011–12. We heard evidence earlier this year from college principals who felt that the numbers were actually dropping in terms of participation. You have produced projections that say that you expect a 1.5% increase in further education, a 4.8% increase in school sixth forms, and a 20.4% increase in apprenticeships. Do you really still expect 98% of 16-year-olds to be in education or training in 2011–12?

**Peter Lauener:** The figure of 98%, which is in the document I have here, also included employer-funded training, which is knocking on for a percentage point, so that is pretty consistent with the figure I just gave of 96.6%, not including employer-funded training. So yes, I think we are on track to fulfil what was in this funding statement as far as 16-year-olds are concerned, and 17-year-olds. The point you picked up, which a lot of college principals became aware of around the turn of the year, is that recruitment overall, in a lot of cases, was less than was planned, but that was mainly about 18-year-olds.

The number of 18-year-olds starting in the current year, 2010–11, was definitely three or four percentage points down on what we had expected. That would certainly affect colleges' budgets and colleges' positions, but it would not affect the question of raising the participation age. I think there are wider issues of what happens to 18-year-olds, the trajectory to higher education, and the labour market, and of course there is a big set of issues about jobs for 18-year-olds. The numbers for 18-year-olds are a bit down; the numbers for 16 and 17-year-olds are carrying on up.

**Q268 Ian Mearns:** The EMA was mentioned in passing in the answer to the previous question. In my authority area, one of the biggest factors in increasing post-16 participation rates was the introduction of EMA, because we were an EMA pilot authority. There was no doubt about it—the evidence from that period of the EMA pilot was that participation rates almost doubled within a number of years. Do you not see this as a significant additional barrier to the projections that you have set out?

**Peter Lauener:** When EMA was introduced, there was a lot of thorough evaluation. That could be done because of the way EMA was introduced in the pilot areas; for a time, we were in a very odd position in which some areas had EMA and others did not. I remember quite a number of MPs saying, "I'd like mine to be a pilot area, because I would like my constituents to benefit from this," which is all very understandable, but it allowed some quite thorough evaluation of the impact on participation. Generally, the overall impact assessed through those studies at the time was that there was an impact on participation—I cannot remember the precise number, but it was something like five or six percentage points, rather than an enormous effect on participation. That is partly why I gave that long-term trend, because we have been on a long-term upward trend.

The challenge now is for schools, colleges and other providers to use the bursary fund, which is a much larger amount, and target on those who need the extra

financial support to take part. Given the percentages, there seems to be scope to make that work. That is a big challenge now, however, and we are waiting for the final decisions on the way it should be done, but we expect to make the final allocations for the coming year in the next few weeks. That will make everyone suddenly focus on how we can use this tranche of funding best to support young people. For next year, of course there is the EMA transitional support, so if you are on £30 you will get £20 next year, which again is quite a good way of easing into the changes.

**Q269 Ian Mearns:** Have you projected the numbers for every year between now and, say, 2014–15? If so, are you making any assumptions in the light of the forthcoming increases in tuition fee levels for university places?

**Peter Lauener:** It is probably fair to say that we have not yet been able to take account of whether there will be a knock-on effect because of tuition fees. That feels like an uncertain area, doesn't it? It is developing as we go along. However, we have projected participation right through to 2014–15 and we have built in the expectation that we will get to within a reasonable statistical percentage of full participation. As soon as you get very close to full participation there are always questions about whether the base is right, and all that, but basically, we are projecting that we will get to full participation for 16 and 17-year-olds. The projection for 18-year-olds is a little more variable in the way that I indicated, but as a result of those projections we expect that we will be paying for more places in 2014–15 than we are now.

**Q270 Nic Dakin:** Good morning. How much is funding going to be reduced per learner in forthcoming years?

**Peter Lauener:** You will of course be aware of the detail in the funding statements, which set out the significant changes. Very broadly, the story is this: we have rising participation because of raising the participation age and these long-term secular trends. We actually have a demographic downturn, but we still have rising numbers, so we have to pay for more learners. We are also looking to build up the learning programmes of learners who are currently very part-time. We expect to pay more for those, and we are looking to pay more for things such as the disadvantage factor as part of the Government's Pupil Premium policy continuing post-16.

All those things put a lot of financial pressure on the budget. In a more favourable financial climate we might have expected the budget to go up, but I expect the budget to be broadly flat, so we are having to recycle and to make savings in parts of the budget to pay for those pressures. That led to the decisions about what is called the entitlement funding being reduced significantly, from 114 hours to 30 hours. We put in place the transitional protection, which meant that no college or school could have a unit reduction of more than 3% per learner last year—that is cash of course; inflation is on top of that, so that is quite a significant change. It is impossible to give an overall figure, because it will vary from college to college.

**Q271 Nic Dakin:** To go back to my question, because coming from the sector I understand all that, how much is funding being reduced per learner over the next few years?

**Peter Lauener:** If you take the overall budget and the overall number of learners, it is being reduced very little—only 3 or 4 percentage points or something like that. For some providers, however, who have a low disadvantage factor and things like that—

**Q272 Nic Dakin:** Is that 3% each year for each forthcoming year?

**Peter Lauener:** No. The budget is broadly cash flat. The number of learners is going up.

**Q273 Nic Dakin:** So the 3% reduction per learner is over how many years?

**Peter Lauener:** By 2014–15—sorry, could you just let me check a point? I do not want to leave the Committee with an incorrect figure. It may be 4 percentage points by the end of the period in cash.

**Q274 Nic Dakin:** I am sure that you can always clarify that later.

**Peter Lauener:** I can always clarify, but it is that kind of overall figure<sup>1</sup>.

**Q275 Nic Dakin:** That is helpful. How will the YPLA evaluate the impact on learners of the cut in entitlement funding?

**Peter Lauener:** The first thing we look at is what is happening to overall participation. The second thing we look at is what happening to overall achievement. The third thing we look at is what is happening to the gap in achievement, because we are looking to narrow the gap between learners from different socio-economic groups. The story in all those in recent years has been quite good, so we want to keep monitoring those things to see whether we still remain on track for the RPA targets for raising achievement and for narrowing gaps.

The second thing that we are looking at very carefully is the financial viability of providers. We have a robust monitoring system for looking at the position of any providers that face significant financial changes, because, let me be clear, around that average I gave you some providers will face significant unit cost reductions, and schools with sixth forms will face a further reduction to come down to the FE funding rate. There are big changes going on as we rebalance funding and it is very important that we look at the financial position of different parts of the sector.

<sup>1</sup> The YPLA's 16–19 Funding Statement which was published in December 2010 set out (para 2) an expectation that there would be an increase of about 62,000 young people in learning by 2014/15, compared to the number funded in 2010/11. This is an increase of just under 4% compared to the estimated figure of 1.595 million which was included in the table in the Funding Statement. Against the expectation of a broadly cash flat budget over the period, this indicates a cash decrease in the funding per learner of just under 4% over the period. Within this overall position, there will be significant variations between different providers; and the outcome will also depend on the eventual trend in learner numbers and year by year decisions about budget priorities.

**Q276 Nic Dakin:** From the first panel, we heard some frustration about the system's lack of ability for young people to get into education and training mid-year or at different times during the year. Are you looking at ways of altering or improving the funding mechanism to make that more likely to happen?

**Peter Lauener:** There are two points that I would make. The first is that we have introduced a system called a lagged learner number system—basically, if you deliver 1,000 learners one year, you can expect to have 1,000 learners the next year. I think that is quite a big incentive for colleges, schools and other providers to be quite flexible about when they take students on. Secondly, however, a number of providers, such as the independent training providers, tend to have much more flexible roll-on, roll-off entry dates. In order of flexibility, you have many of the independent training providers and then colleges in the FE sector, and it is much more difficult for schools running the traditional A-level provision to take people mid-way through a course; but looking at the sector as a whole, there is flexibility to take people on mid-way.

There is a further flexibility, which is quite important. We fund up to three years of education through the 16–18 funding system, so if someone starts on a course and realises that they are on the wrong course, they have the opportunity to start a different course and get a further two years of funding.

**Q277 Tessa Munt:** I want to talk about the bursary fund. I know that the consultation finished on 20 May. I just wondered whether you had any early indications of the sorts of decisions that are going to be made around the administration of the fund.

**Peter Lauener:** The final decisions are with Ministers to consider. Again, I am sure you would want to ask Ministers how they see these things developing. In terms of the administration of the funds, we have been looking at two issues: one is how funds should be allocated; the second is what kind of guidance there should be. On the allocation of funds, the responses to the consultation seemed to favour allocating funds on the basis of the current year, where EMA-supported learners are getting £30. We have good data on that. If the decision is to go ahead, we have been modelling on that basis and we would be ready to allocate quite quickly. To take the example of a college, if you had 1% of the national total of EMA learners that had been on £30 this year in your college, you would get 1% of the bursary fund, something like that. Basically, we want to do something nice and simple so that we can get the funds out quickly and straightforwardly. We are waiting for final decisions on that.

The second area is guidance, which we would like to keep as slimline as possible, because it is important that colleges, schools and other providers are able to make best use of the funds and take the decisions locally. That is the philosophy of the bursary fund. We have, however, been working with the Association of Colleges, which might produce further guidance for its members. That is a good way to minimise what is produced by the Department, and for associations to

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take that a bit further. Again, I want the minimum audit burden on this.

**Q278 Tessa Munt:** When will you issue the guidance for providers?

**Peter Lauener:** All being well—it is impossible to say at the moment—I hope that we would be able to issue guidance and allocations over the next few weeks. I know that it is high on Ministers' agenda to take quick decisions, because everyone in the sector is waiting for this news.

**Q279 Tessa Munt:** This year, the funds for learner support have been allocated in three blocks: August, December and March.

**Peter Lauener:** The discretionary learner support?

**Tessa Munt:** Yes. What is the intention for this funding?

**Peter Lauener:** I would expect to allocate it in a similar way. We would allocate the agreed amount of funding in three blocks in a similar way. We want to keep the administration as straightforward as possible.

**Q280 Tessa Munt:** I am just wondering about some of those students who might need to access funds for transport purposes.

**Peter Lauener:** That is why we would frontload it. I cannot remember whether the current year is frontloaded.

**Q281 Tessa Munt:** So that is the intention as well.

**Peter Lauener:** I think we would look to frontload the overall funding, perhaps putting half in the first tranche, then a quarter and a quarter, something like that. You make a very good point.

**Q282 Lisa Nandy:** We were told that the Young Apprenticeships pilot programme is to end, because of high delivery costs that are not justified in the current economic climate. Why were these costs so high? Could something be done to reduce the costs of delivering the programme, so that the programme could be saved?

**Peter Lauener:** Young Apprenticeships is an expensive programme, because it is funding on top of the existing school funding. In the current climate, it is difficult to justify paying a full capitation fee to a school and then paying an additional amount on top for two days a week. It is an expensive programme, although the results are terrific, I have to say. The programme is very popular with young people and the achievement rates are good. I am not quite so sure of this, but I think I have read that the progression story is pretty good as well.

The challenge—this is part of the whole philosophy of the Government's approach and is very much reflected in Alison Wolf's report—is for schools and colleges to develop those kind of approaches as part of their mainstream programmes. I would like to see that kind of approach being developed. You could say, and Lord Baker may well say, he is expecting the UTC approach to reflect those models. It is a very similar philosophy: two days a week on technical subjects and three days a week on academic subjects. That would be within the mainstream funding. I hope

that the lessons will be taken through, but in the current climate it is difficult to see how we can justify continuing it.

**Q283 Lisa Nandy:** If the results are terrific, does that not represent good value for money—investing in young people to make sure that in the future, it does not cost us more?

**Peter Lauener:** It is not a basis for roll-out more widely than the pilot. The important thing is to learn lessons about the curriculum and the way of arranging provision for young people. But it needs to be done within mainstream funding.

**Q284 Lisa Nandy:** Are you confident that schools and colleges will take that challenge on and deliver it?

**Peter Lauener:** I think that there is a lot of good practice. One of the things that struck me over the last 18 months is that there is a lot more collaboration embedded between schools and colleges than when I worked with the further education sector seven or eight years ago, when we were trying to start that out. Generally, funding mechanisms have been put in place between schools and colleges to pay for the one or two days a week that young people might be spending out of a school environment in a college environment. There is a lot more of that happening, much more widely than young apprenticeships, and that gives me confidence that there is the basis for taking that forward, plus the reforms that will be made on the back of the Alison Wolf report, which I think are really important reforms that elevate the importance of vocational education.

**Q285 Chair:** Can I ask you quickly about the quality of apprenticeships? The Government are obviously keen to have a great deal more. Can you tell us about what quality assurance there will be? Are they long enough? Are they going to be able to maintain quality while increasing numbers?

**Peter Lauener:** The first thing I ought to say is that the YPLA is not directly responsible for apprenticeships—the funding goes from the Department to the National Apprenticeship Service. Again, if you take a look at the long-term success rates—I cannot quote the before and after in the way that I did earlier on my 60-year trend—there are some quite startling improvements in success rates for apprenticeships. Seven or eight years ago they were languishing at around the low-30s percentage points, which was just not good enough; they are now, I think—my memory may be faulty—60% or 70%, so there is no doubt in my mind that the quality is far higher than it used to be. Also, for 16, 17 and 18-year-olds, the numbers are more static; the real growth is in the older apprenticeships.

There is certainly a challenge to make sure that there is real added value and that it is not just about accrediting learning that is going on anyway. Again, Alison Wolf comments on the importance of looking at international comparisons. Her feeling was that there is still quite a lot of bureaucracy around apprenticeships. There are quite a few challenges in there, but I think there is some good recent performance, which is very encouraging.

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**Chair:** Thank you very much for giving evidence to us this morning. **Peter Lauener:** Thank you all very much.

### Examination of Witnesses

*Witnesses:* **John Hayes MP**, Minister for Further Education, Skills and Lifelong Learning, Department for Education/Department for Business, Innovation and Skills, and **Lord Hill of Oareford CBE**, Parliamentary Under-Secretary of State, Department for Education, gave evidence.

**Q286 Chair:** Welcome both of you. Thank you for joining us to talk about 16-to-19 participation. It is always a delight to have Lord Hill with us. It is a particular delight to have John Hayes, because he is the final missing ministerial piece of the Department to give evidence to us. It is a pleasure to have you before us, Minister.

The number of 16 to 18-year-olds who were not in education, employment or training actually increased by more than 30% between 1999 and 2009. What is the Government analysis of why that happened? What lessons can be learned to ensure that participation improves in future years?

**Mr Hayes:** I think you are right to identify it as a trend change, rather than the product of a particular set of economic circumstances. If you look at the change in the number of NEETs over the period you described, it happened irrespective of economic peaks and troughs, so clearly there is a trend issue around the employment of young people. I could write an essay on this, Chairman, but you will not want me to do so, so let me just identify three reasons.

**Chair:** Armed with a thesaurus, I would be able to read it.

**Mr Hayes:** It would be a delight to write it for you, but perhaps I will do that offline. I think there are three reasons. First, there is a significant problem with prior attainment, which I am sure Lord Hill will want to comment on; and as the labour market has changed, the number of jobs you can get and keep that do not require core skills has fallen. Lord Leitch's review identified the fact that the number of unskilled jobs in the economy is shrinking—he said that by 2020 it might fall to as low a figure as 600,000—so if you leave school without core qualifications, it is harder to get a job and keep a job.

**Q287 Chair:** Sorry to interrupt you, but is it still the Government's assessment that those numbers from Lord Leitch are broadly correct?

**Mr Hayes:** What I would say about the Leitch report, as many said about it when it was published, is that while one might not want to get into a debate about the exact number, he was right about the trend. It is hard to predict those kinds of numbers, but he took a stab at it, which was brave. I would not want to say it was going to be 500,000, 600,000 or 700,000, but what is very clear is that the number of unskilled jobs in the economy is shrinking and has been for a considerable time. This, by the way, is a feature of the change in the economy itself. As economies advance, two things happen: first, they become more high skilled and, secondly, they become more dynamic—they change more rapidly.

To return to my main thesis, though, the second reason is that there are real issues around whether we have got the vocational offer right. If you compare our level of vocational skills with that of most of our principal competitors, there are fundamental problems about people having the skills to match economic need. That is the second reason. Vocational education in those terms is very important, and I have spoken about it at length over a long time, as you know, Chairman.

The third issue is around the entry point into work. What we know is that some NEETs have had jobs for a very short time; they have drifted in and out of employment; and many of them have had an unhappy experience in the transition from the world of learning to the world of work. We need to get the advice and guidance better. We need to look at things like work experience as a way of easing that transition. We need to do all kinds of other things to bring people from disengagement to engagement. We should recognise that that might require small chunks of learning and small steps to re-engagement. This is particularly true when people are disengaged for a long time; it is not actually that easy to get back into a full-time job when you have had a very poor experience of learning and a mixed experience of work.

Those are three of the things I think we need to look at. The previous Government understood this, and I do not want to make a party political remark, but I am not sure any of us has made significant progress with this, and it requires urgent action.

**Chair:** Thank you very much, Minister.

**Q288 Nic Dakin:** Welcome John and Jonathan. We have just had evidence from Thomas Spielhofer, who was the lead on the NFER research that the Government have relied on as an evidence base to justify their policy decision on EMAs. He made it very clear that he did not see that as a correct use of his research, and he did not identify with the concept of deadweight—indeed, he spoke positively about EMAs. We have also had evidence from the chief executives of Centrepont, the Children's Society and Barnardo's, each of whom said that EMAs were a deal breaker, that they were utterly opposed to the discretionary loan support, and that they had real concerns about unintended consequences. Does that evidence give you pause for thought on the direction of policy travel on EMAs and the damage that might be done to young people?

**Lord Hill:** On the EMA, obviously I did not hear the remarks that he made, but the Government looked at a range of research, of which that was one, commissioned by the previous Government.

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**Q289 Nic Dakin:** What other research did the Government look at?

**Lord Hill:** There was IFS research, there was research carried out by NatCen, I think. Across the piece, the conclusion that we drew from that—research carried out under the previous Administration—

**Q290 Nic Dakin:** The conclusion you drew, rather than the researchers drew. That is the point that came out in previous evidence, which I think you are confirming.

**Lord Hill:** The point across the piece is first, assistance that goes to 45% of young people does not feel enormously targeted. Secondly, there is the underlying principle of a scheme that was understandably designed to provide an incentive for young people to stay on; as you move to a system where we have raised the participation age, where it is going to be a requirement to stay on, then a system based on an incentive does not feel right, and a system that is based on financial support for those who need it most feels a more sensible way forward. That is why we took the decision that we did.

**Q291 Nic Dakin:** Do you think that Government and all of us have let down the current year 11 students, who still do not know what support they may or may not have? Are we still letting them down? They still don't know, do they?

**Lord Hill:** They don't. I am keen that we should get the allocations and the guidance out.

**Q292 Nic Dakin:** But we have been keen. We have had Ministers here throughout the year and we have been asking Ministers in the House, and they have been keen every time—they have been keen for nine months and the kids still don't know. Is that not very shoddy?

**Lord Hill:** One can make perfectly fair criticisms about the length of time it took us to come up with the replacement, the new bursary scheme. It would have been good to have done that more quickly. I accept that reproach and criticism. In terms of the length of time it has taken since then, clearly we had to consult on the back of those new proposals—quite rightly. That ended on 20 May. I hope that we will be in a position to get the allocation and guidance out together at the same time within a week or two. That is what I am pushing my officials to do.

**Q293 Nic Dakin:** Given that the figure has increased over that period to £180 million, would it not be better to go for a universal scheme like the EMA, rather than go through all the administrative complications, which are still going through, that are part of the reason why young people still do not know what's what? In one part of the country, we have heard this morning, they will have a different deal from another part of the country. Is that fair?

**Lord Hill:** Again, as you will know, one of the broad approaches that we are keen to develop across the piece is first, pushing decisions down to heads and schools and colleges as autonomous institutions and trusting their judgment—trusting those who know their pupils and students best to make those calls. The

principle is to devolve that money, ask them to make those decisions and give them a proportion of the sums for the administrative cost. According to the conversations that I have had with principals, apart from their concerns about the ending of EMA, the principle that they should be responsible for disbursing it is one they are broadly content with.

**Nic Dakin:** That is perhaps correct, but it is also correct that they were very clear they would have preferred EMA to remain, even if it was in a slightly smaller quantum or shape. You are not far off getting to the level of quantum that would have been effective.

**Q294 Bill Esterson:** I have been comparing your two opening comments. I think everybody would agree with John's analysis of the economic needs, but surely there is a concern that taking away the EMA will make the situation worse. There is evidence, reported to me by Merseyside Colleges Association, that principals are very confident that the element of compulsion, and the improved results of those on EMA compared with those not on EMA, indicate that taking away the universal element will add to the number of NEETs. Although John's analysis was strong, the new policy on EMA is going to make that situation worse, not better.

**Lord Hill:** I know that I do not need to rehearse for the Committee the economic imperatives that were driving our decisions across a range of issues to do with funding. There may be others that we will come on to talk about as well. We had to act quickly on the EMA. As I said before, we were spending £560 million a year on something that was designed as an incentive scheme, when we are moving, rightly, to raising the participation age and seeking full participation. Obviously, I agree with John and with you that that is the direction that we want to go in. The targeted way that we are delivering it is, we think, the right way forward, but obviously, as you would expect, we said when we announced the new scheme that we will have to see how it operates, and we will keep those arrangements under review.

**Q295 Bill Esterson:** One other big concern that has been raised with me is young carers and other vulnerable groups. Principals tell me that they do not know who those young people are, because young people do not like to admit to being a young carer or from a vulnerable group. It is very hard to target those groups if you do not know who they are, and those are some of the people who are most in need of EMA.

**Lord Hill:** We hope that, as the way to demonstrate the entitlement—through receipt of income support or whatever—is straightforward, it should not be a difficult task for people to claim it. I take your broader point, though. It links to the points that Mr Dakin made. The length of time that this has taken means that the need for clear communication about what people's entitlements are is extremely important. The AOC is working with a group of colleges to develop that guidance. I am keen to get the details of the scheme and the criteria out there as soon as possible, so that people can see that, and so that we can address your concerns.

**Mr Hayes:** Might I say a word about that? We had an interesting and valuable debate about the purpose of that kind of support. When EMA was introduced, participation patterns were quite different. There is an absolutely legitimate argument to be had about how you support learners and the effect that that has on participation. As Lord Hill knows, in the discussions that we had at ministerial level, I was very anxious to ensure that the most disadvantaged learners were not further disadvantaged by changes that we might make. The complex thing about dealing with those disadvantages is that they may be very different in different parts of the country, and for different kinds of learners and colleges. Maximising discretion, in those terms, seemed to me to be critical. What we are doing is trying to maximise that discretion while ensuring that money is targeted at the most disadvantaged learners. That is what underpins what we have been doing, albeit in the context of trying to do something that is cost-effective, given the financial circumstances. Whoever was in government, it is likely that EMA would have been reviewed and reformed because of those changing assumptions about participation and cause and effect with regard to how you support learners.

**Q296 Lisa Nandy:** We have just heard from a whole range of witnesses who have told us that the shift from a system based on entitlement to a discretionary system will impact on the most disadvantaged the most because of the stigma associated with having to come forward to claim under what is now a discretionary system. What are you going to do about that?

**Mr Hayes:** That is a good point. There are issues around how you allocate the money, and you make an interesting and useful point about the risk of stigma, but I am absolutely convinced that discretion matters because of what I said in the previous answer—the different requirements in different places. For example, in Lincolnshire, the area that I represent, transport is a fundamentally important issue. That applies disproportionately to the most disadvantaged learners.

**Q297 Lisa Nandy:** I completely accept that transport is an important issue; I think we all do. The key point that they made is that the system that you are introducing is based on the wrong principle, because the people who most need it will not come forward to claim the help. What will you do to make sure that they do?

**Mr Hayes:** I will give you a straight answer to that. That is an extremely useful insight, and in the work we do on the guidance, we will look at how we can address that specific point as a result of the representations we have received not only from this Committee, but from others. This is not the first time I have heard that argument. I am absolutely determined that the most disadvantaged should not be worse off as a result of this change.

**Q298 Lisa Nandy:** The other point that has been made to us very forcefully, directly by students, is that many students now rely on the EMA as an essential

part of their household income. The decision to go on to further schooling or college is based on knowledge of the income that they will have. Obviously, under the new system, it will be very difficult for students to know in advance what they will get. How will you make sure that they can base their decision to go to college on sound financial information?

**Mr Hayes:** In a sense, that is the tough issue, isn't it? The original intention of EMA was to change the character, nature and scale of participation. What it became, what it metamorphosed into, was the kind of much more general financial support for the family that you are describing. I am not sure that we can legitimise that as a Government. I am not sure that public policy makers of any colour or kind could legitimise that metamorphosis and embed it in public policy. I just do not think you can do that.

**Q299 Lisa Nandy:** Are you arguing that the Government's position is that students should experience serious hardship in order to get the same opportunities as their better-off peers?

**Mr Hayes:** No, I am arguing that in the tough climate we face, it is very important that we tie EMA directly to its original purpose, which is the relationship with participation, in a way that addresses particular challenges, needs and disadvantages, rather than allow what has become a distortion of the original intention. EMA was paid as a much more general payment that was absorbed into the family income and used for other things. I do not say that that does not have consequential virtues, but it is not what EMA was intended to be, and it is not what EMA or its replacement should be. I want a more targeted and more cost-effective system of support that can be directly linked to and measured by its effect on participation.

**Q300 Lisa Nandy:** May I probe you a little on the definition of "in need"? When BIS drew up the student funding guidelines for higher education, it said that there would be greater financial support for those whose family income is less than £25,000. Obviously, BIS felt that there would be financial barriers to accessing higher education for students who come from such backgrounds, but the EMA remains only for those in households earning less than £20,800. Shouldn't there be a consistent definition across Government of what constitutes "in need"?

**Mr Hayes:** If you look at the participation changes that I described earlier, with 96% of 16-year-olds and 94%<sup>2</sup> of 17-year-olds now participating in education, employment or training, and how that has changed over the period from when EMA was introduced to now, and then look at the participation in higher education from under-represented groups, progress in higher education has been much slower. I think all would acknowledge that widening participation in higher education has been a significant challenge, and not necessarily one in which we have made the progress we would have liked. I am putting that in as measured a way as I can.

<sup>2</sup> Should read 93% following a correction to the official statistics made earlier in the year

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I would argue that the need to address some of the fundamental problems of engaging working-class students and other under-represented groups in higher education is so pressing that it requires a different set of assumptions, and a different policy outcome from those assumptions. We have had quite a lot of success, in other words, in boosting participation among 16 and 17-year-olds, but we have not had anywhere near as much success in boosting participation in HE from those under-represented groups you describe.

**Q301 Lisa Nandy:** On a point of fact, we were just given a much lower number from Peter Lauener, the head of the YPLA, for participation rates among 16 and 17-year-olds. He said that it was 85% at the moment.

**Mr Hayes:** I am using the figures from the Department, and I can only use those figures. As a Minister at the Department, it would be quite wrong of me not to refer to the Department's analysis.

**Q302 Chair:** He did differentiate between some figures that included work-based learning and others that did not, so it is possible that that is the discrepancy, but if officials wrote to the Committee to clarify the point for us, we would be grateful.

**Mr Hayes:** We would be delighted to do that.

**Q303 Neil Carmichael:** The Minister touched on some central funding issues, but I was wondering about free school lunches. Obviously, children in a sixth form can get free school lunches; will you extend that to FE colleges?

**Lord Hill:** It will be the same principle for the new fund. Whether it is transport or helping with food, that would be at the discretion of the school or college. That reflects in part the fact that the landscape and what young people are doing post-16 is quite different from what they are doing pre-16. They are working in different places; they travel; they arrive; they might be doing an apprenticeship; they might be at work. The universal approach to all in the cohort saying, "This is the entitlement you get" does not fit as comfortably with one model post-16 as it does pre-16.

**Q304 Neil Carmichael:** So, essentially, it is at the empowerment of the institution and organisations to make decisions to fit the circumstances of the students.

**Lord Hill:** Yes.

**Q305 Neil Carmichael:** It seems perfectly logical to me. Is it equally fair to say that 17 and 18-year-olds attending compulsory study or training should be eligible for free school transport and so forth?

**Lord Hill:** I would argue that the post-16 situation on transport applies to free school meals. Again, in different parts of the country there are different priorities around transport. If you are in a sparsely populated rural area, transport obviously weighs more heavily in your mind than if you are living in a city and can walk up the road. The approach to that is to put the discretion with the college. Transport is an important issue.

As for the local authority role in the provision of transport, by the end of May it will have been publishing all its statements on what provision it is making for post-16s. We need to look at that to ensure that its duties are being discharged. We need to be consistent about transport and put the decision to the local institution. As we said when we put in the replacement, we will keep it all under review, because I do not underestimate the importance of the issue.

**Q306 Neil Carmichael:** What sort of capacities will you have to check that local authorities have, in fact, undertaken those responsibilities?

**Lord Hill:** As I said, I have asked officials to look at all the statements that local authorities have been making. We will then meet to look at them, because across the country, what appears to be happening so far is that different local authorities are discharging those duties in different ways.

**Q307 Neil Carmichael:** Finally, this is really a question for John. You will obviously reduce entitlement funding. What impact do you think entitlement funding will have on FE colleges?

**Mr Hayes:** It needs to be seen in the context of the overall work we are doing in FE. The critical thing about provision is that it matches demand. Historically, FE colleges are a bit too limited in their flexibility to respond to demand, so we have tried to free FE colleges from some constraints, particularly financial, that prevented them from being as responsive as they would like to be. A good example is being able to move money between budgets to deal with different and changing demands. My feeling is that participation, which is at the heart of your point, will be affected by changing entitlements, but that effect will be offset by the increasing capacity of FE colleges to devise and implement an offer that is better suited to demand. I am very confident, as I think the FE sector is, that in a world where it will be given much more freedom in the way that I described, it will be able to engage people to maintain participation.

**Q308 Neil Carmichael:** Are you picking up any evidence that those freedoms are being discussed and even developed in colleges?

**Mr Hayes:** Yes. They have been warmly welcomed by the sector and by the representative organisations in the sector, such as the AOC and the 157 Group. We are introducing more in the Bill that is currently going through the Houses of Parliament, and there is evidence that the colleges are responding to that new opportunity by forming more creative partnerships with local businesses and looking again at how they can allocate funds and resource to new kinds of courses of training. They have been very successful in moving budgets from Train to Gain to the apprenticeship budget.

I know we will probably move on to apprenticeships at some point, Chairman, but I hope that when I am able to say more to the House in June about apprenticeships, we will be able to show very substantial growth in apprenticeship take-up for young people as well as other age groups, which is in part a

response to the good work that the colleges have done in moving funds in the way that I have described.

**Neil Carmichael:** Thank you.

**Q309 Tessa Munt:** As an observation on some points that Neil raised, I have serious concerns about rural areas, as Jonathan will know, and about the whole transport thing. In Somerset, there is no indication of what the bus pass is going to cost, and no idea of when that decision will be made. That really is a serious problem for young people who are trying to plan anything for September. I will put in a plea for free transport for young people again.

I wanted to ask you some questions about the transfer of information from schools to colleges. Some local authorities say they cannot pass on data, and there are problems with that sort of thing. How do we get that data if there are data protection issues and statutory requirements stopping people passing on information? Colleges perform better with young people who are new if they know what they have got coming.

**Mr Hayes:** The kind of relationship that you are describing, both between schools and colleges and between colleges, schools and other bodies, is critical to charting the progress of a young person through their learning. It is right that some schools and colleges do this very well. The partnership between schools and colleges in particular areas—I am thinking of my own constituency—can be highly effective, but that tends to be the case when they do not see each other as competitors. When they see each other as competitors, sometimes there is more tension in those relationships.

I think what we need to do as a Government is encourage good practice, identify it and look at ways that it can be exported more widely. Those collaborations are clearly, in the end, a matter for local judgment, because the circumstances in different localities, of course, necessitate different approaches. None the less, Government can send out very clear signals that they expect information to be transmitted between organisations and that they expect the progress of a young person's learning to be charted across the period for which they are statutorily engaged in education. I think we can send out signals about good practice, and I think we can build on the good practice that is already out there.

**Q310 Tessa Munt:** But there is going to be a conflict always, isn't there, between schools, which will receive funding if students stay on? The head teacher will want that student to stay. I have raised on previous occasions the issue of how that stops students having access to information on getting to an alternative provider of further education.

**Mr Hayes:** Yes, but it may also be about progression; Jonathan may want to say more about that. Where a student is studying to a particular level at school, then going on to college to take their studies further, we need to make sure there is a good fit, both in terms of what they are studying—so there is a good, progressive fit with the work that they are doing—and in terms of the information that is then sent from one institution to another about that learner. That can be done even in a world which is, as you describe it,

competitive. It is not just about the money, as it were; it is also about the offer.

**Lord Hill:** Can I make one point to follow on from that? We may come back to it—I don't know—but it is on the development of destination measures. The concern, as you rightly say, that sixth-form or FE colleges might have is that a school will want to keep its pupil there to keep the cash. As we develop the destination measures on which we are working—I would welcome suggestions either collectively from the Committee, or individually from Members with a particular interest—we will get to a point where we can look at the comparative performance of different kinds of provision, whether it is school or college. You see what the destination of those pupils is one year on after key stage 4 and after key stage 5. If what one then sees is that school A, by doing what you are afraid it will do, has results—the progression of its pupils—that are less good than sixth-form college B or FE college C, I think that that will create a powerful lever alongside the kind of pressures that John is talking about to address those concerns.

**Q311 Tessa Munt:** I will certainly come back to you; you know that.

Is there any legal restriction that prevents data being passed from school to school, and school to college, and vice versa? We have found in other inquiries that when children move from first school to middle school, or from junior to senior school, the school does not know about ability and any special needs.

**Lord Hill:** I know that there is one data issue around the provision of the destination measures that we need to address, which we are taking powers to do in the Bill. In other areas, to be honest, I am not sure, but I will check whether there are any of these barriers.

**Q312 Tessa Munt:** Will you come back to us?

**Lord Hill:** Yes, of course.<sup>3</sup>

**Tessa Munt:** Thank you, that would be kind.

**Mr Hayes:** Perhaps, Tessa, I could add to that. If there are issues of the kind you describe in these schools and colleges, I will take a look at that and we will address it. There is no good argument for not transferring information that is of value to the learner, as long as other considerations about privacy and so on are taken into account and dealt with, so we will certainly look at that and address it.

**Q313 Tessa Munt:** Thank you. I will ask you just one other thing. I wonder why the Government have paused on the enforcement around participation age.

**Mr Hayes:** That was debated at length when these matters were originally raised in the previous Parliament. The argument ran—I think it was put by the then Opposition, and I put it no more strongly than that, to the then Government—that enforcement would be very difficult. Were you really going to criminalise young people who did not engage? That was used as an argument against raising the participation age, but there have been arguments against raising the participation age at every stage since it was raised from 13 to 14. There is a challenge on enforcement, but it never seemed to me to be a

<sup>3</sup> Letter from Lord Hill of Oareford Ev 102



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sufficiently strong argument to oppose the principle of raising the participation age, which is why that very Opposition at that very time did not oppose it.

**Lord Hill:** There is also a linked and important point, apart from John's arguments about carrot rather than stick, that underpins what we are doing in terms of Wolf and our school reforms more generally. Attainment before 16 is the most important determinant of success and progression after 16. So, with school reforms, we have to get to a situation where 16 and 17-year-olds want to benefit and progress, and then there is the overhaul of vocational qualifications. We did not want to be in a situation where you criminalise those who don't. We have to make it attractive and to improve the quality of the offer, but we have the power to keep the situation under review, which we have said we will do in every year after 2013 to see how it is going.

**Q314 Tessa Munt:** Have you got a plan for those who do not participate when it is the law to do so?

**Lord Hill:** What we are doing across the Government is this: DfE, BIS and DWP are working over the summer to come up with a strategy on participation and addressing the specific NEETs issue. The answer is therefore yes. The duties on local authorities, which have been there for some time, are to identify, report, target and work with the voluntary sector. There is a range of measures, but we are looking at the issue across the Government.

**Q315 Tessa Munt:** Do you think that local authorities use those powers?

**Lord Hill:** Yes, they do. Through our RPA trials that are going on, which is an important element, local authorities are trialling and learning from other local authorities what is the most effective way of identifying, tackling and supporting NEETs, and of getting them into worthwhile work and training.

**Mr Hayes:** The previous Select Committee—the Children, Schools and Families Committee—in its report on *Young People Not in Education, Employment or Training*, the eighth report of the 2009–10 Session, specifically recommended that kind of cross-departmental working. The Government are anxious always to consider the reports and recommendations of Select Committees, and we do our best to ensure that they are built into our assumptions—

**Chair:** We are always open to flattery, and we appreciate it. During that inquiry, we went to Holland, which has the lowest level of NEETs in the OECD—that is touched on in there. Following up on that, the Dutch recently changed the incentives for local authorities. I know that this is as much to do with the DWP as it is to do with the DFE, but I put it to you that by changing the incentives and the financial impact of youth unemployment on local authorities they, instead of possibly only paying lip service to dealing with NEETs, took on a much more proactive role and made a difference. I hope that you might look at that, if you have the chance.

**Q316 Neil Carmichael:** John, how many 16 to 18-year-olds have we got in apprenticeships right now?

**Mr Hayes:** I cannot give you those figures, but I will happily confirm them after, because we are about to report to the House on the information that we have available up until June.<sup>4</sup> It would obviously be wrong for me to bring those figures to the Select Committee before they have gone to the House. The provisional data for the first period showed substantial growth in the number of 16 to 18-year-olds engaged in apprenticeships. That is across sectors, by the way, and across levels—level 2 and beyond.

Our ambition is clear, Neil. I intend that we create more apprenticeships in Britain than we have ever had before in our history. We have the funding in place to do that, and the information that I will make available in June will show that we are making very good progress.

**Q317 Neil Carmichael:** Is there a difference between the ability to recruit 16 to 18-year-olds and to recruit adults into apprenticeships?

**Mr Hayes:** Yes, there is a big series of differences. First, we know the patterns of the previous Government's performance in respect of apprenticeships. I want to acknowledge through you, Chair, that there was considerable improvement. There is no doubt that apprenticeship numbers grew under the previous Government, which needs to be put on record. We are going to take it faster and further, but none the less progress was made. We know, for example, that some employers are more reluctant to consider a young person because of things such as soft skills—they are often called employability skills. We also know that, in sector-by-sector terms, the patterns are different in terms of different age groups, so there are challenges around 16 to 18-year-olds.

That was recognised by Alison Wolf in her report, which was produced for the Government. As she argues, the virtues of apprenticeships as a key vehicle for delivering the vocational offer, which we want to make as rigorous and as attractive as the academic offer, are that the brand is strong, that employers value apprenticeships, that potential learners also value them and that the competencies offered really add to employability. Yes, there are challenges about 16 to 18-year-olds, but they are not insurmountable, in my view.

**Q318 Neil Carmichael:** How about getting more apprenticeships into SMEs, because that seems to be a challenge?

**Mr Hayes:** Yes, and if I may say so, SMEs with very young people bring two separate challenges, which combined can create a hurdle that we need to overcome. Alison Wolf argues that we should actually financially incentivise SMEs—[*Interruption.*]

**Chair:** If you wait until the bell finishes, Minister. Thank you.

**Mr Hayes:** Saved by the bell.

**Chair:** You have always been masterly in your use of pauses, anyway.

**Mr Hayes:** Alison Wolf says that we should financially incentivise small businesses. We do not resist that idea. We have to look at it in some detail,

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<sup>4</sup> Letter from Lord Hill of Oareford Ev 102

because there is always the risk of deadweight, which was a criticism of Train to Gain. None the less, there may be arguments around particular kinds of learners, sectors and businesses that do require us to consider what Alison Wolf recommended.

Other things that we are doing are around bureaucracy. I was in a meeting yesterday with business leaders. I held a series of briefings and meetings with representatives of business to look at how we can make the system more streamlined and less bureaucratic. We can cut red tape and thereby make this more attractive to particularly smaller firms, which find it harder to absorb all that. I hope very soon to be able to say more about what we are going to do to reduce bureaucracy. I think bureaucracy matters too.

Finally, the frameworks have to deliver competencies that match real employer need. I am absolutely determined that—working with the UK Commission for Employment and Skills and the sector skills councils—what is taught and tested is what businesses want.

**Q319 Chair:** How long is your average apprenticeship in this country? How does it compare with others and how long do you think they ought to be?

**Mr Hayes:** An apprenticeship is typically a three-year training course. The length of time and the cost of that varies according to the sector, so there is immense variability, as I think you know. It is a significant commitment for both the employer and the young person, which is what I think you are getting at. That is why we need to look at some of the perceived and real costs of that, and see if we can make it even more attractive than it is.

**Q320 Chair:** I just wanted to check that you were not thinking of encouraging shorter apprenticeships, which I would consider to be misguided thinking, because that would make things cheaper and easier. During an apprenticeship there is a long period in which the young person is not particularly contributing. If there is a longer apprenticeship, there is a decent period in which they do contribute.

**Mr Hayes:** Let me take the opportunity to put this on record. If we grew the numbers as rapidly and to the extent that we intend, there would be a risk of diluting the quality, but I have absolutely no intention that that will happen. My determination is immense that we will retain quality so that the brand is regarded—as described by both learners and employers—as something of immense worth, as it always has been. It would be to short-change both learners and employers to do anything other than that. We are absolutely sure about maintaining the quality as well as the quantity.

**Q321 Neil Carmichael:** Returning to SMEs, can we encourage them to share apprentices?

**Mr Hayes:** That is a good question, Neil. When I was speaking to the sector skills council and employers from the horticulture industry very recently about that, they told me that they found it quite hard to take apprentices because, as small employers, they found

it difficult to meet some of the requirements of apprenticeship alone. They have started to work on systems of collaboration of the kind you described. Several of them have come together to meet the requirements of apprenticeship without diluting quality. I am very happy to take their work further to see if we can look at how SMEs might come together without in any way changing the rigour of the requirements.

Group training associations, of course, are another way forward for SMEs. GTAs have a proud history, but we would like to see them grow. That is a way for very small businesses to come together and share some of the administrative and resource costs, through the GTA. Apprenticeship training associations and group training associations are things that we want to see grow as a means of engaging more SMEs.

**Q322 Neil Carmichael:** Excellent.

One of the things that I have noticed is that we still need to demonstrate the attractiveness and good sense of getting involved in manufacturing and engineering. The rebalancing of the economy should obviously be uppermost in our mind, but there is also the obvious point that we are not attracting sufficient skills into those sectors. What do we do, first of all, to highlight the advantages of those sectors and, secondly, to start encouraging people to go into them?

**Mr Hayes:** Jonathan may want to say more on this, but in anticipation of this Committee sitting, we have been discussing the link between the world of work and the world of learning. I think that we need to do more to encourage contact between businesses, and schools and colleges. We need to make the world of work attractive to young people who are choosing their careers. The careers service will play a part, but as well as that, I want to look at how we can get more businesses into colleges and schools to show young people what a career is like in manufacturing or engineering, for example, and why it is attractive. We know that it is. To give an example, if I may, if you have a level 3 apprenticeship in engineering, your earning premium over a lifetime is equivalent to a degree, roughly speaking. There is therefore no doubt about the reality, but the perception matters, too. Better communication between the world of work and the world of learning would help to change perceptions.

**Lord Hill:** Also, there are a couple of specific examples, such as the development of the university technical colleges, which should do exactly what you are talking about—they will be bringing in universities and local big employers, who are often manufacturers, and offering 14 to 19 courses of education with an academic core and vocational side. That is one example, and alongside that, there are studio schools, which the previous Government pioneered. I am very keen to build on that and roll them out as far as possible. Children there have often been a bit switched off from learning, but they are able to learn. Local employers—often small employers, in this case—come in so that children get accustomed to the kinds of skills and attributes that they will need to go and work. Often, having been

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through that, they will go and get jobs with people who are coming in and teaching.

**Q323 Neil Carmichael:** What about the 80,000 additional funded work experience places that were announced in the Budget? Could you tell us a little more about them?

**Mr Hayes:** Yes, absolutely. In fact, I was in a meeting with the DWP and the Minister of State there yesterday. One of the issues we talked about was how we manage that process to ensure that the work experience places that we secure are meaningful and that they deliver progression of the kind that I described earlier in a different context.

Work experience, as we know, is an important way in which people can get their first taste of employment. In another report of a previous Committee, it was argued that work experience was a very valuable way for people to get the necessary experience to make judgments about where their future might lie. I will not bore with you the details of it, but you can be assured that we take that very seriously. That is why we have been engaged with large, national companies and with representative organisations of companies—I was speaking to the CBI about this yesterday—to ensure that those work experience places grow, that they are meaningful, and that they are progressive. We see them as an important part of an overall programme, in terms of changing perceptions about different career options, in the way that you suggested in your previous question.

**Q324 Neil Carmichael:** How are we going to ensure that quality control is sufficiently robust?

**Mr Hayes:** Of work experience?

**Neil Carmichael:** Yes.

**Mr Hayes:** That is exactly what I just described. We will make sure that the work experience on offer is meaningful. If work experience is not controlled in the way in which you describe, it does not serve the purpose that I want it to. We are working with the DWP to ensure that we look at each of the work experience places and each of the employers that are offering them to make sure that they are indeed meaningful.

**Neil Carmichael:** Great. Thank you.

**Q325 Chair:** You have scrapped programme-led apprenticeships. We heard from evidence today that under-achieving and vulnerable young people find apprenticeships a rung too high to reach. When will the Government announce a policy on what they will do to help to get such people ready for apprenticeships?

**Lord Hill:** We announced the 10,000 access to apprenticeship places.

**Mr Hayes:** Exactly. In the autumn, we will say more about our access to apprenticeships programme. I agree with the assumption behind your question that there is a need to provide a ladder that allows people who are not ready to engage in a full apprenticeship to access meaningful training. Access to apprenticeships will be just that ladder. What I want to create is a pathway that is progressive, rigorous and just as seductive as the academic route that many of us took.

That means moving people from disengagement to engagement through bite-sized chunks of learning. It means providing access to apprenticeship courses that then lead to levels 2 and 3 and beyond. It means having a robust product that allows people the kind of opportunity that you describe.

Programme-led apprenticeships may have served a purpose in some cases, but the problem was that they were not enough like a real apprenticeship because they were not enough like a real job.

**Chair:** Some were.

**Mr Hayes:** Some were not. They may have served a purpose in some cases. I want to ensure that access to apprenticeships is much more like a real apprenticeship and therefore much more progressive in those terms. As I said, we will say more about that in the autumn. Just yesterday—I think that I can reveal this—I asked my officials for a progress report to ensure that they are up to speed and up to scratch when we make those announcements on details in the autumn.

**Q326 Ian Mearns:** I want to ask questions about careers. Before I do so, seeing as we are talking about apprenticeships, let me say that we heard Peter Lauener in the previous session telling us that although it was expensive, the results from the Young Apprenticeships programme were terrific. Rather than abolishing it, could we not have reduced those costs without harming the essence of the programme? Would it not have been more sensitive to delay the ending of the pilot until university technical colleges had become better established?

**Mr Hayes:** The problem with the Young Apprenticeships scheme was not the level of learner or employer satisfaction. Indeed, the survey suggested that there were quite high levels of support from employers, parents and learners. As you suggested in your question, the problem is the cost. Measured in any kind of cost-effectiveness terms, it was a very expensive way in which to give the kind of taste of the world of work that I mentioned to Neil. In the work that we do on access, we need to take the best of what Young Apprenticeships offered. We need to take the best of that product, frame it in a way in which it is more cost-effective, and build in our assumptions about access to apprenticeships. Indeed, we have had this debate. I made the case that there was value in the Young Apprenticeships programme and that we should not ignore it, but we have to do it in a way in which we could afford.

**Q327 Ian Mearns:** You are right. It has been described to us as expensive, but it was very successful. There is a value-for-money element to success, and that should be taken on board.

**Mr Hayes:** Yes, but it affected a relatively small number of people and it involved the investment of an immense amount of money. I would not want to under-estimate its value, but in the form in which it previously ran, it was unsustainable in the current financial circumstances. I mentioned that it had good feedback from various people, and I want to look at that feedback and the best aspects of it to see how we can build it into future work.

**Ian Mearns:** But if the head of the YPLA says that the results were terrific, that is evidence in itself, isn't it?

**Chair:** It is, but we will move on to careers now.

**Q328 Ian Mearns:** The careers service is in a mess at the moment isn't it, Minister? There is evidence from all over the country that we are losing careers advisors. We have a good aim—to establish an all-age careers advice and guidance service in the near future—but in the interim period we are in a bit of a problem.

I think that it is quite clear that we were told in this Committee a number of weeks ago that the Hayes vision for the careers service was good, but that it had been eroded by the Department for Education. One commentator actually said that it appeared that Michael Gove's strategy of stonewalling John Hayes's work had paid off, and that, in an act of extraordinary vandalism, a world-class young people's service was being replaced in many places by whatever head teachers chose to offer, or nothing at all. Another commentator has said that the withdrawal of entitlement has not been well marketed. How do you feel about that?

**Mr Hayes:** We face challenges with respect to the careers service. We are going through a very significant transition. The case for change seems to me to be a very strong one. Connexions wasn't always delivering what it should. It was actually too big an ask of Connexions for it to be able to offer advice on a whole range of lifestyle issues as well as to be an expert on careers. We know that its performance was patchy.

The performance of careers provision in schools was also patchy. I think that one survey for Edge, which was carried out by YouGov, revealed that teachers knew less about apprenticeships than any other qualification, apart from the Welsh baccalaureate. I have nothing against the Welsh baccalaureate, Chair, but none the less that is a cause for concern. The case for change was a strong one.

Last year, as you know, we rolled out the adult careers service, Next Step, which was originally envisaged by the previous Government, and we put in place, for the first time, an adult service. What we are now talking about is a very significant transition to an all-age service. That ambition, as you said, Ian, has been widely welcomed.

Let me just say a word about the progress that we have made, Chair. Forgive me for the length of the answer, but it is an important subject, as I know you agree. First, there is an unprecedented level of co-operation within the careers profession itself to establish a well-set range of professional standards, training and consequent accreditation. That has been led by the taskforce and the alliance, and informed by the work of Dame Ruth Silver who, as you know, was commissioned to produce a report with a series of recommendations, which we very largely accepted.

**Q329 Chair:** Minister, there is a risk that your answer becomes so long that we think that you are flannelling in the face of a difficult question, which I know could not be further from the truth. Could I

bring you back to focusing on the service provided to young people, as opposed to the adult service, because that is what comes under the remit of this Committee, and that is what we're particularly concerned about?

**Mr Hayes:** With respect, Chair, the work that has been done on professionalising the service will apply to young people and adults. The work that I am describing—in terms of the supply side, as it were—will have a universal benefit for people at school, through to people upskilling and reskilling. So, on the supply side, there is substantial progress. I can report to the Committee that by the autumn those standards will be in place. The profession tells me that it is well on target and on stream to bring the fruit of that unprecedented level of co-operation to bear.

In terms of the demand side, if I can put it in those terms, I have, as you know, written to local authorities to remind them of their continuing statutory responsibility to encourage participation. I have also notified schools that they should, from September—anticipating their statutory duty, which will come into force next year—put in place arrangements to provide good, independent careers advice and guidance.

Now it is true that schools will interpret that responsibility in a way that is best suited to their own young people, but none the less it is a statutory responsibility and they should take it seriously. Let me say again to the Committee, because I think it will want this assurance, that I take the unequivocal view that a properly managed school—and don't forget that Ofsted will continue to look at management as a key element in judging whether a school is performing well or not—should have a management responsibility for all its statutory duties. That responsibility will include its new statutory duty in respect of advice and guidance. So, yes, it is a challenge and, yes, we are going through a big change, but I am absolutely confident that at the end of the process we will end up with a much better product than we have had before.

**Q330 Ian Mearns:** You have not really covered the issue of transition though, because we are losing careers advice professionals from the system now. You have referred to the responsibility of local authorities, but up and down the country local authorities are going through a terrible process of trying to rebalance their budgetary systems, and they have had the careers service put back on the map at the same time.

Will the Government take action against local authorities that they believe are failing in their statutory duty to encourage, enable or assist effective participation of young people in education or training? Young people have received independent advice and guidance. We do not want to go back to a situation that Malcolm Wicks described as being akin to pensions mis-selling, with careers advice returning to how it was in the 1980s and 1990s.

**Mr Hayes:** I have told local authorities that they have a statutory duty. The Government take statutory duties very seriously, as have previous Governments, and we will, of course, use necessary powers to ensure that they are fulfilled.

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**Q331 Chair:** Other countries—New Zealand and others, I think—have passed the provision of careers advice down to individual institutions. Is that right? However, in all previous instances, they have passed a budget to those schools with which to provide the supposedly impartial service. What is there to make us believe that the system will work in this case when no such budget is being passed to schools?

**Mr Hayes:** Two things. First, remember that schools already spend money on careers advice and guidance. They do so patchily—some schools do it rather well; many do not do it well enough. So, given that they now have a duty to secure independent advice, they will have to make a judgment about how they use the resource that they have already allocated to the provision of careers advice in a new and fresh way. Secondly, schools will be subject to the destination measures that Lord Hill has mentioned. It will be a

very unwise school that does not take seriously the relationship between the advice it gives its learners, and their subsequent progress and the destinations they reach, because the new level of scrutiny, which is born of a new kind of information, will bring those outcomes into sharp focus.

**Q332 Chair:** Do you have anything to add, Lord Hill?

**Lord Hill:** Solely on the budget point. Over time, the pupil premium is precisely the stream of funding that one could be putting towards the development of individual targeted support for some of the most disadvantaged children, which underlines and supports the point of putting that responsibility on the schools.

**Chair:** Thank you both very much for giving evidence to us this morning.

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# Written evidence

## Written evidence submitted by Association of Colleges

### 16–19 PARTICIPATION IN EDUCATION AND TRAINING

1. The Association of Colleges (AoC) represents and promotes the interests of Further Education, Sixth Form and Tertiary Colleges and their students. Colleges provide a rich mix of academic and vocational education. As independent, autonomous institutions established under the Further and Higher Education Act 1992, they have the freedom to innovate and respond flexibly to the needs of individuals, business and communities.

2. The following key facts illustrate Colleges' contribution to education and training in England:

- Every year Colleges educate and train three million people.
- 831,000 of these students are aged 16 to 18 compared with 423,000 in schools.
- 63,000 14 and 15 year olds study at a College.
- One-third of A-level students study at a College.
- 44% of those achieving a level 3 qualification by age 19 do so at a College.
- 69% of those receiving an Education Maintenance Allowance (EMA) study at a College.
- Colleges are centres of excellence and quality. The average A-level or equivalent point score for Sixth Form Colleges is 800.1, compared with 761.6 for school sixth forms. 96% of Colleges inspected in 2008–09 were judged satisfactory or better by Ofsted for the quality of their provision.

### SUMMARY

- The abolition of EMAs will make Raising the Participation Age (RPA) more difficult to achieve.
- Truly independent careers advice, affordable and accessible transport and a high quality vocational curriculum available from age 14 onwards are essential factors in RPA.

*What impact the Education Maintenance Allowance (EMA) has had on the participation, attendance, achievement and welfare of young people and how effective will be the Discretionary Learner Support Fund in replacing it*

3. EMAs were introduced by the Labour Government in 2004 as a measure to encourage more young people from low income families to stay in education post-16 and to ensure that they had enough money to choose where to study and to help with course-related costs.

4. The decision to implement a national system of EMAs was made in the 2002 Comprehensive Spending Review after pilot schemes which covered one-quarter of the country and independent research. The pilots tested various types of allowance but the national scheme had the following characteristics:

- Weekly payments of £10, £20 or £30 depending on family income:

Weekly EMA payment	Household income per annum	
	2004–05	2005–06 onwards
£30	Up to £19,630	Up to £20,817
£20	£19,631 to £24,030	£20,818 to £25,521
£10	£24,031 to £30,000	£25,522 to £30,810
Nil	Over £30,000	Over £30,810

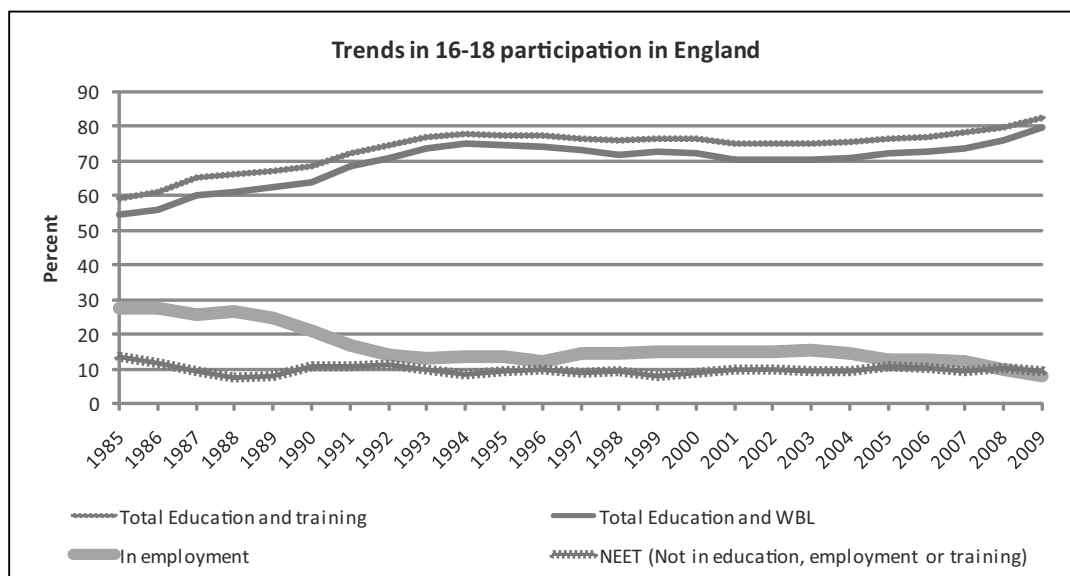
- Payment conditional on full attendance, reported each week by Colleges and schools to the payment body.
- Payment directly into the student's bank account.

5. There have been some changes to EMAs over the last six years but this essential structure has stayed in place.

6. The decision in the 2010 spending review to end EMAs in 2011 was made without any prior consultation and without looking at alternative ways to improve the scheme.

### ATTENDANCE

7. Participation in post-16 education was fairly static from the early 1990s until 2004, which coincides with the nationwide introduction of EMA.



8. Trends in 16–18 participation in education and training in England, 1985 to 2009 (DfE) Colleges report that EMA has been a considerable incentive in encouraging participation:

“EMA has had an overwhelmingly positive impact at Strode College. Retention of EMA students in 2008–09 and 2009–10 was 91%, which is 10% higher than for the college as a whole. To date in 2010–11 retention of EMA students is 97%. Attendance of EMA students is 3% better than the rest of the student body”.

9. Hugh Baird College, in Bootle, report that their success rates<sup>1</sup> and retention rates are 6% higher for their students in receipt of EMA..

#### ACHIEVEMENT AND ATTAINMENT

10. The CfBT report, *Should we end the EMA*,<sup>2</sup> found that attainment rates for young people receiving EMA rose by as much as 6% for males and 7.5% for females.

11. Colleges report similar results, for example Uxbridge College students in receipt of an EMA have a success rate of 94% compared to the College average of 86% and City College Plymouth report a success rate 11% higher for EMA recipients. An AoC survey of Colleges in the south west found that the average difference in success rates between those in receipt of EMA and those not was +8%.

12. Colleges believe that the reasons for this improved achievement are related in part to the conditional nature of the EMA, as students only received it when attending classes and, importantly, completing work to an agreed standard.

#### DIFFERENCE BETWEEN LEARNER SUPPORT FUND AND EMA

13. The rules which govern how Colleges and schools are able to use the Learner Support Fund (LSF)<sup>3</sup> are predicated on the existence of EMA:

*“Learners should exercise their eligibility to other forms of financial support before they pursue an application for dLS. For most learners the main other form of financial support will be Education Maintenance Allowance”.* (Paragraph 12, Discretionary Learner Support Fund Guidance, 2010–11)

14. The rules state that Colleges and schools are not permitted to use the fund:

- For fees, for access to college facilities or for enrolment fees imposed by the college;
- To replace support and benefit arrangements already provided for through national policy or legislation eg through welfare benefits;
- To provide support with childcare costs for learners aged 16–18 (see guidance on Care to Learn [www.direct.gov.uk/caretolearn](http://www.direct.gov.uk/caretolearn));
- To make a block contribution to Post-16 Transport Partnerships; and
- To routinely fund transport costs for learners aged 16–18, including any learners who have chosen not to attend an institution closer to their home address offering the same provision.

<sup>1</sup> Success rates are a combination of results and retention

<sup>2</sup> [http://www.cfbt.com/evidenceforeducation/pdf/1.EMA\\_v4\(FINAL\)W.pdf](http://www.cfbt.com/evidenceforeducation/pdf/1.EMA_v4(FINAL)W.pdf)

<sup>3</sup> [http://readingroom.ypla.gov.uk/ypla/final\\_discretionary\\_funding\\_guidance\\_and\\_requirements\\_2010-11\\_-\\_for\\_learners\\_aged\\_16-18.doc](http://readingroom.ypla.gov.uk/ypla/final_discretionary_funding_guidance_and_requirements_2010-11_-_for_learners_aged_16-18.doc)

15. These rules are no longer fit for purpose following abolition of EMAs, particularly in relation to transport.

16. It is important to note that the amount provided in LSF was reduced by two-thirds in 2004, following introduction of EMAs. The amount provided in 2010–11 is £26 million.<sup>4</sup> The amount of LSF provided to each College is considerably lower than that provided to students directly in EMAs.

17. Open days for potential students, making choices for September 2011, have been taking place since late 2010. Colleges have been unable to inform people of the financial support that will be available. There is an urgent need to know how much learner support they will be allocated in the next academic year and the rules which will govern their use. Colleges are particularly concerned about the impact of the sudden loss of EMA on students entering the second year of a two year course, and want action to retain these young people in education.

18. In visits to FE and Sixth Form Colleges the Advocate for Access to Education, Simon Hughes MP, has shown interest in particular funds which may be able to support certain areas of expenditure such as transport, course-related equipment and free lunches (which currently are unavailable to 16–18 students in Colleges unlike their counterparts in schools). AoC does not object in principle to particular funds being established for such purposes but it is difficult for us to make a judgement until we know how much will be left for the discretion of College principals. Hypothecation of funds for the listed purposes could have the consequence of “infantilising” young people whereas the introduction of EMA had helped young people manage their financial affairs.

*What preparations are necessary, for providers and local authorities, for the gradual raising of the participation age to 18 years and what is their current state of readiness*

19. AoC supported the Education and Skills Act 2008 which set in statute plans to raise the participation age (RPA). We welcomed the then Government’s commitment to ensuring that every young person should receive education or training whether they are in work or otherwise. However, we were clear that the policy could only be successful if five issues were addressed, and we review each of these factors below:

#### Independent advice and guidance

20. For RPA to be successful young people will need to have access to a wide range of learning opportunities and it will be crucial that careers education, information, advice and guidance (CEIAG) is wholly impartial. Currently there are gaps in the advice given to school pupils with some schools not ensuring that all pupils know about vocational and academic courses available elsewhere.

21. AoC is pleased to see that there is provision in the Education Bill for a new responsibility to be placed on schools to secure independent CEIAG. However, given the powerful financial incentives for schools to retain their pupils, we have concerns over how this new duty will be monitored. In our response to the Education Bill we have recommended that Government formally review the effectiveness of the new duty after three years.

22. Whilst supportive of the principle of an All Age Careers Service, we are concerned both that the funding has yet to be announced; and by the impact of cuts to local Government spending including the demise of the Connexions service. In order to support RPA alternative paths to work and work with training will need to be explained to young people, and we think that the AACCS should prioritise these young people for face to face interviews rather than relying on on-line support.

#### High quality education and training

23. We think it is important to be clear to young people coming through the school system now that raising the participation age does not necessarily mean staying on at school, and neither does it mean staying in full-time education. An important part of RPA policy will be to ensure that a range of options are available including both academic and vocational qualifications, delivered in the workplace.

24. Young people learn best when they are empowered and have choices. Evidence shows that large numbers of young people start to disengage from school early in their secondary education. We believe that there should be an option for all young people at age 14 to go to College either part-time or full-time. Whatever route a young person takes it should include mathematics, English and science in order to enhance future participation and/or employment, and that giving young people the opportunity to study a high-quality vocational route may be more appealing and more relevant to many than the traditional GCSE and A-level route.

25. The capability and capacity of schools to deliver high quality vocational qualifications is often limited. AoC agrees with the Secretary of State<sup>5</sup> that the rapid expansion in schools of sometimes poorly delivered lower level vocational qualifications has, in the eyes of many, devalued vocational qualifications in general. Vocational education should be taught by teachers who are properly qualified and have the necessary vocational experience and specialist equipment, laboratories and workshops should be available.

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<sup>4</sup> House of Commons Written Answer, 17 November 2010, Col. 801W

<sup>5</sup> Speech by Rt Hon Michael Gove MP, 9 September 2010.



26. Colleges provide education to 59,500 14–16 year olds part-time and 3,500 full-time. The majority of these young people study vocational qualifications while at College. Despite the acknowledged success of this provision the future is uncertain because funding to schools has been reduced and<sup>6</sup> there have been significant reductions in the numbers of young people being offered the opportunity. Colleges have no direct access to funding for 14 and 15 year olds, and neither are the students on the College roll. We hope that the proposal for Alternative Provision Free Schools, included in the Education Bill, may provide a solution to this. Around 50% of 16 year olds leave school without achieving five GCSEs at A\*-C including mathematics and English. Colleges undertake considerable remedial work in equipping 16–18 year olds with the basic skills they need for employment or higher education. We therefore support efforts to raise attainment in schools, but are concerned that the English Baccalaureate may impact on vocational qualifications available to young people.

27. AoC supports the principles underpinning the Qualifications and Credit Framework (QCF) but we have concerns about the way it is being implemented and the role given to Sector Skills Councils (SSCs) in the accreditation and “approval for funding” processes particularly in relation to 16–18 year olds. In some sectors, new QCF qualifications have been developed which leave no full-time route for young people who may, for example, be seeking a vocational qualification at level 2 and gaining skills for future employment. This is a particular issue in the allied building occupations and must be addressed as a matter of urgency or there is a very real risk that many young people who enrol each year on these full-time routes will have no College-based route, and may otherwise not participate post-16.

28. Current policy encourages the diversification of provision with increasing numbers of academies, University Technical Colleges (UTCs), free schools and studio schools. The Education Bill will allow, for the first time, the establishment of academies solely for 16–19 year olds. This development should draw on the experience of Colleges. It is worth noting that there are already 352 FE and Sixth Form Colleges and 1755 school sixth forms. Evidence<sup>7</sup> shows that small school sixth forms provide fewer A-levels and are of lower quality than larger providers.

#### The right financial support

29. Ministers have claimed<sup>8</sup> that RPA means that EMA is no longer required because instead there will be a legal requirement to stay on. We have shown in the answer to the first part of this Inquiry that their loss will be keenly felt. It will be essential that as large a resource as possible is allocated to the Discretionary Learner Support Fund and that Colleges are given as much flexibility as possible in its distribution.

30. In addition to the loss of EMA, the loss of enrichment funding along with other pressure on Colleges’ overall income will mean that many of the tutorial and wider support activities, which helped to support particularly the more disadvantaged young people, are now under threat.

#### Transport

31. It is evident<sup>9</sup> that affordable and accessible transport is unavailable for young people. In addition, the recent cuts to local Government funding means existing provision is being cut. It is essential that all young people should have equal access to a full range of education and training opportunities and transport is often a key factor.

#### Registration/data collection

32. Local authorities have responsibility for ensuring young people participate in education and training up to 18. Current policy supports the development of different types of educational institutions which lie outside local authority control. We question whether local authorities will be able to ensure participation of all young people. Secondly, as the penalties for failing to participate have been postponed, it is unclear how local authorities will be able to ensure participation in education and/or training.

33. In 2008 our written evidence to the Bill Committee considering the Education and Skills Bill stated that: “The Bill places duties on local authorities to “promote the effective participation in education or training of persons belonging to its area” and identify those young people who should be participating but are not. The intention is that local authorities will maintain and improve the existing Connexions Caseload Information Systems (CCIS) database. AoC is not satisfied that this database is fit for purpose and believes it will need significant improvement in advance of 2015 to ensure local authorities are able to enforce the new duty effectively”.

34. In view of the significant reductions in local government funding we fear that councils may not have the money to fulfil these new duties.

<sup>6</sup> HM Chief Inspector of Ofsted Annual Report, 2009–10, Paragraph 525.

<sup>7</sup> AoC Diploma Survey, October 2009, available at [www.aoc.co.uk](http://www.aoc.co.uk)

<sup>8</sup> Spending Review statement from the Chancellor of the Exchequer, Hansard, 20 Oct 2010: Column 964.

<sup>9</sup> AoC Transport Survey, December 2010, available at [www.aoc.co.uk](http://www.aoc.co.uk)

*What impact raising the participation age will have on areas such as academic achievement, access to vocational education and training, student attendance and behaviour, and alternative provision*

#### Access to vocational education and training

35. As stated above, for RPA to succeed it is important that there is sufficient choice of education and training opportunities for young people supported by impartial advice.

36. Colleges should continue to be able to use their expertise and resources to support delivery of vocational education in their locality. We are pleased that Colleges are involved in UTCs and Studio Schools.

37. For RPA to work there will need to be sufficient part-time training places for those in employment. Some employers will be able to provide these, as will Colleges, although, they face significant obstacles as a result of the operation of the post-16 funding formula. There will be a requirement on employers to release young people for training, or to provide training in the workplace although incentives may be required.

#### Student attendance and behaviour

38. Colleges are currently in the “post-compulsory sector” and having young people compulsorily attending College, even if only for one day per week, will change the nature of the College/student relationship. RPA could lead to feelings of disempowerment for young people therefore it will be important that Colleges are able to provide a wide range of options.

39. As highlighted elsewhere in this submission, we believe that the causes of current levels of disengagement need to be addressed or RPA will simply compound existing problems. Levels of participation vary by region and resources need to be directed to those areas with the largest numbers still to engage.

#### Academic achievement

40. School and College success is measured differently, and the Government has promised that by 2015 school success rates will be measured in the same way as those in further education (ie they will include retention, rather than simply being a measure of achievement which produces more favourable results). This is important because Colleges success rates impact on funding, and also on inspection judgements. However, the way they are currently measured will not be helpful for the harder to engage client group being targeted for RPA. Any calculation of achievement for this group needs to allow for breaks in learning, credit achievement and have realistic minimum levels of performance. We would strongly encourage Ministers and officials to engage Colleges in developing solutions to measuring achievement that encourage Colleges to recruit the hardest to help students, recognise the advantages of QCF and enable mixed programmes of work and training/study to take place over extended periods.

25 March 2011

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### Written evidence submitted by Easton College, Norfolk

#### BACKGROUND

1. Easton College is a specialist landbased and sport institution located some 7.5 miles from Norwich. The catchment area for the college covers all of Norfolk and to a lesser extent Suffolk, Cambridgeshire and North Essex for some students studying specialist programmes. The catchment area has few large centres of population but mostly has a widely dispersed rural population often with low average income and qualification levels.

2. Participation post 16 has been a long term issue although the latest data suggest Norfolk is now at the national average and participation in further study at higher education level is amongst the lowest in England.

3. The college has 122 beds of residential accommodation with around 95 of these beds being used by students under the age of 18 and has a total of 14 bus routes bringing students substantial distances to attend the college.

4. Learners living in remote rural areas are very dependent on transport or residential bursary support to access an appropriate range of provision. The transport costs of these learners are often but not always supported by local authorities and dependant on geographical sparsity the impact of these differing policies can vary substantially.

5. Local Authorities currently have a duty to identify what is required to enable students to access the education and training of their choice and to ensure appropriate provision is made, however this does not extend to a duty to fund the necessary transport provision. We understand that the statutory guidance to Local Authorities regarding post 16 transport is currently under review by the Department for Education.

6. In Norfolk the local authority has determined that it will continue to financially support post 16 home to college transport for 16–19 year olds but from 2012–13 a £1 million saving in the costs of the scheme will be required.

7. Many learners rely on their Educational Maintenance Allowance to fund their travel costs.

8. Residential bursaries for 16–19 and 19+ learners are available on a means tested basis for learners where daily travel would be impractical. This funding is made available by the Young Peoples Learning Agency (YPLA) and Skills Funding Agency (SFA). This support is again critical in areas with widely and sparsely dispersed populations it is also critical for more specialist subject areas where often the provision is only available on a regional and sometimes national basis.

#### THE ISSUES

9. Transport support as an area of discretionary expenditure for local authorities has been under significant pressure for some time and with the current budget cuts the expectation in colleges is that this will be a target for cost savings. Already there is a wide disparity between what local authorities provide ranging from free travel to no subsidy for home to college transport. This however is only part of the picture, many students travel at their own expense using other rural bus services, or in some cases to access the college a combination of public bus services and dedicated home to college transport is used. The impact on the more geographically dispersed rural areas of a lack of funding support for rural transport generally and home to college transport specifically, coupled with the low average wage economies operating in some of these areas and high fuel costs in more remote rural areas have the potential to create a dramatic impact on participation.

10. Residential bursaries are funded by the Young Peoples Learning Agency and Skills Funding Agency for 16–18 and 19+ respectively. They support a relatively small number of learners and therefore reductions could be seen as having little impact; however the impact on individuals, specific subject areas and certain colleges could be very severe if this support is not provided effectively through the new proposed Learner Support Fund.

11. Colleges have already been expected to make efficiency savings in the current academic year and will see a higher level of unit funding reduction over the next four years covered by the CSR. College's ability to fund shortfalls in local authority 16–19 transport will be severely reduced over this time period.

12. One of the oft cited solutions to the transport cost and availability issues is to take learning to the student either through local delivery centres or via Open Learning approaches. The latter approach does not work well with many 16–18 year olds who need more social contact and support and the former is often disproportionately expensive due to small group sizes and limited utilisation of facilities. In sparsely populated rural areas this would not provide a solution as most students would still be required to travel. There is a further implication of forcing individuals to study in the immediate locality by lack of realistic transport opportunity and that will be the impact on more specialist and or technical subject/industry areas. The capital and revenue costs of dealing with this type of provision effectively forces it to be delivered for a larger catchment and the implications for industries such as agriculture or engineering could be severe if the current routes for recruitment are lost.

#### THE IMPACT

##### 13. *On learners*

14. Learners from more remote rural areas will have less choice and in some cases this will lead to an increase in NEET levels. In many rural areas there has been a pernicious problem with lack of aspiration over many years partly due to the young person's perception of there not being a range of job opportunities available in their immediate geographical location and training/education opportunities not being realistically available to them due to a lack of access.

15. In more recent years through a concerted approach of 14–16 vocational learning whilst at school and more effective approaches to rural transport we have increased participation and progression substantially, however there has been a sharp reduction of the uptake from schools for this work in the current year, in our view predominantly driven by school budgetary pressures including the cost of transport from more remote rural areas.

16. Currently individual learners are contributing half of the costs of this transport in Norfolk (£398 per annum) with the proposed budget reductions this could increase to over £780 per annum and at the same time many would lose their entitlement to an Educational Maintenance Allowance.

17. The impact will be exacerbated for those on low incomes as they have been able to get additional support with transport costs (the current contribution rate is halved to £179 for those on low incomes) and or residential bursaries coupled with the fact these families are least likely to be able to provide alternative transport. Learners with Learning Difficulties or Disabilities could be the most severely affected as they currently pay the same contribution rates as any other student (outlined above) but the full unsubsidised cost in Norfolk for these learners would be circa £3,000 per annum per student.

18. Learners wishing to study more specialist areas will either be precluded from doing so due to travel constraints unless they live local to provision or will be financially penalised for so doing. This will create a further perverse impact in terms of subjects like agriculture where there are substantial skills shortages but for many reasons (but predominantly financial) there are limited locations for study particularly at level 3 and beyond.

19. There is likely to be a further impact on individuals as many of the operators of rural bus routes depend on the post 16 funding to make the route viable. Withdrawal of post 16 transport funding is likely to lead to the closure of many of these routes, this effect will be exacerbated by more general reductions in rural transport funding which will lead to a further reduction in the opportunity for fee paying students to access training and a wider loss of rural public transport.

20. *On institutions/providers*

21. We believe the impact of very significant reductions in post 16 transport and bursary funding could be catastrophic for some providers. The scale of the impact will depend on a number of circumstances:

- The nature of the catchment areas, the more rural and geographically dispersed the more significant the impact.
- The location of the college, more rurally located and or in more sparsely populated areas the more the impact.
- The more specialist the college, the larger the catchment covered and consequently a disproportionate impact.

22. The potential impact on institutions is extremely serious, funding follows learners and therefore if large numbers of learners are unable (or perceive they are unable) to attend college then this funding will be lost. In some cases large numbers of learners could be lost and these losses are likely to be spread across the institution rather than focussed on specific courses. This impact will increase the cost per remaining learner and limit an individual college's ability to recover the cost of its overheads, this is likely to destabilise the often smaller institutions serving rural areas and specialist colleges. These impacts clearly further impact on an institutions ability to fund an increasing share of any transport budget shortfall. They also place at risk the more specialist (but often strategically important) provision which often is both high cost and with low volumes of learners in any geographical area.

23. *Summary*

24. The importance of this financial support is critical in terms of ensuring young people in rural areas are not subject to discrimination based on where they live.

25. Learners will have less choice and not being able to attend colleges could substantially challenge the government's ambition for full participation in full time education or training to age 18 by 2015. Individual learners' career choices will be affected as a result and this could have very specific negative issues in terms of recruitment to more technical and or specialised industries. Some of these industries are already experiencing acute skills shortages at skills levels 3+.

26. The loss of Educational Maintenance Allowances will further reduce the capacity of individuals to fund their own travel costs and we would expect this to have a further impact on numbers recruited and retained.

27. The impact of a loss of transport funding and the consequential loss of learners could have catastrophic impacts on colleges with very rural dispersed populations and this would be further exacerbated in specialist landbased colleges.

28. The impact of cuts in transport or residential bursary allocations is likely to destabilise many specialist institutions causing a sufficiency and adequacy issue and further exacerbating skills shortages in areas such as agriculture and agricultural engineering.

29. Colleges are also expecting cuts in their funding for adult learners (over age 19) of circa 25% and significant but not yet quantified cuts in funding for 16–19 year olds. These reductions coupled with the potential loss of funding support for transport and residential bursaries are the recipe for a "perfect storm" with colleges having little ability to mitigate the impacts to the combined impacts.

30. *Case Study: Impact on Easton College, Norfolk*

31. Easton College is a specialist landbased, sport and public services college with around 4,000 students in total of which circa 1,000 are 16–19 full time, 100 19+ full time, 140 higher education, 600 14–16 school students attending one day per week from over 40 high schools. Around 120 students have significant learning or physical disabilities. The college has up to 122 students in halls of residence with further adult students in houses on the college estate; around 95 of the resident students are under the age of 18. 544 students receive travel passes and travel daily from a large catchment.

32. In the current academic year some £1,860,157 of FE funding generated for predominantly full time students receiving travel support would be lost if they did not attend. Most of these learners would be under the age of 25. Further funding would also be lost for students travelling daily using the dedicated bus services but not in receipt of travel support.

33. The approximate cost of providing transport for students to the college is in excess of £700 per annum per learner. Learners contribute (£358 per academic year full rate £179 for those on low incomes) Students with special needs who are not yet able to use public transport (a key part of their training is to complete the TITAN to develop their ability to travel on public transport) cost approx £3,000 per learner per annum and are subject to the same student contribution as any other learner. The college will contribute £100,000 to the costs

of these student transport costs this academic year to provide specific routes to more remote rural areas with lower post 16 participation rates.

34. Currently (21 October 2010) 52 students out of 108 full time students in residence are in receipt of residential bursary with some 63% of these learners receiving support at the higher level due to low levels of family income.

35. Residential bursary allocations are as follows: 16–18 YPLA £86,370 19+ SFA £58,458.

36. *Sensitivity analysis*

37. The following analysis provides an indication of the impact on the college at different levels of loss of learner numbers and related teaching funding as a result of a potential withdrawal of funding for transport and residential bursaries:

<i>Reduction due to:</i>	<i>Original Budget £'000</i>	<i>@100% reduction in learner numbers £'000</i>	<i>@75% reduction in learner numbers £'000</i>	<i>@50% reduction in learner numbers £'000</i>	<i>@25% reduction in learner numbers £'000</i>
Transport		(1,860)	(1,395)	(930)	(465)
Residential bursary		(223)	(167)	(111)	(56)
Total		(2,083)	(1,562)	(1,041)	(521)
Impact on overall college financial status					
Income	12,538	10,455	10,976	11,497	12,017
Expenditure	(12,512)	(12,412)*	(12,412)*	(12,412)*	(12,412)*
Surplus/Deficit	26	(1,957)	(1,436)	(915)	(395)
Impact of further "FE" funding reductions					
16–19					
Assumes 7% reduction#	5,894	(413)	(413)	(413)	(413)
19+					
Assumes 25% reduction in funding#	804	(201)	(201)	(201)	(201)
Impact on whole college surplus/ (deficit)		(2,571)	(2,050)	(1,529)	(1,009)

38. All at 2010–11 prices \*Assumes a £100k saving in college transport cost contribution # Assumes no change in rates applying to any apprenticeship provision.

25 March 2011

### Written evidence submitted by Centrepoint

#### SUMMARY

- Centrepoint is extremely concerned about the scrapping of EMAs as they have successfully supported homeless young people to access further education.
- It is important that the new system takes account of the needs of young people living independently.
- For these young people, support should come in the form of a direct, regular allowance, which does not affect other benefits entitlements and is transportable between different courses.
- If the raising of the participation age is to be successful, flexible learning opportunities must be made available in all localities, taking account of the additional challenges that homeless young people face.
- These options should not be restricted by rigid start dates and should represent the full breadth of young people's interests and needs.
- They should also include opportunities that are linked to paid employment, such as apprenticeships.

#### INTRODUCTION

1. Centrepoint is the leading national charity working with homeless young people aged 16 to 25. Established 40 years ago, we provide accommodation and support to help homeless young people get their lives back on track. We work with around 800 young people a day and have over 30 services across London and the North East. Young people can stay at Centrepoint for up to two years, during which time they receive intensive

support to help them develop the skills they need to live independently. To meet the broad range of young people's needs, our accommodation services are supported by specialist in-house learning and health teams. The Centrepoint Parliament is made up of young people we support, who are elected by their peers to represent the views of young people to both Centrepoint management and policymakers.

2. Homeless young people are disproportionately likely to be not in education, employment or training (NEET). Two-thirds (65%) of young people who come to Centrepoint are NEET<sup>10</sup> compared to only around one in seven (15%) of the general population of young people.<sup>11</sup>

3. Many homeless young people have additional support needs, which make it harder to access traditional learning opportunities. A third of young people at Centrepoint (33%) present with symptoms of a mental health problems and over a quarter (28%) are known or suspected to use illegal drugs.<sup>12</sup> Disruption of their education due to crises during their childhood and adolescence can leave them with a lack of basic skills. One in six (16%) young people at Centrepoint display a lack of basic literacy compared to only one in 15 (6%) of all young people who left school without a basic level of reading and writing skills.<sup>13</sup> Over a quarter (27%) also have English as a second language, making it harder for them to engage with mainstream services.

4. Education Maintenance Allowances (EMAs) have been a vital lifeline for many homeless young people who want to pursue education as most are unable to rely on their families for support. We are concerned that a discretionary system may not provide the same level of support as young people will not be able to make informed choices about whether to continue in education as they cannot guarantee the same level of financial security. For the raising of the participation age to be successful, it is vital that appropriate financial support is put in place for the most disadvantaged. There must also be appropriate, flexible provision in place that takes into account the additional needs and challenges facing homeless young people.

*What impact the Education Maintenance Allowance has had on the participation, attendance, achievement and welfare of young people?*

5. Young people at Centrepoint are eager to develop their skills and gain qualifications that will help them find sustainable work. However, most receive no financial support from their families and rely on Income Support to meet their basic living costs, and on Education Maintenance Allowances (EMAs) to make further education a viable option.

6. Young people who have to leave home, and are confirmed as "estranged" from their parents or carers, were eligible for the maximum EMA of £30. Given that the majority of the 16–19 year olds Centrepoint supports receive only Income Support, the regular EMA really did make the difference as to whether they took up a college or training course, and more importantly were able to remain on it for its duration.

7. Particularly in London, the high cost of living means that there is not enough money in their budgets to pay for costs associated with education such as travel, supplies for their course and lunch costs. If they only have £51.85 a week Income Support to live on they are unlikely to be able to meet their costs as shown by the weekly budget of one young woman supported by Centrepoint:

<i>Incomings:</i>	
Income support	£51.85
<i>Outgoings:</i>	
Gas	£10
Electric	£10
Water	£5.80
TV licence	£5.60
Travel (including 16–17s discount)	£16.10
Food	£10
Phone	£2.50
<b>Net total</b>	<b>–£8.15</b>

8. This does not include less regular costs like stationery, books, equipment, and appropriate clothes for their course. EMA previously paid for young people's travel (which is what pushes them into the red without EMA) and helped young people save for these items. As you will note, the expenditure on food is extremely low, as many young people simply do not eat lunch as they cannot afford it. The additional money provided for EMA has also been used by young people to have lunch at college.

9. Furthermore, some young people's weekly financial situation can be even worse if they are in debt and therefore have to factor in repayments. The reality of their situation means that many young people build up utilities or rent arrears, for example, following problems with their housing benefit claim. They can also get into credit or store card debt after needing credit to buy even basic items such as clothing. Some young people

<sup>10</sup> Centrepoint statistics 2008/9

<sup>11</sup> Department for Education, *NEET Statistics—Quarterly Brief*, May 2010

<sup>12</sup> Centrepoint, *The changing face of youth homelessness: A Discussion Paper*, July 2010

<sup>13</sup> This is based on the proportion of young people leaving school in 2006–7 who did not achieve Level 1 English (GCSE grade D-G). House of Commons Public Accounts Committee, *Skills for Life: Progress in Improving Adult Literacy and Numeracy*.

are expected to pay as much as £25 a week in repayments. This significantly impacts on their ability to engage in education as they struggle to make ends meet and feel compelled to try and find work rather than pursue education.

*How effective will the Discretionary Learner Support Fund be in replacing EMAs?*

10. Given the much reduced funding available through the Discretionary Learner Support Fund compared to the previous EMA budget, it is crucial that the money is focused on those most in need.

11. In order to be effective, homeless young people at Centrepont are clear that an enhanced Discretionary Learner Support Fund must take account of the following three key issues:

- **Direct, regular allowance**
- One of the key benefits of EMAs was that young people were guaranteed a weekly allowance and so were able to plan and budget according to their particular study and personal needs. Receiving regular direct payments was an effective way of supporting independent living and developing financial knowledge.
- **Interaction between benefits and discretionary learner support**
- Under the EMA system, the receipt of the allowance did not affect the level of benefits 16–19 years olds were able to access. It is unclear how the expanded discretionary learning support scheme will be treated in relation to benefit entitlement, but Centrepont believes that any additional support from the scheme should not affect young people's other benefits.
- **Resettlement**
- Homeless young people often have to move accommodation. Under EMAs they could transfer to another education or training provider without losing their entitlement. If the new discretionary system is going to work for homeless young people, it is crucial that guarantees are made that commitments made by individual colleges are honoured by the new provider for the duration of the course to help young people continue their studies despite upheaval in their living situation.

12. The issue of resettlement is perhaps the largest barrier to homeless young people participating successfully in 16–19 education and training. They are often forced to move a number of times within a short period, sometimes over considerable distances, which makes it difficult to commit to a course based at a single educational institution. We are therefore concerned at suggestions that financial support will be administered through educational institutions, as this will disadvantage those who are forced to move around, for example if sofa surfing with a series of different relatives and friends, or being moved between different temporary accommodation units.

*What preparations are necessary, for providers and local authorities, for the gradual raising of the participation age to 18 years?*

13. If vulnerable young people, such as the young people Centrepont supports, are required to participate in education or training until they are 18, it is vital that flexible provision is in place. Sadly Centrepont's experience shows that such flexible services are not available in all areas.

14. For example, it continues to be difficult to access educational courses mid-year as most further education institutions stick to traditional September start dates. If courses are disrupted by crises or upheaval, young people often have to wait months before they can continue with their learning. When they are ready, education can play an important part in helping young people to get back on their feet, so it is important that provision is available as and when young people are ready to engage. Local authorities must ensure courses can be accessed throughout the year, to facilitate participation in education and training at a time and place that is suitable for each individual. Centrepont's experience has shown that shorter, more modular courses which fit around the individual can work more effectively for homeless young people.

15. It is important that young people have access to more flexible, individualised opportunities. Not all young people with housing difficulties can access or cope with a formal learning environment. Poor past experiences of education can lead young people to disengage and lose confidence in their ability to successfully pursue education. Such young people must therefore not be forced into similar settings—innovation is necessary. E-learning courses can be an alternative to a formal classroom environment.

16. It is important that local authorities commission a varied portfolio of courses by talking to local young people about what they want. Provision should include both academic and vocational courses, at a range of levels, as well as specialist courses such as English for Speakers of Other Languages (ESOL).

17. Success of the raising of the participation age will be dependent on the provision of good quality information, advice and guidance (IAG) to help homeless young people navigate and access appropriate provision and financial support. However, young people do not always receive the advice and support they need. Many advice services are available only through schools, meaning that those who drop out fail to access them. It is therefore crucial that advice can be accessed through other routes. Connexions has been a useful source of advice for some 13–19s, particularly in linking them in with other services which they may need to

address their wider problems. But some young people still fall through the net, and the age limit on these services can leave older young people without the support they need.

18. Commissioning IAG in places that young people already access services, e.g. youth homelessness organisations and youth centres, will help to increase take-up. It may be helpful to link vulnerable young people up with a personal advisor to ensure that they have a consistent source of support not linked to any one educational institution. Local authorities could consider partnership with specialist organisations such as Centrepoint to provide this kind of support as they will also have the expertise to help young people address any support needs that are preventing them from accessing education.

19. It is vital that an effective system of financial support is put in place before the staged rises in participation age in 2013 and 2015. Many young people are simply not in a viable financial position to pursue education without additional assistance, so if they are going to become legally required to attend, this must be coupled with appropriate support. We therefore encourage the Government to make sure that the system that replaces EMAs takes into account the issues raised in paragraphs 5–12 so young people are in a financial position to continue to participate.

20. Given the financial hardship which some young people have faced, many are desperate to move into work as soon as possible. Apprenticeships and other schemes which link education to paid employment will therefore be essential. We are encouraged at additional funding allocated to apprenticeships by the government. However, it will be vital to work with employers to ensure that some of these opportunities are made available to those with poor qualifications. Unfortunately, Centrepoint's experience has shown that the better-paid opportunities are only available to those with qualifications out of reach of many of the young people we support.

*What impact will raising the participation age have?*

21. Given the reduction in FE funding for older groups, it is even more important that young people achieve basic qualifications at a young age. Raising the participation age could therefore help to encourage young people to pursue these goals, but the effectiveness of change will depend largely on the provision and financial support put in place. Local authorities may find it helpful to utilise the specialist expertise of youth homelessness and advice organisations to ensure that vulnerable young people's additional needs are understood and met.

22. To have greatest impact, provision for 16–19s should be linked to training and employment opportunities post 19. Progress may not follow a linear path, and as education is often delayed due to crises in a young person's past, additional support is often required into their twenties. For example, homelessness can prevent young people from gaining GCSEs and A levels at the same time as their peers, but they may be ready to work towards these qualifications at a later date. When planning provision for this older group, it will also be important to ensure there is sufficient financial support in place, as young people who are doing well in education can otherwise be forced to abandon their education when they turn 20 because they cannot afford to support themselves and pay for housing. Investing in young people's education now will help them to better support themselves in future and reap savings for the public purse in the long-term.

## CONCLUSION

23. The raising of the participation age presents a valuable opportunity for young people, but it is vital that suitable, flexible provision is in place if it is to improve young people's outcomes in the long-term. There must also be sufficient financial support put in place to ensure that young people can afford to fulfil their responsibilities to participate. EMAs have been a vital lifeline for homeless young people; the replacement system must take account of the situation of those who live independently.

25 March 2011

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### Written evidence submitted by Department for Education

1. We know that attainment at 16 is by far the strongest factor in predicting future participation in learning, which in turn supports higher levels of attainment. So a strategy for increasing participation post-16 that started at 16 and focused exclusively on 16–18 year olds would be both starting far too late and taking fundamentally the wrong approach. To increase the proportion of young people participating in learning post-16 we really need to improve attainment at 16 and increase the proportion of young people who arrive at 16 in the best position to continue their learning after that and achieve at the next level.

2. That is why our strategy for increasing participation post-16 rests on our programme of schools reforms. These will improve the quality of teaching, give school leaders the freedom to provide the best possible education for the pupils in their school, and ensure that all young people acquire an essential core of subject knowledge, driving up standards of attainment at 16 and ensuring that every young person gets to age 16 well equipped for further learning and work. Our strategy also focuses on early intervention and prevention, to make sure that those at risk of falling through the gaps are identified and caught, at every stage starting from the



very earliest years, and potential problems are identified and addressed before they can develop and become barriers to participation.

3. This memorandum to the Education Select Committee sets out: the current position and why improving it matters; our strategy to increase attainment and prepare all young people to progress; our approach to early intervention to prevent problems developing; our approach to the 16–18 phase; and the support we are providing to help the system prepare for increased participation.

*We know that participation post-16 matters, and at the moment too many are not participating*

4. Increasing participation in high quality and worthwhile education and training post-16 is of benefit to individuals, the economy and wider society.

5. There is a clear link between increasing participation and increasing attainment. Being in education or training means that young people achieve more, and as a consequence earn more, improving their own prospects and contributing more to the economy. The employment rate of those who have achieved Level 2 is twice that of those who have not,<sup>14</sup> and people with five or more GCSEs at A\*–C earn on average around 9–11% more than those without.<sup>15</sup> Similarly those who achieve a Level 3 Apprenticeship earn on average around 18% more than those qualified to Level 2, and the estimated lifetime productivity gain associated with two or more A levels compared with five GCSEs (including maths and English) is around £80,000 in 2008 prices.

6. At each stage of their education, our most disadvantaged young people are less likely to attain, and they have lower rates of participation in education or training post-16. At age 18, 29% of young people who had claimed free school meals were NEET, compared to 13% of those who had not, and those who are NEET are likely to remain so for longer.<sup>16</sup> So increasing participation overall means in particular increasing participation amongst those from disadvantaged backgrounds, helping to increase social mobility and to narrow gaps in attainment.

7. Being NEET between the ages of 16 and 18 is associated with a range of potential problems later in life, such as increased likelihood of being unemployed and of becoming involved with drugs, crime and anti-social behaviour.<sup>17</sup> Increasing participation therefore reduces the risk of young people experiencing these kinds of negative outcomes, that are so harmful both to themselves and to society.

8. So we know that, for all these reasons, participation in education and training post-16 matters. By the end of 2009, 78.8% of 16–18 year olds were in education or work-based learning—93.6% of 16 year olds and 85.1% of 17 year olds. But still far too many young people are NEET—190,600 16–18 year olds.<sup>18</sup> This is far too many by our own standards, of course, given the negative consequences for individuals of spending time NEET at age 16–18, but it is also far too many by international standards. The latest OECD figures show that, at the time of the survey (2008), the UK ranked 27th out of 30 countries on participation at age 17 (with only Turkey, Mexico and New Zealand having lower rates), and was 10 percentage points below the OECD average for age 17 participation.<sup>19</sup>

9. This means that there are too many young people who have been badly let down by the system—who have not had their literacy and numeracy problems addressed properly and early enough, who have not received a good grounding in the core curriculum preparing them to progress on to further learning, or who may have been put onto courses that were more in an institution's interests than their own.

*We are creating a schools system that will put every young person in the best possible position to continue their learning...*

10. The single most important thing we can do to drive up participation post 16 is to reform the schools system so that all young people attain the best they can at 16. In the White Paper *The Importance of Teaching*, we set out a clear programme of reform that will help to raise standards for all young people so that by the age of 16 they are well equipped to go on to positive participation in education or training and on into work.

11. Early literacy is crucial to give children a solid base to be able to access and succeed in the whole curriculum as they go through school. It also helps to develop a love of reading at an early age, both for development and for pleasure. Being able to decode words using phonics is the fundamental building block of being able to read effectively and there is a large body of evidence showing that the systematic teaching of phonics within a broad curriculum enables all children, including those at risk of failure, to make better progress in reading accuracy. In the Schools White Paper, we committed to provide funding to schools to support the

<sup>14</sup> A Cost-Benefit Analysis of Apprenticeships and Other Vocational Qualifications (McIntosh, S. DfES Research Report 834 2007)

<sup>15</sup> *The returns to qualifications in England: updating the evidence base on level 2 and level 3 qualifications* (Jenkins A, Greenwood C & Vignoles A Centre for the Economics of Education (2007).

<sup>16</sup> *Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and Experiences of 18 year olds* (DfE 2010).

<sup>17</sup> British Birth Cohort in *Bridging the Gap: New opportunities for 16–18 year olds not in education, employment or training* (1999).

<sup>18</sup> DfE: NEET Statistics—Quarterly Brief—Quarter 4 2010 (<http://www.education.gov.uk/rsgateway/DB/STR/d000987/index.shtml>)

<sup>19</sup> *Education at a Glance* (OECD 2010) Table C1.3.

teaching of systematic synthetic phonics in primary schools and we are also working with primary Initial Teacher Training providers to ensure that new teachers are confident in this approach.

12. We want to give more power to professionals and parents, whom we trust to raise standards. Increasing the number of Academies and introducing new Free Schools will provide heads and teachers with the freedom and flexibility they need to meet young people's needs. We want to ensure that all young people have a broad education and a firm grip of the basics that will stand them in good stead for further education and work, which is why we have announced a review of the National Curriculum.

13. Schools have a vital role to play in helping prepare pupils for the choices they will need to make about future learning and career choices. This is about raising aspirations and ensuring that options are not closed off too early. Until recently, the incentives on schools created a temptation to do the opposite, because there was no cost to them in performance table terms of labelling pupils as "non-academic", rather than ensure as many as possible pursue a broad curriculum with a strong academic core to age 16. In her recent report on vocational education, Professor Alison Wolf notes that "the perverse incentives created by performance measures combined with indiscriminate 'equivalencies' have resulted in large amounts of sub-standard education, in which many young people took courses that were in no sense truly 'vocational' or useful". She recommends that the Department distinguish between those qualifications, both vocational and academic, that can contribute to performance indicators at Key Stage 4, and that non-GCSE/iGCSE qualifications from that list should make a limited contribution to an individual student's score on performance measures, safeguarding pupils' access to a common general core as a basis for progression.

14. That is why we are reforming the system of incentives and accountability on schools. The current performance tables treat all qualifications as equivalent when they manifestly are not, both in terms of rigour and in terms of their currency with HE or employers. The creation of the English Baccalaureate—good GCSEs in English, maths, two science subjects, history or geography and a language—will ensure that more young people receive a broad education across a core of key subjects, preparing them for progression to a range of options post-16. Professor Alison Wolf, in her independent review, is examining whether and how high quality vocational qualifications should be recognised in performance tables. We will also introduce a Key Stage 4 Destination Measure to show young people and parents what a school's former pupils go on to do at age 17. This will incentivise schools to ensure that their pupils take qualifications that offer them the best opportunity to progress and receive the support needed to prepare for and complete that transition, providing clear and comparable information to parents and young people.

15. Pupils need support and advice about making the right choices of course and subject. Schools and colleges are best placed to provide this advice and legislation presently before Parliament aims to give them the power to put that into practice. As part of providing independent impartial advice about options, schools may choose to bring in external careers professionals either for particular pupils or at particular stages—but this should clearly be for the school to decide rather than Government to prescribe. Businesses can make a positive contribution to broadening horizons and increasing awareness of choices through mentoring, offering advice and raising the aspirations of young people.

*...and intervening early will help those who in the past have been let down at every stage*

16. Some of the young people who are currently NEET at 16–18 face multiple barriers to successful engagement in learning, and some may come from families who have multiple problems. In the past, the system has failed many of these young people and their families, at many stages and on multiple fronts. That is why our strategy to increase participation post-16 combines the school reforms described above, focusing on increasing attainment at 16 for all, with an approach of intervening and investing early to prevent problems developing later which can stand in the way of young people's engagement. Our guiding principle is that at every stage, we should aim to prevent young people from disengaging rather than dealing with the consequences of that disengagement later. This process begins in the very early years where the factors that impact on young people's post-16 participation have their roots, and it continues through childhood and the teenage years both within school and outside.

17. We are freeing local authorities to focus on essential frontline services and to invest in early intervention and prevention in order to produce long-term savings and better results for children, young people and their families. A key element of this is the creation of a new Early Intervention Grant (EIG) for local authorities, which replaces a number of disparate centrally-driven grants for support services. The EIG will provide a substantial new funding stream for preventative services and it will not be ring-fenced, providing significant extra flexibility and freedom at a local level to respond to children's needs, to drive reform and to pool and align funding where that enables local authorities and their partners to target disadvantage and achieve better results.

18. The gap in attainment between the richest and poorest opens up at 22 months and we are committed to reducing that gap by investing in the earliest years of a child's life, helping to set them on a path that will lead to success in school and positive participation post-16. Within the early years, we are increasing the focus on the most disadvantaged children to ensure that they get the best start in life. Universal Sure Start services will be maintained, including funding for health visitors. three and four year olds will receive 15 hours early education, and this has been extended to the 20% most disadvantaged two year olds.

19. We want to shift the focus in the early years to getting children ready for education and increasing attainment in particular of those from deprived backgrounds, who we know are less likely to continue their learning to 18. The Early Years Foundation Stage (EYFS) provides a regulatory and quality framework for the provision of learning, development and care from birth to five, and has helped to promote a consistent approach, but it is too rigid and puts too many burdens on the Early Years workforce, which has led to some professionals saying that they are spending less time with children and more time ticking boxes. That is why we have asked Dame Clare Tickell to carry out a review of EYFS so that it is more focused on young children's learning and development and better at making sure that the standards that support young children's learning are based on the best and latest research. The review is due to report in Spring 2011 and we will then consult on any proposed changes before they take effect from September 2012.

20. Once school starts, we know that children who struggle with literacy find it hardest to learn across the curriculum and are most likely to disengage, so we are introducing an early diagnostic test of literacy to identify these children as early as possible. This will be followed up by intensive support for those who are found to need it.

21. The Pupil Premium will provide schools with extra funding to spend on interventions that can support the attainment of disadvantaged pupils who are eligible for free school meals (FSM), children looked after for more than six months and FSM pupils in non-mainstream settings. The Pupil Premium is specifically designed to boost disadvantaged pupils' attainment and ensure they achieve good GCSEs in vital academic subjects, helping them to progress.

22. Schools and local authorities are already choosing to develop tools and indicators that help them to measure the risk of a young person going on to become NEET, helping them to target resources and support on those who need it most. For instance, the RPA trial areas (locally led delivery projects described in more detail in Paragraph 43) have developed a Risk of NEET Indicator (RONI) which can be used by schools to identify those who need the greatest support.

23. Good discipline is also essential to ensure that all pupils can benefit from the opportunities provided by schools and we will strengthen teachers' authority over children in their care. A number of measures were announced in January 2011 (and included in the current Education Bill) aimed at helping teachers to maintain good behaviour. We will also bring forward measures to address truancy—young people who persistently truant from school and those who are excluded are significantly more likely to go on to be NEET.

24. We are also working with local areas to improve the quality of alternative provision available to young people who are excluded from school and for those at risk of exclusion. But pupils in alternative provision have a diverse range of needs and only by having an equally diverse market of alternative providers can we hope to address them. The White Paper set out a series of proposals for extending the range of alternative provision available to young people, including in Free Schools. Improving the quality and accountability of alternative provision is also key, and the White Paper included proposals to establish a Quality Mark for providers and setting up a professional body for them. We will also trial a new approach where schools remain responsible for finding and funding alternative provision for those they exclude.

*Post-16 we will then be able to target our resources more effectively*

25. A sustainable participation strategy should be built around a system in which young people see participation in some form of learning as the obvious choice to help them fulfil their goals. Our ambitious reforms to the schools system, which will improve attainment at 16, and our focus on intervening early to prevent the problems that develop later, will ensure that the maximum number of young people get to 16 in the best position to continue in education or training, and do so automatically. This will mean that when it comes to the post-16 phase, the system can target resources much more effectively where they are most needed.

26. Over the current spending review period, we have secured sufficient funds to facilitate full participation in education and training by 2013–15. This means that any 16–18 year old who wants a place in education or training will be funded for an appropriate place.<sup>20</sup> Most will be well equipped to take up one of these places and continue their learning successfully—already 93.6% of 16 year olds were doing so in 2009 and the reforms set out above will ensure that more do so every year.

27. It is essential that we have high quality learning options for all our young people. Alongside high quality A level provision, excellent vocational education pathways promote successful progression into the labour market and into higher level education and training routes. It is vital that vocational education is not seen as the second rate route, where less able young people are directed before they take up low skilled, low value jobs. This is why we asked Professor Alison Wolf to carry out an independent review of vocational education.

28. Professor Wolf's report has just been published and sets out a blueprint for a very different system. Key recommendations from the report include:

- incentivising young people to take the most valuable vocational qualifications pre-16, while removing incentives to take large numbers of vocational qualifications to the detriment of core academic study;

<sup>20</sup> 16–19 Funding Statement (YPLA 2010).

- introducing principles to guide study programmes for young people on vocational routes post-16 to ensure they are gaining skills which will lead to progression into a variety of jobs or further learning, in particular, to ensure that those who have not secured a good pass in English and mathematics GCSE continue to study those subjects;
- evaluating the delivery structure and content of apprenticeships to ensure they deliver the right skills for the workplace; and
- removing the requirement that all qualifications offered to 14- to 19-year-olds fit within the Qualifications and Credit Framework, which has had a detrimental effect on their appropriateness and has left gaps in the market.

29. We have wholeheartedly welcomed Professor Wolf's report. Its recommendations cover a broad range of areas. Some will be easier than others to implement and we will need to consider their combined impact, and how best to take them forward, including thinking carefully about any funding implications, before we publish a formal Government response. But it is already clear that Professor Wolf's review has set out for us a clear direction of travel that will lead to a real and sustained improvement in the vocational education on offer to young people in this country.

30. We are committed to continuing to increase the number and quality of Apprenticeships, giving young people the chance to gain the skills and qualifications valued by employers, in real paid jobs. We want to encourage progression into the programme, through its different levels, and on to higher skills. We also want to reshape the Apprenticeships programme so that Advanced Level Apprenticeships (Level 3) become the level to which learners and employers aspire. To widen access for young people with the potential to benefit, we are exploring options for a pre-Apprenticeship strand of activity within the programme.

31. It is essential that we have the right support and provision for young people with SEN or disabilities, who we know are disproportionately likely to be NEET post-16—at age 18, 15% of young people who had a learning difficulty or disability had spent more than 12 months NEET, compared to 8% of those who did not. The forthcoming Green Paper on Special Educational Needs and Disability will explore proposals for funding high cost provision—including exploring questions of how to increase transparency in how decisions about funding and support are made and increasing collaboration between local authorities.

32. In order to ensure that the best use is made of the investment we are putting into the provision of post-16 learning opportunities, we will continue to ensure that local authorities keep track of which young people are still to secure an offer of education or training in order to provide them with further support and encouragement. This process was known formerly as the "September Guarantee" and in 2010 for the first time we published data on how well local authorities implemented this process—these figures showed that 96.6% of 16 year olds and 91.3% of 17 year olds had received an offer of a suitable place in education or training.

33. We do not believe it is either right or affordable to pay financial incentives to encourage participation when it is clearly in the young person's interest to stay on in education. But we do recognise that some learners will face financial or other barriers to participation and we are committed to making sure that young people can get the help that they need to continue in education and training post-16. To achieve this, we need to make sure that future learner support funding is flexible and reflects the actual barriers some young people do face. We are working with the YPLA and school, college and training organisation representatives and others, including the Sutton Trust, Centrepoint and the NUS, to develop the arrangements for funding for those young people facing barriers post 16.

34. The combined research evidence indicates that we need an efficient and effective package of financial support which is more closely targeted on those who face the greatest financial barriers to participation. We plan to announce details and funding allocations later. We intend to monitor the use of the new fund and evaluate the effectiveness of the arrangements in helping young people who need financial support in advance of raising the participation age (RPA).

35. However effective the school system is at preparing young people to continue their learning post-16, and however high quality the provision available post-16, there will always be a small number of young people who have more of a problem making a successful transition. We believe that our strategy of early intervention and increasing attainment at 16 will, over time, reduce this to a minimum level, but there will of course be a need to support those who struggle more at this point.

36. For these young people, local authorities will remain responsible for offering the targeted support that these young people need to participate. Local authorities will also continue to be responsible for keeping track of young people's participation so that they can identify those young people who have "dropped out", or who are at risk of disengaging. Funding for this activity is being made available to local authorities through the Early Intervention Grant (See Paragraph 17). This will give local authorities greater flexibility to decide how they can use their budgets to best meet the needs of young people.

37. There is a crucial role here for the Voluntary and Community Sector in developing innovative approaches to re-engage young people who have disengaged from mainstream educational provision and are facing barriers to participation, and a number of organisations are already doing important and valuable work in this area. One example is the impressive work that SkillForce is doing involving former service personnel acting as

mentors to pupils at risk of exclusion, enabling pupils who are struggling with their behaviour or academic engagement to gain support from positive role models and learn from their skills and experience.

*We are helping the system to prepare for increased participation*

38. The Chancellor announced, in the 2010 Spending Review, that the Government will raise the participation age to 17 in 2013 and 18 in 2015. As set out here, a sustainable and effective participation strategy must be built around a system which makes participation in some form of learning the obvious choice, rather than one that achieves it through sanctions or financial incentives. That is why we have decided to postpone implementation of the enforcement provisions through the Education Bill—not because we are in any way less committed to full participation, but because our first priority must be to make the education system work better, rather than assume that we can tolerate failure earlier in the system and ultimately force the disengaged to participate later.

39. The foundation of our support to the system to prepare for full participation in 2013–15 is the funding that we have secured and put in place for a suitable place in learning for every young person. The 16–19 Funding Statement published in December 2010 confirmed an increase in funding for 16–19 education and training places in 2011–12 of 1.5% over 2010–11 budgets. That statement also set out specific measures that will help more young people to participate in education and training, including increasing the proportion of funding in the national funding formula which addresses deprivation, as the first step towards a more transparent approach to reflecting deprivation in 16–19 funding in the longer term.

40. We are also simplifying post-16 funding, which must serve the best interests of young people and be as transparent and equitable as possible. Simplifying the commissioning of post-16 learning provision will free schools and colleges from red tape, and we are introducing a lagged funding system to ensure that funding more closely follows students' choices and enables colleges to offer provision that young people want with the knowledge that funding is secured. As champions of all young people, local authorities will be working with schools, college and employers to raise achievement, secure access to high quality provision that meets young people's needs, raise participation and tackle educational inequality.

41. In addition, of course, the Pupil Premium in schools and the Early Intervention Grant to local authorities, will ensure that our most vulnerable young people are supported into learning, whilst providers will receive additional funds for their most disadvantaged learners.

42. Whilst overall the majority of young people do participate in education or training there is, however, a variation of participation rates across local authorities—some will require significant increases (of over 30% at age 17) whilst others achieve near 100% participation already. The majority of local authorities are expected to need a 0–10% increase in participation of 16 year olds by 2013–14; for 17 year olds in 2015–16, however, a number of local authorities are expected to need an increase of 20–25%.

43. In order to support those areas that require significant further increases in participation when RPA comes into effect, we have conducted two phases of RPA trial projects, with 11 projects in Phase 1 and 16 in Phase 2, involving 27 local authorities in total. The purpose of the trials is to build on the planning that local authorities are already doing in order to achieve full participation by 2013–15 by developing different approaches to increasing participation locally and identifying the learning, in order to disseminate this to other areas and to inform the development of national policy.

44. The trial areas have used the funding to trial various innovative approaches to increasing participation, including using data to identify and respond to the specific needs of the local NEET cohort and engaging with small local employers to increase the availability and take-up of Apprenticeships. An external evaluation for Phase 1 was published in March 2010.<sup>21</sup> Some key learning points, and therefore indications of overall readiness, were:

- Using the data that local authorities already have at their disposal is critical to properly understanding the current picture and challenges faced, and using it to really understand the cohort has been a critical part of enabling areas to determine where their focus should be.
- Getting beneath this headline picture is also important—trial areas who have undertaken in-depth research with specific cohorts have a much deeper understanding of the specific challenges and issues faced by different groups of young people.
- A key point is the need for a coherent local approach—“drive forward the engagement of wider local authority staff, local stakeholders, providers, employers and young people and their parents and carers, making sure all understand the challenge of delivering RPA can only be met by working closely together.”

45. The purpose of Phase 2 has been for areas to develop a more in-depth focus on their specific model, in order to identify the most effective practice. Phase 2 also increased the focus on the trial areas taking a leading role in networking, sharing good practice with their peers and learning from others, both with other trial areas, neighbours and partners in their local area. An external evaluation of Phase 2 of the RPA Trials is currently underway and is due to produce a final report in April 2011. The learning from both phases of the trials is

<sup>21</sup> *Raising the Participation Age (RPA) Trials: Phase 1 Evaluation Final Report* DfE 2010.

being used to support other local authorities in their preparations from RPA; trial areas are currently leading peer-to-peer learning visits with other areas, and the outputs of the evaluation will include examples of good practice from the most successful areas which other areas can use.

46. As part of our ongoing commitment to full participation, we are developing models for a new phase of locally-led delivery projects. This will embed the learning from projects to date and deepen their understanding—whilst continuing to develop new approaches on a local level—and share good practice between areas in terms of what works. We want our overall approach to implementation of RPA to be one in which we set out clearly at national level our expectations—that all areas enable all 16 year olds to participate in some form of education or training in 2013 and then 17 year olds from 2015—and then allow individual local authorities to work out how best to achieve this in their area, according to local circumstances.

#### CONCLUDING REMARKS

47. Whilst overall the majority of young people do participate in education or training, the number of those young people NEET is still too high. Further increases are required in order to achieve full participation; both locally, where local authorities are developing their tailored plans and nationally, where we still lag behind the closest comparable nations.

48. We believe that we have the right strategy to fulfil our ambition of full participation by all our young people; a strategy focused on prevention, and on improving the quality of teaching to drive up standards of standards of attainment for all young people, giving them the best possible basis for progression to further learning and work. It is essential for our young people, for our society and economy, and for future generations that we achieve that ambition.

28 March 2011

#### Written evidence submitted by Hull College Group

##### 1. The impact the Education Maintenance Allowance has had on the participation, attendance, achievement and welfare of young people

1.1 The Hull College Group (Hull, Harrogate and Goole Colleges) enrolls over 31,000 students of whom 4,093 are full time 16–18 students. Over 2,900 learners are currently in receipt of EMAs across all three sites.

1.2 Hull College is a large city-based college serving an area of high social deprivation in the 9th most deprived authority out of 354 in England. There are currently 3,242 full time 16–18 students at Hull College of which 2,341 (72%) are in receipt of EMA.

1.3 A key indicator to measure success rates of learners from disadvantaged backgrounds is to compare success rates of learners who are in receipt of educational maintenance allowances (EMA). Based on Level 2 and Level 3 learners, the table shows that learners in receipt of EMAs in 2008–09 had a 10% higher success rate than those who were not in receipt of EMAs

**Table 1**

Level 2	2006–07			2007–08			2008–09		
	EMA	Non EMA	Nat Avg	EMA	Non-EMA	Nat Avg	EMA	Non-EMA	Nat Avg
Success	71%	63%	70%	71%	73%	74%	80%	70%	76%

**Table 2**

Level 3	2006–07			2007–08			2008–09		
	EMA	Non EMA	Nat Avg	EMA	Non-EMA	Nat Avg	EMA	Non-EMA	Nat Avg
Success	75%	71%	73%	77%	76%	75%	81%	71%	76%

**Table 3**

Level 2 and 3 combined	2006–07			2007–08			2008–09		
	EMA	Non EMA	Nat Avg	EMA	Non-EMA	Nat Avg	EMA	Non-EMA	Nat Avg
Success	73%	68%	72%	74%	75%	75%	81%	71%	76%

##### 2. How effective will be the Discretionary Learner Support Fund in replacing it?

2.1 This is an unknown at present although reports are indicating that the LSF is likely to be three times the current amount for colleges. This would leave a substantial deficit in terms of the current EMA monies as a replacement and means that colleges who have a high number of students receiving support are likely to have the most significant challenges.

2.2 The amount of EMA received by students attending the Hull College group totals £2,740,500 (2,900 students 80% receiving £30, 290 receiving £20, 290 receiving £10). This will disappear and be replaced by an increase in LSF which, providing the above indication is accurate, is likely to be £346,000. Currently there are over 2,500 learners claiming EMA in Hull and Goole, the majority of which claim £30 which is the highest support available. Harrogate support approx 372 learners with EMA. Students report they use this funding for travel, food, additional course resources (such as books) and some kit. In addition the College manages approx 600 weekly “mega-rider”/other bus tickets, which are in turn subsidised by the local authorities (Approx £55k Hull and £15k ER). Currently both of these subsidies are under threat with neither LA providing any reassurance of support.

2.3 Hull College also offers food subsidy via “meal deals” (£2.50 spend for the student) which are used for extreme hardship for students to purchase food at college outlets. This averages at around 18 students per week (£45)—predicted spend for this year £600–£1,500.

2.4 In addition, Hull College offers support funding via the Learner Support Fund (LSF) for kit such as tools in hair and beauty/construction which equates to approx £20k per annum. We consider cases of hardship to pay for trips and visits pertinent to curriculum activities, this too comes from the LSF at approximately £2,400 per year. In addition we currently pay for our students CRB checks so they can engage in work placement as part of their programme.

2.5 Colleges such as Hull College are focussing on those students who are “most vulnerable” but in real terms this means a substantial reduction in financial support. It is likely, however, that some students will be unable to return to a second year of programme (affecting success and achievement rates) and others will suffer some hardship.

2.6 Colleges are now expected to publicly state their terms of assessment which may lead to inconsistency of approach in the same geographical area—eg a sixth form college may decide to put in additional funds from a central pot to support a smaller number of learners, a GFE with large numbers of under 18’s may not be able to do this.

### 3. *Preparations necessary for the gradual raising of the participation age to 18 years*

3.1 The wide range of progression opportunities already on offer at FE colleges indicates that there should not be an issue in accommodating and engaging young people aged 16–18 in subjects which will not only equip them with the skills and knowledge needed to develop the economy but also allow them maximum choice in subject areas thus enabling maximisation of opportunity.

3.2 The Hull College Group currently provides a wide range of vocational and academic qualifications from entry level through to post graduate degree level in a variety of subject areas together with a comprehensive apprenticeship offer. At the age of 16 young people are able to enter the subject area of their choice at a level which is appropriate to their needs (following assessment) and be assured of a clear progression pathway should they wish to pursue further qualifications and skills in their chosen area. Currently approximately 1,500 young people aged 14–16 also access qualifications and the Young Apprenticeship scheme delivered within the College and over half of these progress to the next level on leaving school. Secondary schools consistently report that attendance and behaviour improves for those pupils who attend off site education and training that they are fully engaged in.

3.3 It does, however, appear that some parents, young people and staff from secondary schools are confusing the raising of the participation age with the raising of the school leaving age. Many young people attending school would not choose to progress to post 16 within the school, preferring to enter the apprenticeship, further education or sixth form college routes. There is a concern that particularly, in areas of declining post 16 populations, schools will encourage young people to remain with them in their sixth form provision in order to maximise the school’s funding. It is therefore crucial that young people receive impartial advice and guidance to enable them to choose a progression route which meets their individual needs. This importance is under challenge locally because of the changing nature of IAG provision provided by the Connexions and IGEN (Harrogate) services.

3.4 Transport costs and the removal of EMA may reduce the education and training that young people will access. Those who due to their financial restrictions may be restricted to a limited curriculum offer at their local school which could result in a negative impact on behaviour and attendance.

### 4. The impact raising the participation age will have on areas such as academic achievement, access to vocational education and training, student attendance and behaviour, and alternative provision

4.1 Providing that young people are able to access impartial advice and guidance and gain a place on a course or training programme at the appropriate level the impact of raising the participation age is likely to be positive. The majority of young people are able to succeed and progress if they have access to high quality teaching which is innovative and engaging and is delivered in conjunction with the pastoral and enrichment support which provide a quality educational/ training experience and which have a positive impact on behaviour and attendance.

4.2 The staff at the College have developed a range of innovative teaching and learning approaches to provide care and support to meet the needs of our learners. Many of our learners have experienced difficulties in their lives and in the early part of their education. Our staff have found a range of methods to nurture and support them, enabling the learners to put failure and disappointment behind them and to realise their potential. Importantly, the staff challenge the learners' preconceptions about themselves and what education means to them to enable them to make a fresh start.

4.3 Theory and practice are well integrated through the use of opportunities to learn experientially, using the College's excellent links with professional work settings. Imaginative extra-curricular activities open a window on the world and foster better citizenship and awareness of cultural difference.

4.4 Additional proven pastoral support such as that provided by Hull College Group Learning Mentors, adds value to student education/training experiences.

4.5 The College employs a Learning Mentor to work closely with academic and support staff to provide a timely and robust approach to safeguarding, pastoral care and support of learners. Attendance at local schools is one of the lowest in the country so effective intervention support on attendance and support is key early on. The primary function of the Learning Mentor role is to support and monitor learner attendance which in turn impact on success, achievement, retention and progression. Other key aspects of the role include advocacy and a proactive approach to health, personal safety and well being. Working closely with personal tutors, the College counselling team, chaplaincy services, additional learner support services, and enrichment teams, Learning Mentors provide a co-ordinated approach to support learners and a safety net when in crisis.

*“Support and guidance for learners are outstanding.... Learning Mentors provide excellent support for learners at risk of underachieving through rigorous monitoring of their attendance and the provision of additional pastoral support”.*

OFSTED May 2008

4.6 Focussing on particularly vulnerable learners and using their extensive knowledge of internal and external signposting and referral networks/contacts, Learning Mentors are able to quickly intervene to support and guide learners who are in crisis, facing difficult life experiences or challenges, and who may as a consequence be at risk of underachieving or withdrawing from their programme.

4.7 Personal Tutors work in partnership with the Learning Mentors and other members of the learner support staff to ensure the learner reaches and exceeds targets.

4.8 Learners appreciate the level of support they receive from their tutors and this is reflected in the annual Student Perception of College (SPOC) results.

**Table 4**

<i>Question</i>	<i>Rating</i>	<i>Difference against all respondents (national average)</i>
“Have 1–1 reviews to plan/discuss progress”	82	+9
“1–1 reviews with my personal tutor are helpful”	82	+9
I know who to ask for help with any problems	84	+3

4.9 The table below shows the progression of learners from Level 2 to Level 3.

**Table 5**

	<i>Academic Year of Progression</i>		
	<i>2007–08</i>	<i>2008–09</i>	<i>2009–10</i>
Percentage of students completing a Level 2 course (>200 hours), who returned to the College the following year progressing to a Level 3 qualification	75%	75%	76%

The success of improved progression from Level 2 to Level 3 is built on effective partnerships with secondary schools, employers, the Local Authority and a number of key local voluntary and community agencies.

4.10 At the request of the local authorities, the College provides a range of full time alternative provision programmes for those students who are unable to attend school which are based around their individual needs. In addition provision is delivered in conjunction with the Pupil Referral Unit. Success rates are high on these programmes at over 90% as is progression at over 60% to full time post 16 courses at the College.

25 March 2011



### Written evidence submitted by Cumbria County Council

Written submissions to address the following points:

- (1) What impact EMA has had on participation, attendance, achievement and welfare of young people and how effective will the Discretionary Learner Support Fund be in replacing it.
- (2) What preparations are necessary for providers and Local Authorities to enable the gradual raising of the participation age to 18 and current states of readiness.
- (3) What impact raising the participation age will have on areas such as academic achievement, access to vocational education and training, student attendance & behaviour and alternative provision.

#### 1. EMA

1.1 Discretionary Learner Support Fund (DLSF) is a much smaller budget—the funding for EMA is approximately £560 million, with suggestions of the DLSF being increased to the region of £50–80 million ie only 10–15% of the current cost of EMA—this will clearly not enable the same number of learners to participate in further education and training.

An average of 47% of 16–19 years old across Cumbria currently attract EMA and providers have reported that since its introduction EMA has contributed to an increase in the number of full time learners, with a subsequent impact on retention and achievement.

The number of 16–18 year olds participating rose by approximately 20% between 2007–08 and 2009–10.

FE retention for the last three academic years in Cumbria by Travel to Learn Area is as follows:

<i>Retention</i>	<i>2007–08</i>	<i>2008–09</i>	<i>2009–10</i>	<i>% Change</i>
West Cumbria	83.0%	86.6%	89.5%	+6.5% points
Furness	88.0%	85.8%	91.0%	+3% points
Carlisle	78.0%	85.7%	88.4%	+10.4% points
Eden	79.7%	78.0%	85.8%	+6.1% points
South Lakes	87.7%	86.2%	89.7%	+2% points
Cumbria	85.3%	87.1%	89.9%	+4.6% points

FE success rate data is as follows:

<i>Success</i>	<i>2006–07</i>	<i>2007–08</i>	<i>2008–09</i>	<i>% Change</i>
West Cumbria	74.0%	76.5%	81.8%	+7.8% points
Furness	80.4%	79.1%	81.8%	+1.4% points
Carlisle	65.6%	76.5%	76.9%	+11.3% points
Eden	72.3%	74.2%	80.5%	+8.2% points
South Lakes	76.7%	81.6%	83.6%	+6.9% points
Cumbria	76.1%	78.3%	81.5%	+5.4% points

One local FE College reports that in 2009–10 retention rates of those students supported by EMA were 12% higher than those who did not. This is repeated in feedback from other FE institutions. Over the same period one provider's retention rates for those on EMA was 5% higher and success rates 8% higher; whilst at another FE college retention was 7% higher and success 1% higher for EMA recipients on their level 2 programmes.

Further feedback from a fourth college shows that during the time frame that the EMA has been available the success rates for full time students have risen by 7% due to improved attendance and retention of learners across all their programmes.

Although the data for school sixth forms is not as clear cut, those sixth forms with good standards of performance report that the EMA has made a direct contribution to their ability to achieve year on year improvements in retention and successful completion.

1.2 As participation in 16–18 education and training becomes compulsory by 2015, families will be expected to support their children's learning. This will undoubtedly place additional financial burdens on those least able to absorb it.

A number of FE and sixth form providers are already reporting that current 16 year old learners have indicated that, once the EMA ceases, they will be unable to continue on their learning programme. For some young people the EMA contributes to the family budget and without it there will be very real pressures on the young person's ability to complete their course successfully.

Conversely, a very small number of cases are reported where the young person is in receipt of an EMA and the family circumstances would not appear to warrant it. This generally occurs in the more rural areas of the county and can be partially explained by links between EMA and available transport to access provision.

1.3 There are significant concerns about how learners with learning difficulties and disabilities will access the DLSF. There are many such learners within Independent Specialist Provision and Strategic Facilities who

are heavily reliant on their EMA. It is not clear whether they will receive an allocation for DLSF. In one county special school 65% of the post 16 cohort attracts an EMA.

1.4 Learners have to be enrolled at the institution to access the DLSF. As young people may decide against moving into further education for financial reasons this means that they may be dissuaded from even applying. Conversely, where a school has funding related post 16 recruitment and achievement targets, the availability of DLSF funding may be used as an unfair incentive to stay on at that particular institution. With the EMA, at the point the young person received the Notice of Entitlement they could make the decision as to which provider to enrol with on the basis of best match to their needs.

1.5 Young people may feel stigmatised by having to approach their college/school/provider to ask for help. The EMA is paid directly into the young person's bank account, based on attendance and achievement of agreed targets. This enables the young person to be independent and begin to learn how to manage their work load, finances etc.

1.6 The administration of the DLSF is also an issue, for example, are providers expected to administer a weekly payment to those young people identified as needing support? If support isn't linked to attendance and achievement of learning targets there is likely to be a knock on effect on retention and success rates. This then has significant implications for institutional funding for 16–19 year olds.

1.7 It is not just the loss of EMA that has to be considered. Eligible families were still able to access child benefit and child tax credits. It is not known how will this be affected?

1.8 The effect on retention into second and third year of courses also has to be taken into account. Learners will have enrolled onto courses based on having the financial security of EMA for equipment, travel etc. Without the EMA a number of young people will decide not to continue and this will impact on retention and achievement, resulting in increased numbers Not Education, Employment or Training (NEET) and in Jobs without Training (JWT).

NEET figures in Cumbria for the November 2010 to January 2011 three month average show an increase on the three month average for November 2009 to January 2010:

<i>3 Month Average</i>	<i>Age 16</i>	<i>Age 17</i>	<i>Age 18</i>	<i>16–18 overall</i>
November 2008—January 2009	3.3%	4.4%	6.7%	4.9%
November 2009—January 2010	2.8%	3.8%	6.4%	4.7%
November 2010—January 2011	3.1%	4.4%	6.5%	4.8%

The larger proportion of 17 and 18 year olds within the NEET Group in Cumbria could be due to the completion of one year courses or young people leaving courses early or changing learning routes. The data above demonstrates that 18 year olds are more than twice as likely to be NEET as 16 year olds. This may be further exacerbated by those 18 year olds who completed "A" levels and are unable to secure a place at University.

1.9 If provider success rates are affected this will also impact on provider funding settlements and therefore their ability to recruit learners.

1.10 In 2010, 2,995 (49%) of the year 11 school leaver cohort in Cumbria applied for EMA with 2,668 (90%) of those applying being successful.

1.11 Due to the severity of the cuts to the Local Authority's budget it was necessary to put the removal of post 16 discretionary travel support out for consultation in Cumbria. If 16–19 school and college transport support is removed it will also have an impact on engagement in further education and training. Taken together with the loss of EMA support or a comparable replacement, this presents a bleak prospect for young people in Cumbria, particularly those young people from poor families living in isolated rural areas.

Cumbria is the second largest county in England with a population density that is well below the national average and a land mass that is overwhelmingly classified as "rural". The true level of deprivation encountered by many rural residents has not been fully recognised or acted upon by those in the position to shape policy and take decisions.

Of the 496,900 people living in Cumbria, around 51.6% live in rural areas with 40% of all people classed as income deprived living rurally. This accounts for 10% of the rural population—higher than both the regional (8.1%) and national (9%) average. Similarly, 37% of children who live in income deprived households are rural residents. At a rate of 12.6% of all children living in rural Cumbria, this is again higher than both the regional (9.3%) and national (11%) averages.

Unfortunately these figures are not reflected in the widening participation factors contained within the indices of multiple deprivation or the incidence of take up (rather than qualification) for free school meals.

1.12 It is of serious concern that disadvantaged and vulnerable members of the Cumbria community will find it much more difficult to access further education or training—this is the sector of our society who most need to be assured of opportunities. The difference in choice for these young people is between unskilled and

poorly paid work on the one hand and the option of having a career in skilled trades and professions and/or moving onto University on the other.

1.13 The social cost of the consequences of failing to support these families may well outweigh the savings made by the removal of EMA and could result in damage to the economic future of the county as a whole.

## 2. PREPARATION/READINESS FOR RAISING THE PARTICIPATION AGE (RPA)

2.1 Due to the size and geographical nature of Cumbria, the overarching 14–19(25) strategy requires a differentiated approach to delivery. This is driven through Area 14–19 Partnerships that enable local needs to be addressed within the county strategy.

There are five Area Partnerships linked to established Travel to Learn Areas (TTLA) and they are based in West Cumbria, Furness, Carlisle, Eden and South Lakeland.

2.2 Young people's barriers to participation have to be identified and addressed and targeted provision made available in order for RPA to be achieved.

Within each TTLA the area partnership will have to identify the cohort, segment the data, identify the different reasons for non-participation and target solutions accordingly.

Local knowledge within the partnerships is critical in ensuring that appropriate interventions are implemented—it cannot be left to the perceptions of individual providers.

Due to the size and geography of Cumbria, Partners will need to understand the crucial need to work together and subdue self-interest/wasteful competition in order to realise the greater benefits to young people that can be achieved through the raising of the participation age.

Without this work the LA will be unable to meet the RPA target with a corresponding increase in those young people Not in Education, Employment or Training (NEET) or in Jobs without Training (JWT). As at December 2010 NEET stood at 4.9% in Cumbria which is approx 967 of the cohort of 16–18 year olds who are in not in any appropriate provision. Additionally a significant number of young people are in Jobs without Training (JWT) and they are also a key target group in relation to RPA.

2.3 Critical to the preparations for RPA is effective data analysis in planning for the current year 8 and 9's as the future 16 year olds in 2013 and 17 year olds in 2015. Currently there are approximately 5,524 Year 8's and 5,765 Year 9's in LA maintained schools across Cumbria for whom appropriate provision must be available in order for RPA to be achieved.

2.4 Additionally, identification and analysis of the barriers to learning among young people in JWT, alongside the barriers employers face in supporting young people back into learning is an important priority for action. It will also be necessary to factor in the impact of the introduction of the RPA legislation on young people's and employers' behaviour.

2.5 Initial research undertaken into those young people in JWT shows that the majority are 18/19 years old and have taken GCSE's but wanted to move into employment at 16.

On the employer side most are SME's who often regard interpersonal skills and motivation as more important than academic qualifications. In some instances employers want to establish whether a young person will "fit in" before introducing qualifications. The preparation for RPA phase needs to address these behaviours proactively.

2.6 The 10 key questions to enable projection of participation at both Local Authority and travel to learn area level are:

- How many 16 and year olds will there be in the next three to five years?
- Where in the system now are the future 16 and 17 year olds?
- How many future 16 and 17 year olds in each cohort are at risk of non-participation?
- How many future 16 and 17 year olds now are on track for participation?
- Why do 16–18 year olds not participate or drop out?
- Which providers have at risk pupils?
- Set system level priorities—given pupil and provider level analyses, what are the system level challenges?
- What actions will address the needs of at risk pupils and ensure they keep on track?
- What is the expected impact of the actions on future participation rates?
- When will the actions have an impact along the way to full participation?

2.7 Analysis of data is also being undertaken from as early as Year 9, to identify those young people who have special educational needs. The information can then be used to develop provision that meets needs both at post 16 and post 19. This will enable provision to be developed in travel to learn areas aligned with local care packages that will give opportunities for young people with additional needs to stay within their local community.

2.8 16–19 Commissioning within local authority areas must support the development of a broad and varied curriculum in order to facilitate raising participation, particularly focussing on Foundation Learning and Apprenticeships to reduce NEET and jobs without training.

2.9 Further development of Foundation Learning through a partnership approach will expand provision as well as ensuring the appropriate links between pre and post 16. This will result in maximised progression opportunities and continued participation in education/training.

2.10 Implementation of the Learning for Living and Work Framework also gives the opportunity to transform local provision for young people with learning difficulties and/or disabilities.

2.11 In order to increase apprenticeship numbers and expand provision a number of preparatory steps can be taken:

- Development of high quality presentations for year 9 options evenings.
- Development of clear policy and plans for the engagement of the public sector.
- Improve apprenticeship progression from level 2 to level 3.
- Increase opportunities for young women in apprenticeships.
- Expansion of the number and range of available frameworks.

2.11 The arrangements for September Guarantee delivery should be strengthened so that all offers of a place in learning are subsequently followed up to ascertain if the offer has become an actual start and, if not, identify reasons why.

### 3. IMPACT OF RAISING PARTICIPATION AGE ON ACADEMIC ACHIEVEMENT, ACCESS TO VOCATIONAL EDUCATION AND TRAINING, STUDENT ATTENDANCE & BEHAVIOUR AND ALTERNATIVE PROVISION

3.1 Young people's experiences at the beginning of their education are crucial in instilling a desire to continue in learning and to reach their potential.

The right support from parents is also important as young people progress through their education to ensure that they are fully prepared for all transition points and are motivated and supported to stay in learning until at least 18.

The parental role is crucial in supporting children's progression and participation, particularly for young people from more disadvantaged backgrounds. Support mechanisms, including financial support, will need to be built into the system to ensure that all young people have equitable access to appropriate educational opportunities to continue in learning, achieve and progress.

3.2 The raising of the participation age will only have an impact on academic achievement if the resources are in place to enable, encourage and assist young people's participation in education and training.

3.3 If, through RPA, we can increase the number of young people who gain higher level qualifications, then we will be making a significant investment in young people's futures, which in turn will produce long term economic benefits for the country.

3.4 We have evidence from initiatives like University Summer Schools that RPA can also support local and central government's aim for a fairer and more equal society. Like elsewhere in the UK, there is overwhelming evidence to show the negative impact of leaving education or training with few qualifications at the age of 16.

3.5 Young people who leave education or training at the age of 16 are disproportionately from poorer families, a strong factor in becoming NEET, engaging in risky behaviours, having poorer health and low income. Again, in Cumbria the evidence points to supporting the national research showing that outcomes for 16 to 18 year olds in a job without formal training are only slightly better than for those young people who are NEET.

3.6 Participation cannot be seen as an end in itself, young people must be enabled to achieve higher qualifications and skills in order to progress to further learning or employment at 18. The phrase positive participation leading to purposeful progression needs to be fully understood by all partners.

3.7 The emphasis must still be on tackling NEET with an additional focus on those in employment without training. Every young person must be given the opportunity to progress and succeed.

In relation to those young people in jobs without training, closer partnership with the National Apprenticeship Service will be crucial in working to convert JWT into Apprenticeships.

3.8 Barriers to participation will have to be identified and addressed effectively, with targeted provision available in order for the objectives of RPA to be met.

3.9 Foundation Learning must be further developed—particularly in relation to a focussed, flexible full-time offer that secures a link between pre-16 and post-16 provision and leads onto further learning and employment.

Having an effective Foundation Learning offer in place will enable young people to access relevant vocational education and training, leading to improved student attendance and behaviour and therefore increased academic achievement.

There is some concern about the lack of focus for and capacity to develop an appropriate Foundation Learning offer under the new powers and duties given to all schools and colleges.

3.10 The provision of high quality, expert, impartial and independent careers advice is absolutely critical to the achievement of RPA.

The changes to careers education and guidance through the Education Bill must be managed in order to ensure that young people have access to all information needed to enable effective decisions to be made. Of particular importance is ensuring information is made available on all 16–18 options for education and training, including apprenticeships.

3.11 Achieving the desired impact of increasing academic achievement and improving behaviour and attendance as a result of RPA will depend on a number of factors:

- The future arrangements for the monitoring and quality assurance of Careers Education and Guidance.
- The volumes of learners and the ability of responsible bodies to segment and understand the different needs of the cohort.
- The range, quality and breadth of economically viable provision that 16–19 providers can offer.
- Lines of accountability established 14–19 and beyond into HE and Employment.
- Employers via the Local Enterprise Partnerships committing to supporting participation.

25 March 2011

### Written evidence submitted by Semta

#### KEY POINTS

- Work-based learning and apprenticeships are not a panacea for the disaffected and low achievers.
- Employers will require clear information upon their responsibilities towards the young people they will employ.

#### ABOUT SEMTA AND THE NATIONAL SKILLS ACADEMY FOR MANUFACTURING

Semta is the employer-led skills council for Science, Engineering and Manufacturing Technologies in the UK. Its National Skills Academy for Manufacturing delivers an independent national standard for manufacturing training content, delivery and process by focusing on business return which is typically 6:1.

#### IMPACT OF THE EMA

*What impact has the Education Maintenance Allowance on the participation, attendance, achievement and welfare of young people and how effective will be the Discretionary Learner Support Fund in replacing it?*

1. Initially, the introduction of the EMA was a concern for employers, who felt it was being offered to young people as an incentive to remain in full-time education, and not to consider employment and work-based training programmes post-16. Many engineering and manufacturing employers recruit at 16 onto their challenging and exciting Advanced Level Apprenticeship programmes, and feel keenly the competition from schools (particularly those with sixth forms) and colleges offering A levels. Despite paying significantly more than the EMA in terms of salary, employers felt young people were being “guided” by the introduction of EMA towards the academic route.

2. However, as the EMA was extended to support those on Programme-led apprenticeship programmes and other learning, EMA became a useful tool in recruiting appropriate young people onto a whole range of courses.

#### PREPARING FOR RAISING THE PARTICIPATION AGE

*What preparations are necessary, for providers and local authorities, for the gradual raising of the participation age to 18 years and what is their current state of readiness?*

3. Employers are not intrinsically hostile to the concept of raising the learning leaving age, particularly for those who have failed to achieve in a traditional school environment. However, they are concerned that appropriate alternative provision is available for those young people post-16—if an individual has failed to grasp the basics of numeracy and literacy in eleven years of compulsory schooling, it is unlikely that two years of “more of the same” will have a better outcome. It is also imperative that work-based learning is not seen as the only solution for these individuals. While many young people who have failed to achieve in an academic environment find that they thrive in the different atmosphere of the workplace and college, some will struggle

with the demands of programmes such as apprenticeships. The right advice and guidance will be paramount to directing individuals to the right route post-16.

4. Employers will need guidance on the recruitment and support of young people aged 16–18, with clear information on the responsibilities of each party. For example, if an employer recruits a young person, will the employer be responsible for ensuring their attendance on accredited training, particularly where the training is happening off the employer’s premises?

#### THE IMPACT OF RAISING THE PARTICIPATION AGE

*What impact will raising the participation age have on areas such as academic achievement, access to vocational education and training, student attendance and behaviour, and alternative provision?*

5. The original proposals to raise the participation age (*Raising Expectations: staying in education and training post-16*, March 2007) contained some alarming predictions regarding the destinations of young people currently not in learning at 16 and 17. Two tables (Table 4.2 and 4.3) showed a significant increase in the numbers of young people in “Work-based learning”:

	<i>In 2005–06</i>	<i>Predicted in 2016–17</i>	<i>Number change</i>	<i>% change</i>
Schools	427,000	458,000	+31,000	+7.3%
FE/HE	495,000	543,000	+48,000	+9.7%
Part-time study	61,000	40,000	–21,000	–34.4%
WBL	93,000	138,000	+45,000	+48.4%

6. Most employers in science, engineering, and manufacturing technology industries who recruit young people under the age of 18 do so onto accredited programmes, such as apprenticeships. This is because working in these sectors requires a understanding of key areas such as health and safety, basic engineering practices, good communication, and teamworking before an individual can actually enter the workplace and be productive. Therefore, our employers’ concerns relate less to whether they would be forced to offer training to young employees, and more to how the programmes which they use and trust might be compromised if they were changed to accommodate low achievers and the disaffected.

7. Semta welcomed the previous government’s enthusiasm for apprenticeships and its support for this key programme through promotion and funding. We did however have concerns that “targets” for apprenticeships were not properly understood as being reliant on appropriate training places being available.

8. This government has taken a less prescriptive approach to apprenticeships in terms of targets, and we welcome John Hayes’ clear articulation that government aspirations for increasing apprenticeships can only be met by employers taking more people onto these programmes. For this, the programme has to be made ever more attractive to new apprentice employers, easier to scale up for existing apprentice employers, and the barriers to take-up need to be addressed.

9. In some ways, the Programme-Led apprenticeship approach was successful in attracting new employers and encouraging extra recruitment from existing employers. This is because it was particularly suited to the engineering apprenticeship model, which begins with three to nine months “off-the-job” in college and in a training centre, learning the key areas mentioned previously. Engineering apprenticeship providers are expert in creating simulated environments which enable the individual to begin to gather the skills and competence necessary to work safely and effectively.

10. Under the PLA, employers were able to recruit young people who had completed this initial training, this reducing their costs and also the risk which comes from recruiting an individual directly into an area where they have no prior experience. Employed engineering apprentices traditionally receive a significant salary from the first day of training, even though they are attending a provider and not contributing to the company initially. Through PLA, employers were able to reduce their salary costs and recruit only those young people who had demonstrated their ability and commitment to an engineering career by completing the initial training while receiving the EMA. Small firms in particular, which can struggle to maintain the cost of an apprentice in the early months when the individual is in the training provider, but drawing a salary, were particularly interested in the PLA approach.

11. With the PLA approach being removed, even more will need to be done to help employers understand the benefits of recruitment of young people onto apprenticeships pre-18, if work-based learning is to play its role in providing an alternative to continuing in school.

12. As mentioned previously, we have also been concerned that work-based learning was seen as a solution to the most problematic section of 16–18 year olds—those Not in Education, Employment or Training, and those lacking basic competence in numeracy and literacy. Without proper guidance for the individual, and support for the employer, there is a danger that work-based learning is viewed as a “dumping ground” for those incapable of appropriate level learning, or unwilling to learn at all.

13. If the projected increase of nearly 50% in young people undertaking work-based learning (including apprenticeships) is to be achieved, it is therefore imperative that the following is considered:

- Appropriate support and funding for employers to enable them to take on additional young people in jobs with training (including apprenticeship).
- Support for Sector Skills Councils to continue developing frameworks, standards and qualifications which meet the needs of both employers and individuals.
- Proper advice and guidance for young people on their choices, making clear the requirements of academic, vocational, and work-based routes post-16.
- Clear information for employers on their responsibilities to young people.

14. Some employers may raise the recruitment age for their apprenticeship schemes to 18 (following the example of employers in some specialist industries, such as aerospace and nuclear), and increase their entry requirement correspondingly.

15. Others will wish to continue recruiting young people at 16 and 17, particularly onto Level 2 programmes such as the Intermediate Level Apprenticeship.

25 March 2011

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#### **Further written evidence submitted by Semta**

We were concerned to hear one of the panel in the recent Committee hearing on 16–19 participation refer to the project known as the “Semta 500” as a failure. We would like the Committee to be aware that this project was very successful, placing 315 young people on successful programmes, and was only cancelled when the Learning and Skills Council funding was withdrawn.

The project worked in a similar way to the Programme-Led Apprenticeship approach, with Semta working with training providers (such as Group Training Associations) to recruit and give initial off-the-job training to young people, before finding them work placements. The project preceded the Programme-Led Apprenticeship approach by a couple of years, running in 2003–04.

We understand the current government’s view that apprentices must be employed from the first day of their programme. However, the engineering apprenticeship is unusual in that it requires a significant period of time off-the-job in its initial stages (upwards of nine months at Advanced Apprenticeship stage). This give the young person the opportunity to learn basic engineering skills and the health and safety knowledge necessary to be able to enter an engineering environment safely. Therefore, the Programme-Led approach was particularly suited to the engineering programme.

We would be happy to provide any further information to the Committee on this, and other programmes for young people, which might be of use during the 16–19 participation inquiry.

6 June 2011

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#### **Written evidence submitted by Professor Alison Fuller and Professor Lorna Unwin<sup>22</sup>**

##### 1. INTRODUCTION

All advanced economies are faced with the challenge of ensuring their education and training systems are responsive to the dynamic shifts in the way work is organised and the types of knowledge and skill required by employers. As a model of learning, apprenticeship has remained remarkably resilient over time and across countries because it adapts to these shifts, whilst also providing individuals with a supportive framework in which to develop occupational expertise and the broader attributes required to work in different occupational contexts (Fuller and Unwin, 2010). Today, apprenticeship is also regarded as:

- a potential platform for higher education and certainly for advanced further education; and
- an alternative route for young people who do not choose to remain in full-time education after 16 and/or do not achieve the GCSEs required to study at higher levels.

The demands on apprenticeship are, therefore, considerable. In this note, we set out the steps that need to be taken to improve the quality of apprenticeships in England for 16–18 year olds. In doing so, we argue that improving apprenticeship quality is part and parcel of improving standards in vocational education and training (VET) more generally.

Individual demand for apprenticeships is already exceeding the supply of employer places. In the light of the legislation to “Raise the Participation Age” to 17 in 2013 and 18 in 2015, many more young people than is currently the case will seek places on VET programmes, including apprenticeship. The attraction of these programmes may also grow as the landscape of higher education adapts to funding changes. We are likely to

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see the growth of hybrid qualifications such as Foundation Degrees and Higher National Diplomas which are vocationally specific and enable progression to full Bachelor degrees (Davey and Fuller, 2010). The prize we all want to aim for is to increase apprenticeship and other vocational opportunities whilst also improving quality.

## 2. WHAT DOES APPRENTICESHIP LOOK LIKE IN ENGLAND?

The latest data (DS/SFR10 March 2011) show that:

- 279,700 individuals started an apprenticeship (68% on L2, 31% on L3 and 0.5% on L4).
- 116,800 were aged 16–18 (42% of all starts).
- 113,800 were aged 19–24 (41%—a growing proportion).
- 49,100 were aged 25+ (17%—a declining proportion).
- Approx 6% of 16–18 year olds started an apprenticeship.

As we argued in a paper to John Hayes and David Willetts in July 2010, apprenticeship in England is amazingly under-utilised as a pathway for this age group, given that, between 16 and 18, almost two thirds enter some form of vocational programme (in school, college or other form of training provider) and/or employment. Figures in the Wolf Review confirmed this:

- 3+ A levels—33%.
- 1 or 2 A levels plus other qualifications—6%.
- Level 3 vocational course—18% (mostly BTEC Nationals).
- Level 2 or below—30%.
- Age participation rate (18/19 year olds) in HE (only) 36%.

In recent years, Programme-led Apprenticeships (PLAs) have been encouraged as a response to the lack of employer demand and willingness to recruit apprentices. In the PLA model, the young person could pursue some aspects of their apprenticeship framework in college, with the framework completed via a placement with an employer. Hence, those on PLAs did not have to have “employed status”. Lack of employer demand is not confined to England. Some other European countries (notably the Netherlands and Denmark) have also responded to this problem in a similar way by developing what they call “school-based apprenticeships”. In Germany, a model known as the “transition system” has been created to provide pre-apprenticeship education and training for young people who are waiting for an apprenticeship to become available in the “dual system” as there is currently a shortfall of places.

PLAs have now been withdrawn (in line with the requirements of the 2009 Apprenticeship, Skills, Children, and Learning Act), but the challenge of generating apprenticeships to help meet individual demand has remained. The latest model to be created as a way of responding to the shortfall in employed-status places is the Apprentice Training Agency (ATA). Young people are employed by the agency (usually on minimum apprentice hourly rates) and hired out to “host employers” to complete the work-based components of their framework. Placements with host employers should normally be for at least 30 hours a week, but can be for as little as 16 hours a week (the host employer does not employ the apprentice during the period of the placement). This model meets the requirements of the ASCL Act as apprentices are employed, but it falls short of the ideal model where an employer shows their commitment by taking on an apprentice with the intention of supporting their skill formation and integration into the permanent workforce. The concern with the ATA model is that there is less commitment to the longer term development and integration of apprentices from the employers providing work experience places, which will potentially give rise to the ATA model being seen as the sort of “warehousing” approach associated with youth training schemes during the 1980s.

In contrast to ATAs, Group Training Associations (GTAs), which have a much longer history, work on behalf of specific industries or sub-sectors to support the development of skills (through programmes such as apprenticeship) to an agreed standard. They can, for example, enable small and medium sized companies to provide a broader experience for apprentices through co-ordinating the sharing of resources. In acting as placement agencies for a range of sectors, ATAs resemble the old “managing agents” of YTS days. Rather than working on behalf of employers, ATAs work on behalf of the government’s desire to maximise apprenticeship places. In order to ensure the focus of attention is on quality, rather than just quantity, we need to ensure that the co-ordinating agencies at local level are first and foremost concerned with supporting employers to build their businesses through high quality workforce development. The role of the training provider then becomes part of this service, rather than as is the case now, the dominant role.

In all countries with strong vocational education and training systems, the organisation of apprenticeship is regarded as a matter of shared responsibility at local level involving employers, employer bodies (eg Chambers of Commerce), local authorities, and vocational training providers. This helps to ensure that access to apprenticeships is transparent, quality is safeguarded, and that achievement is celebrated. In England, the arrangements are much more fragmented with many organisations playing a role within a highly centralised system. In the architecture of apprenticeship, employers have become far less visible than they would have been 30 years ago and local communities no longer have a meaningful stake in its performance. There are, of course, examples round the country where the relationship between employers and local communities have been maintained—where young people and their parents trust the quality of apprenticeships provided by certain



employers and associated training providers. At present, however, there are no incentives to expand these models of good practice. Rather, the incentives are loaded in favour of training providers (and ATAs) who can guarantee to deliver the apprenticeship targets.

The issue of quality in apprenticeships precedes the introduction of PLAs and now the ATAs, it has been of increasing concern since 2001 when the then Labour government merged existing government-supported youth training schemes at Level 2 with the Level 3 Modern Apprenticeship (set up in 1994 by John Major's government). In addition, the new Learning and Skills Council (LSC) was given targets to "grow" apprenticeship numbers. This was largely done through the "conversion" of existing employees into apprentices and (partly as a consequence) significant expansion of Level 2 apprenticeship numbers in the service sectors, notably "Customer Service" and "Retail". Since then, Level 2 has considerably outstripped Level 3. This in itself would not necessarily be a problem if Level 2 was a consistent standard, but, as the Wolf Review has confirmed, the content of vocational qualifications at the same level (equivalencies) cannot be guaranteed. It would also not be a problem if all the "conversions" were acquiring new skills rather than being accredited for the skills they already have through virtue of being employed. The fact that the majority of apprentices are "conversions" has been known for a long time,<sup>23</sup> but has never been addressed. A key problem here is that data clearly differentiating the employment status of individuals prior to their registration on apprenticeship frameworks is not routinely collected and made readily available.

In order to establish a more meaningful threshold for quality in apprenticeship, we need to be clear about how apprenticeships are currently organised. Many different types of apprenticeships exist in England. This variety reflects the diverse nature of the economy and the range of occupational and organisational settings in which apprentices work and learn. Designing and managing apprenticeship programmes is a complex process. The needs of employers and apprentices have to be met, as well as the requirements set by government and its agencies and the qualification awarding bodies. This means we can't design apprenticeship around a "one size fits all" approach. Similarly, there has never been a serious debate about whether some jobs/occupations/sectors have the capacity and the appropriate level of skills to sustain a quality apprenticeship.

There are 191 apprenticeship frameworks available covering 10 broad areas of the economy, defined by the National Apprenticeship Service website as follows:

- Agriculture, Horticulture and Animal Care.
- Arts, Media and Publishing.
- Business, Administration and Law.
- Construction, Planning and the Built Environment.
- Education and Training.
- Engineering and Manufacturing Technologies.
- Health, Public Services and Care.
- Information and Communication Technology.
- Leisure, Travel and Tourism.
- Retail and Commercial Enterprise.

Behind these broad titles sit more specific titles or "frameworks"—eg "hospitality" sits behind Retail and Commercial Enterprise, and "customer service" sits behind Business, Administration and Law. Once you get to a framework title, the NAS website then lists the types of occupations covered—hence, to discover that you can train to become a chef, you need to look at the "job roles" listed for "hospitality":

*Level 2 (Apprenticeship)*

- Waiter or Silver Service Waiter.
- Bar-person, Cellar-person, and possibly Bar supervisor.
- Receptionist.
- School Cook, Cook, Team member or Chef.
- Craft Chef, Kitchen assistant or Team member.
- Housekeeper.
- Youth Hostel Worker/Supervisor.
- Team Member/Supervisor within a Holiday Park or Small Hotel.

*Level 3 (Advanced Apprenticeship)*

- Sous Chef and Head Chef.
- Head Housekeeper, Head of Reception.
- Unit Manager in a Hotel Chain.
- Unit Manager in a Contract Catering Company.
- Unit or Regional Supervisor/Manager in a restaurant/pub chain with multiple outlets.

<sup>23</sup> Figures obtained from the LSC by the DIUS Select Committee's scrutiny of the Apprenticeships Bill indicated that up to 77% of new starts were conversions in 2006–07.

The national statistics published for apprenticeship, however, are presented under the 10 broad areas listed above and then by “framework”, but not by specific occupation—for hospitality, this means we have no public data on how many chefs are being trained as opposed to “bar persons” or “receptionists”. In other European countries, apprenticeship is much more clearly delineated by “occupation”, thus enabling discussions to take place about the implications of shifts in the supply and demand of apprenticeships for the local and national economy. Importantly, too, using the much clearer label of “occupation” means that young people and their advisors, employers and anyone seeking an apprenticeship have a much more understandable basis on which to search and base their decisions.

As Table 1 shows, the vast majority of apprentices are in ten frameworks. It is not possible to indicate what proportion of the starts in each framework are aged 16–18. To do this involves a complex process of application to the data service for the release of statistics on starts by age and framework that are not routinely made available via Statistical First Release. When we undertook this task just over a year ago (on the 2008–09 statistics), it emerged that, in terms of their participation in the most populated sectors, young people were concentrated in four particular sectors, hairdressing, children’s care, construction and engineering. We don’t know if this is still the case, but if it is then the size of the challenge involved in increasing and extending young people’s participation in apprenticeship is underlined.

**Table 1**

PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

Source: DS/SFR10 March 2011

This list has changed over the years since the Modern Apprenticeship was introduced. Engineering, construction and electro-technical were high up the list at first, but now the service sector frameworks dominate, with, most notably, Customer Service taking the top slot. If you asked a member of the general public to state which sectors or occupations provided opportunities for apprentices, they would probably refer to occupations such as plumber, carpenter/joiner, painter and decorator, chef, electrician, and hairdresser. Customer Service would probably not figure in their list. So why is this framework at the top of the list?:

- (a) Customer Service has become a component of many occupations/sectors as well as being the core activity of “call centres”;
- (b) Employers in the trades and crafts and emergent sectors such as IT and Creative and Cultural Industries are not recruiting enough apprentices; and
- (c) Training providers find this framework the easiest to “sell” to employers—it can be cheap and quick to deliver as the required qualifications can be obtained through matching everyday work tasks to lists of competences—thus it demands little in the way of off-the-job training and is ideal for “conversions” of existing employees (so vast majority of CS apprentices are 19+ and are registered on the Level 2 framework).

**Recommendation:** To help the committee in its deliberations about the RPA, it needs a clear picture of young people’s participation in apprenticeships including by social characteristics and background.

### 3. APPRENTICESHIP QUALITY AND THE “EXPANSIVE-RESTRICTIVE FRAMEWORK”

The “Expansive-Restrictive Framework” provides a tool for analysing apprenticeship learning environments according to their *expansive* and *restrictive* features. Expansive environments create learning opportunities that make full use of individuals’ capabilities and the chance to demonstrate their potential. In a workplace, this will mean that everyone, including managers, believes that all employees should be fully involved in as much of the work process as possible. Employees will be well-informed about the goals and values of the organisation and so will tend to take pride in what is being produced. A crucial tenet of these environments is that apprentices have a dual identity as workers and learners for the duration of their Apprenticeship. In these environments, other workers are also given opportunities to develop their skills and knowledge. This means they are more likely to feel comfortable about passing on their expertise to apprentices.

In restrictive environments, the focus is on trying to move apprentices as quickly as possible from being learners to being productive workers. Of course, all workplaces must be productive and their primary goal is to produce goods and services. However, if the goal is to use apprenticeship as a vehicle for quickly inducting an individual into the skills necessary to perform a job, then the likelihood is that the job has also been designed in a restrictive way. In this scenario, apprentices lose the chance to fulfil their potential and the organisation loses the chance to make the most of their abilities.

The strength of the expansive—restrictive framework is that it adds up to a set of institutional conditions involving the workplace and relevant partners to underpin apprenticeship provision and the apprentice's experience. This institutional layer is lacking in the current landscape where there is little industry-based on the ground support and no agencies dedicated to developing this. The Sector Skills Councils' main role is to ensure that frameworks comply with the now statutory requirements and the National Apprenticeship Service's regional and local field-force is mainly concerned with increasing numbers. The key feature of a set of good quality conditions is that the stakeholders are committed to and bound into them.

**Figure 1**

THE EXPANSIVE/RESTRICTIVE FRAMEWORK  
(Fuller and Unwin, 2011)

<i>EXPANSIVE</i>	<i>RESTRICTIVE</i>
C1 Apprenticeship used as a vehicle for aligning goals of developing the individual and organisational capability	Apprenticeship used to tailor individual capability to organisational need
C2 Workplace and provider share a post-Apprenticeship vision: progression for career	Post-Apprenticeship vision: static for job
C3 Apprentice has dual status as learner and employee: explicit recognition of, and support for, apprentice's status as learner	Status as employee dominates: status as learner restricted to minimum required to meet Apprenticeship Framework
C4 Apprentice makes a gradual transition to productive worker and expertise in occupational field	Fast transition to productive worker with limited knowledge of occupational field; or existing, already productive, workers as apprentices with minimal development
C5 Apprentice is treated as a member of an occupational and workplace community with access to the community's rules, history, knowledge and practical expertise	Apprentice treated as extra pair of hands who only needs access to limited knowledge and skills to perform job
C6 Apprentice participates in different communities of practice inside and outside the workplace	Participation restricted to narrowly-defined job role and work station
C7 Workplace maps everyday work tasks against qualification requirements—qualification valued as adds extra skills and knowledge to immediate job requirements	Weak relationship between workplace tasks and qualifications—no recognition for skills and knowledge acquired beyond immediate work tasks
C8 Qualifications develop knowledge for progression to next level and platform for further education	Qualifications accredit limited range of on-the-job competence
C9 Apprentice has planned time off-the-job for study and to gain wider perspective	Off-the-job simply a minor extension of on-the-job
C10 Apprentice's existing skills and knowledge recognised and valued and used as platform for new learning	Apprentices regarded as "blank sheets" or "empty vessels"
C11 Apprentice's progress closely monitored and involves regular constructive feedback from range of employer and provider personnel who take a holistic approach	Apprentice's progress monitored for job performance with limited feedback—provider involvement restricted to formal assessments for qualifications unrelated to job performance

The "Expansive-Restrictive Framework" deliberately presents its characteristics as two ends of a continuum. It doesn't condemn restrictive apprenticeships. At best, they will give apprentices the opportunity to enter employment, develop the skills, knowledge and experience that their employers need along with nationally recognised qualifications. The point here is to ask whether these apprenticeships are making the most of their apprentices' potential and, importantly, whether the employing organisation could use the apprenticeship to expand its own horizons. Asked to name an "expansive" apprenticeship programme, the government and the general public would probably say "Rolls Royce". This is partly because of the long-standing reputation of the company and also because engineering expertise represents the ideal combination of theoretical (codified body of knowledge) and practical skills. Yet "expansive" examples can be found in other sectors—what they share is a commitment to the nurturing of expertise over time so that as organisations they can continue to deliver high quality goods and services, and to ensuring the apprentices have a platform of skills and knowledge to progress.

The Business Administration apprenticeship (at Level 2 and 3), run by Dorset County Council, is an “expansive” example in a very different sector to engineering. Demand from applicants outstrips the supply of Apprenticeship places and the recruitment and selection process is rigorous. Applicants for the level 3 Apprenticeship are required to have five GCSEs at grades A\* to C including English and Maths and those for the level 2 Apprenticeship are expected to have three GCSEs at grades A\* to C also ideally including English and Maths, although there is some flexibility with the implementing the criteria. Those applicants selected to proceed are invited to attend for an aptitude test and interviews. The Council uses Apprenticeship as a workforce development strategy, and to ensure that it trains a succession of skilled workers to replace those who leave (mainly through retirements). Apprentices are supported by:

- a peer mentor, second year apprentices mentor first years;
- a workplace manager/supervisor; and
- a member of the Council’s learning and development team who acts as an advisor and has overall responsibility for supervising the apprentice.

The training involves a mixture of on-the-job training and workshops (approximately twice monthly) which take place away from the workstation. Apprentices are given the opportunity to move around the organisation to gain an overview of its departments and functions. They are required to undertake projects across the organisation in teams, for example, each year a group of apprentices organises the annual open evening recruitment event.

#### 4. CONCLUSION

If apprenticeship is to fulfil the aspirations for the 16–18 age group shared across the main political parties, then it is important that young people are given the opportunity to participate in apprenticeships that can be located towards the expansive end of the continuum. Achieving this goal has implications for funding and the design of apprenticeship frameworks and provision. In particular, it is likely that apprenticeships as a vehicle for facilitating the entry of young people into the labour market and the development of their occupational skills and expertise will need to be different to those designed for older adults. Alison Wolf raised this point in her Review of Vocational Education but implied that the main difference should centre on the inclusion of Maths and English in apprenticeships for 16 to 18 year olds: this offers a necessary but not sufficient response. In our view, the expansive—restrictive framework offers a much more comprehensive set of quality criteria that focuses on the improving the apprenticeship learning environment.

In thinking about the role of apprenticeship under the scenario of the RPA, there is a need to go beyond a simple principle that “if they’re participating, that’s ok” to putting quality at the heart of planning and programme evaluation.

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June 2011

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#### **Letter from Lord Hill of Oareford, Parliamentary Under Secretary of State for Schools, dated 15 June 2011**

When we appeared before the Committee on 8 June, the Minister for Further Education, Skills and Lifelong Learning and I promised to write with further information on four points.

The first was to clarify the official figures for the participation of 16 and 17 year olds. The official data are published in the Department’s Statistical First Release *Participation in Education, Training and Employment by 16–18 Year Olds in England*. The latest figures for the end of 2009 show that 93.7% of 16 year olds and 85.2% of 17 year olds were participating in education and work based learning. These were the figures quoted by Peter Lauener in your evidence session earlier on 8 June.

This publication also provides data on the proportion of young people in any form of education, employment or training. The latest figures showed that at the end of 2009 3.9% of 16 year olds were NEET and 96.1% were participating in education, employment or training. For 17 year olds, 7.3% were NEET and 92.7% were participating in education, employment or training. We have made a correction to the transcript to ensure that these figures are accurately set out. The next Statistical First Release, providing provisional data for the end of

2010, will be published on 30 June and will be available on the Department's website at: <http://www.education.gov.uk/rsgateway/DB/SFR/s001011/index.shtml>.

The second was to provide further information in response to Tessa Munt MP's question about the restrictions on data being passed from school to school and school to college.

The obligations relating to the transfer of information on pupils are set out in the Education (Pupil Information) (England) Regulations 2005 (SI 2005/1437). Where a pupil registered at a maintained school or non-maintained special school is under consideration for admission to another school or to a further education institution or higher education institution, the governing body must transfer the pupil's curricular record to the responsible person in that institution free of charge within 15 school days of receipt of a written request.

When a pupil moves between schools (including between school sixth forms), there is an obligation upon the governing body of a maintained school (or the local authority, if there is an agreement in place) to transfer the pupil's Common Transfer File (CTF) and educational record to the new school. The content of the CTF is described in Schedule 2 and the content of the educational record in Section 3(1) of the Regulations. The CTF must be transferred electronically and the education record may be sent in electronic or paper form. To ensure the security of the information, the transfer must be through a secure file service as described in the Department's guidance on secure school-to-school data transfer or through an intranet provided by the local authority.

There is no obligation in the Regulations for transfer of a pupil's CTF or educational record to a further education institution or higher education institution, only to another school. Even where schools want to transfer the data and have the consent of the young person to do so, a further obstacle for FE and HE institutions is that they do not have access to the DfE's secure school-to-school data transfer system, making it harder to take part in this exchange of data. As with any other personal or sensitive information, processing of this data is subject to the provisions of the Data Protection Act 1998.

As the Minister for Further Education, Skills and Lifelong Learning mentioned in the evidence session, we will continue to look at and address barriers to data sharing to ensure that information can be transferred where that is of value to the young person.

The third was how many 16–18 year olds are currently taking part in Apprenticeships. Data in the Statistical First Release for the 2009–10 academic year show that there were 186,400 16–18 year-old apprentices in learning. However we prefer to count Apprenticeship places by the number of starts per academic year because Apprenticeships vary in the length of time it takes individuals to complete the programme. This means that starts are more directly related to the funding that learning providers receive and to programme budgets as a whole. In 2009–10 there were 116,800 16–18 year-olds starting an Apprenticeship, a 17.5% increase on 2008–09. This year, we have funding in place to support 131,000 starts.

The fourth was to provide a link to the announcement on Access to Apprenticeships. This was made on 12 May in the *Supporting Youth Employment* document published by Number 10 at <http://www.number10.gov.uk/wp-content/uploads/support-youth-employment.pdf>.

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#### **Letter submitted by Martin Doel, Chief Executive, Association of Colleges, dated 2 June 2011**

##### **16–19 FUNDING**

The Young People's Learning Agency is currently consulting informally on proposals for changing the funding formula and system for 2012–13. A full public consultation is scheduled to start in June. We understand that Department for Education Ministers and officials have received many representations on funding and have concluded that the formula is too complicated. They would also like to create a "pupil premium" which covers 16–18 year olds.

The areas of possible change are:

- Converting the current disadvantage factor used in post-16 funding into a post-16 pupil premium. The plan would be to implement this in 2012–13 and might involve a different basis for identifying who is eligible, possibly using the ICACI index in place of the Index of Multiple Deprivation.
- A smaller number of funding rates (possibly as few as six compared to 1,000+ now) to achieve Alison Wolf's recommendation that qualifications should not drive budgets.
- Removing the success rate from the formula and, instead, allocating funding to a combination of enrolments and completions. There is particular pressure from schools for this because the current system of calculating school success rates produces errors.
- Changing the way in which high-cost Additional Learner Support is allocated to reflect policy decisions from the SEN Green Paper.

It is possible that changes will be implemented over several years but 16–18 education is in some flux at present for the following reasons:

- There are planned cuts in funding per student, which were masked by 97% transitional relief in 2011–12.

- There was a shortfall in 16–18 enrolments against DfE expectations in 2010–11 and the winding up of Education Maintenance Allowances (EMAs) could cause further problems in 2011–12, particularly as local council services, such as advice and guidance, are also in retreat.
- There are continuing curriculum changes including those stemming from the collapse of the diploma and the implementation of the Wolf Review.
- There is growing competition from new providers and new provision, including new schools, new Sixth Forms and the expansion in apprenticeships.
- The conversion of the YPLA to become an Education Funding Agency and the rapid increase in the number of academies changes the focus of the main 16–18 funding organisation.

#### INFORMATION ON BURSARIES

Colleges are still awaiting confirmation of how much funding they will receive for the Bursary, and therefore remain unable to properly develop criteria on which to distribute the Bursary to students. As you know, DfE will be issuing and some Colleges are already developing a region-wide approach, for example in London, and we plan to publish some informal advice to our members on Bursary too. We still believe that discretion remains important to enable Colleges to reflect their local circumstances. We also believe the DfE should inform local authorities that there is no legal impediment to providing access for Colleges and schools to the list of Year 11 pupils in their area who were in receipt of free school meals (FSM). Although we recognise that there are problems with using FSM data as a proxy for disadvantage, it could be a useful tool for schools and Colleges.

#### TRANSPORT

You asked for examples of where local authorities might be reducing transport support. One such example is Lincolnshire County Council which has redrawn the travel boundaries and designated nearest Colleges and sixth forms. This means students will only receive subsidised transport to the nearest designated College, irrespective of whether that College offers the course the student wishes to do. The cost of travel, even when subsidised, has also increased dramatically.

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### Written evidence submitted by Kwik Fit Limited

#### INTRODUCTION

Following the recent HoCEC inquiry into the impact of raising the participation age from 16–19, this document sets out to answer more fully the questions the committee were seeking to answer. In the main it seeks to offer a reasoned response to the question raised by Neil Carmichael (question 166) regarding the quality of Apprenticeships and what we think of as a really good set of criteria for a young person to go through.

Key Criteria for the successful delivery and engagement in Apprenticeships:

1. **Unbiased Career advice and guidance**—It is essential that every child has regular and access to career advice from year 7 through to year 11. At present many children are not introduced to the potential career options until year 10 or 11 and in general only those who are expected to fall below target achievement levels are guided towards a vocational option.

Career options should be explored based on interest and motivation not on expected levels of academic achievement.

2. **Schools need to engage with Employers**—Schools need to be more open to employer engagement in order that children have access to people with experience of working in the vocational area and who can provide current information on the occupation, opportunities for learning and the career paths within the industry.

It is vital that there is a major step change in the thinking within the school system, moving away from the commonly held view that employers are in competition for them. Perhaps the current metrics used to measure a school's success are at the centre of the current culture of objection to engaging with employers. If schools were not only measured on GCSE results, but were also given credit for the number of children moving into Apprenticeships, then perhaps children would not be deemed to have failed if they do not subsequently move on to take A-level qualifications.

3. **Delivery within schools of essential life skills**—from an employer's perspective the achievement of GCSE qualifications is not essential. However, it is essential that all children leave the education system with literacy and numeracy skills at a minimum of Entry 3 for Apprenticeships and Level 1 for Advanced Apprenticeships. It is our experience that it is perfectly feasible for an employer or training provider to successfully improve these skills by the 1 level required for achievement of the requirements of these Apprentice frameworks.

Although we in Kwik-Fit do not impose a minimum level of qualification to enter our Apprentice Programme, we do test these skills and set minimum levels for literacy & numeracy as a filtering criteria for applicants given the massive over subscription we have whenever we are recruiting.

GCSE results play no part in our selection criteria, as in reality at the time we make our selection decisions most applicants are yet to receive their results.

Team working and problem solving skills are also key requirements for any school leaver wishing to successfully complete an Apprenticeship. In addition manual dexterity and spatial awareness skills are also important within most craft Apprenticeships.

4. **High Quality relevant and current training provision**—It goes without saying that successful delivery of Apprenticeships is reliant on the provision of high quality training provision. It is essential to ensure that the recent trend reported by OFSTED of the reduction in providers rated unsatisfactory continues. The planned increase in the number of Apprenticeships is dependent on an increased availability of high quality provision, it could be argued that as the volume of Apprenticeships increase the current supply of provision will be become stretched and quality could suffer as a result.

OFSTED have over many years held the view that where employers deliver their own Apprenticeships, the achievement rates and quality of provision are higher. This is certainly a view with which we concur and it is obvious that any employer who adopts this model can have no interest in delivering anything other than high quality provision.

5. **Employer engagement and support**—It is very clear that without support from employers of all sizes the planned increase in Apprenticeships is doomed to failure. Whilst it is also obvious that in order to support Apprentices within the SME sector is dependent on the availability of training providers, it is also our view that the system would do well to look to large employers to do more to provide training provision for the sectors in which they operate.

Kwik-Fit have worked over the last two years to support the establishment of the Skills Funding Agency with the last government. We feel that the views of the employers consulted in this exercise have been ignored and that government has made decisions relating to the funding methodology used for large employers under the misconception that cutting funding rates by 25% will have no impact on engagement of large employers in Apprenticeships.

The decision to cut rates by 25% is unjust given the additional value gained from completing and Apprenticeship via a fully embedded employer delivery model. If you take Kwik-Fit's delivery model as an example it is not difficult to determine the additional value we deliver. This is evident in simple terms by the fact that whilst the Apprentice Framework we deliver requires the delivery of 51 learning credits, however Kwik-Fit Apprentices attain 81 learning credits. This means that any Apprentice completing the KF programme has achieved over 50% more learning credits whilst attracting 25% less funding than a training provider receives for delivering no more than the minimum framework requirements.

If the government were to provide a contribution towards wages or allow for non-employed Apprentices through a "training allowance" our company would commit to taking on more Apprentices. As a commercial operation there is a limit to the number of Apprentices we can employ, however if there was an option to take non-employed Apprentices with government support we are confident that no less than 90% would ultimately move to full employment with the company over the duration of their Apprenticeship. Those that could not be employed by KF would be trained to a high standard and benefit from the additional learning credits making them highly employable within the SMEs within our sector. We believe this approach would provide great benefits to all parties and needs further discussion. (for information we have included a document outlining our proposal made to the LSC/SFA under the previous government.)<sup>24</sup>

June 2011

## Written evidence submitted by The Children's Society

### 1. INTRODUCTION AND KEY POINTS

1.1 The Children's Society welcomes this opportunity to contribute to the Education Committee inquiry into participation in education and training of young people aged 16–19 years. The Children's Society is concerned with the welfare of all children and young people, but especially those who are at risk of social exclusion and discrimination. Our organisation works across England and has a well-developed practice base working directly with children and young people in a range of school, community and specialist projects. We have a wealth of experience working with disabled children and young people and those who have special educational needs. We have chosen to focus our response on issues that have emerged from our research and practice with disabled children and young people.

1.2 Analysis of the 2001 census indicates that 7% of all children are disabled. This means there are 770,000 disabled children in the UK. That equates to one child in 201. The recent Ofsted report notes that past the age of 16, young people with learning difficulties or disabilities comprise one of the groups most likely not to be in education, employment or training.<sup>25</sup>

<sup>24</sup> Not printed

<sup>25</sup> The Special Educational Needs and Disability Review, Ofsted, 2010.

1.3 It is therefore imperative that in reviewing the participation of 16–19s in education the Education Committee should not overlook the needs of young people with disabilities and special educational needs. Within this inquiry we would like to see a specific focus on disability and separate section of the Committee's final report examining the needs of this group. We would particularly like to see the focus on:

- Transition to post-16 education and training and support that disabled young people and young people with special educational needs (SEN) receive in their earlier school careers
- Levels of support for disabled young people and young people with SEN and attitudes to disability in post-16 education and training.
- Choice and accessibility of post-16 education and training for disabled young people.
- Impact of admission and exclusion policies on access to education for disabled children and young people and children and young people with SEN.
- Disability awareness training for workforce involved in post-16 education and training.
- Transition planning for disabled young people leaving education at 18.

1.4 The Children's Society supports an inclusive education for all children in schools that have the resources, support and trained staff to ensure that children's experience of school is positive and where they can develop to their full potential. The Children's Society aspires for every disabled child to receive the highest possible quality of education, involving an engaging, well-rounded and creative curriculum for learning, founded on an understanding of children's capacities and the flexibility to respond to their individual needs. The Children's Society believes every school should be a community where children feel valued themselves as individuals, mix with and learn about a wide diversity of different children and their families, and do not face barriers or less favourable treatment on the basis of their race, disability or family circumstances.

## 2. THE PREPARATIONS NECESSARY FOR THE GRADUAL RAISING OF THE PARTICIPATION AGE TO 18 YEARS, INCLUDING CURRENT STATE OF READINESS

2.1 Children entering post-16 education need to have choice about their education and training options. Choice is currently constrained by accessibility, varying levels of support and attitudes towards disability. Despite recent legislation such as the Disability Discrimination Act 1995 and 2005 and the Equalities Act 2010, schools and colleges are at very different stages of meeting their obligations towards disabled children and young people. A 2004 Ofsted report highlighted that over half the schools visited had no accessibility plans and that only a minority of mainstream schools met special needs very well. An NOP survey from 2003 shows that only 10% of secondary schools were fully accessible.<sup>26</sup> While one would expect there to have been some improvement during the intervening years, it is the case that very many schools still fail to provide an environment that is accessible for young people with a range of disabilities.

2.2 The Time 4 Change young people's group based at The Children's Society's PACT project in York has demonstrated how effective young people can be in helping to create an inclusive environment in schools. The report and DVD *Disability Equality in Schools: Working in partnership with disabled young people* (available from The Children's Society) has inspired young people's involvement in many schools. One head teacher commented, "*this initiative has enabled us to make really essential changes to the school that we would not have been aware of. Disabled young people were an extra pair of expert eyes that every school needs when they work through their disability equality scheme*".

2.3 Choice can also be constrained by discriminatory admissions policies. Research and inspection reports indicate that children with disabilities and special educational needs continue to lose out due to poor admissions policies and practices.<sup>27</sup> The recent Ofsted report noted that the real choice of education and training opportunities for those aged 16 and over is particularly limited for disabled young people and those with special educational needs. The Children's Society is concerned that an increasingly selective and independent market will only exacerbate this lack of choice.

2.4 Not all special schools have a 6th form and so many young people who have received an education in this setting struggle to move into further education. Arrangements are far from satisfactory as young people often stay in their special school and are provided with an individual programme and accompanied by a support worker to access provision out of school. This can be complex to set up and can result in gaps in education due to the amount of time this can take to organise. It also means that young people staying in their special school are kept with younger children and their experience is not at all similar to their non-disabled peers.

2.5 The lack of staff skills and knowledge in relation to disability have also been raised as a problem by the young people that we work with. Teachers receive little initial teacher training in identifying and working with special educational needs and some schools lack a system directing teachers to how to apply for and arrange support. We are particularly concerned that communication support needs, including speech therapy services, are scarce in secondary education. This needs to be addressed in both pre- and post-16 settings if children are to be enabled to engage effectively with education.

<sup>26</sup> NOP Survey on Disabled People's Experiences of Access to Services in Britain. Report 450196/Nov03 Prepared for Disability Rights Commission.

<sup>27</sup> Special Educational Needs and Disability: Towards Inclusive Schools, Ofsted, 2004 and Admissions and Exclusions of Pupils with Special Educational Needs, National Foundation for Educational Research, 2005.



2.6 Participation and consultation with pupils to shape education provision is key to effective engagement in learning. The importance of taking the views, wishes and feelings of children and young people into account in relation to decisions about their care and education is clearly reflected in a range of legislation,<sup>28</sup> yet despite these good intentions the experience of many disabled children and young people is that they are rarely consulted and involved in decisions about their education. In our experience, those with communication impairments are often not involved in the development of their personal education plan, not invited to their transition planning meeting and often not consulted about school placements.

2.7 Transition support for students moving to post-16 education is often poor. The Children's Society's consultation with children and young people about their experiences of education in York noted that none of the students with learning disabilities in post-16 education had received support with the transition from secondary school to post-sixteen education prior to starting post-16 education.<sup>29</sup> A more robust and systematic approach to transition across schools is called for, particularly in managing transitions between secondary schools and college or work.

### 3. THE IMPACT OF RAISING THE PARTICIPATION AGE ON AREAS SUCH AS ACADEMIC ACHIEVEMENT, ACCESS TO VOCATIONAL EDUCATION AND TRAINING, STUDENT ATTENDANCE AND BEHAVIOUR AND ALTERNATIVE PROVISION

3.1 Raising the age of participation is likely to impact positively on levels of achievement if schools and colleges are ambitious for all of their pupils, including those who have disabilities and special educational needs. The recent Ofsted report noted that high aspirations and a focus on enabling children and young people to be as independent as possible led most reliably to the best achievement. There are excellent examples of well-resourced schools which have a climate of acceptance of all pupils, including those who have complex needs. These schools have fully embraced the accommodations and adaptations required for disabled children and young people in their locality. Moreover, they concentrate on being responsive to the needs of the individual child. They recognize that positive inclusion requires realistic staff pupil ratios; quality training for all staff, pupils and governors on disability awareness; a range of forms of support for pupils and teachers; and, a culture of high expectations and a commitment to ensuring all pupils can access the whole life of the school.

3.2 In order to effectively engage young people aged 16–19 years in education, it is important that they have been engaged and supported earlier in their school careers. The Children's Society is concerned about the high level of exclusions of children and young people with special educational needs as 2007 figures from the DCSF show.<sup>30</sup> Disabled pupils and those with SEN need help and support in accessing education. Too often disabled children and children with special educational needs are not adequately supported and this can result in a lack of engagement and behavioural problems. In many cases such problems are addressed through a disciplinary route and result in a high number of exclusions. Children who are turned off education in this way are less likely to want to engage at 16–19. Moreover, developing effective engagement and policies to support disabled young people who are in education at 16–19 would help avoid such problems at this later stage in their education.

3.3 Attendance and behaviour are both likely to be improved if children and young people fully participate in shaping educational provision. As noted above, recent legislation and guidance have set out a strong framework for children's participation yet the 2007 MORI Schools Omnibus Survey with secondary school pupils found that just 5% of pupils felt they had helped to design the curriculum at their school. From research and our own practice in schools we have seen the positive impact of involving pupils in decision making within schools. Involving pupils can improve their knowledge and skills in relation to becoming active citizens and members of their local community and it can lead to better school performance in relation to behaviour, engagement and attainment.

3.4 Improvements in transition planning for those leaving education at 18 will be needed if children are to fully realize their potential. We know from our experience working with disabled young people and those with special educational needs that transition from school to adult life can be an extremely stressful experience for them and their families. A number of factors can improve this experience such as adequate preparation, the full involvement of the young person in the planning process, a lead professional, and a transparent process. Young people in our York consultation reported talking to learning support tutors, education care officers and tutors about future options.<sup>31</sup> We are concerned however that there is a lack of specialist careers advice for young people with disabilities and the demise of the Connexions service will further hinder this group's ability to access appropriate employment.

3.5 Disabled young people and young people with special educational needs require greater support to access vocational training and work experience. Many disabled young people are unable to access volunteer placements. Furthermore, the previous Government chose to focus resources on NVQ levels II and III, largely unachievable for many learning disabled young people. The Children's Society's PACT project in York has

<sup>28</sup> E.g. SEN Code of Practice, Removing Barriers to Achievement, The National Service Framework for Children and Young People (standard 3), the Children Act 1989, and Every Child Matters.

<sup>29</sup> Inclusive Educational Practice in York: A Consultation with Pupils, 2004–05, The Children's Society.

<sup>30</sup> DCSF (2007) Statistical First Release: Permanent and Fixed Period exclusions from schools and exclusion appeals in England, 2005–06.

<sup>31</sup> Inclusive Educational Practice in York: A Consultation with Pupils, 2004/2005, The Children's Society.

been funded by the Big Lottery to develop “Reaching Out”, which is a programme of work giving disabled young people 16–25 years old the opportunity to gain work experience and placements with local businesses and voluntary organisations. The project aims to offer volunteering opportunities alongside an accredited course to give young people a base line qualification to move on to further college courses. The project also provides training and support for job interviews and workplace behaviours and communication. Such experiences help disabled young people gain confidence and independence while gaining recognition for new skills and volunteering in the community. Developing such skills and relationships help young people find paid employment in the future. The opportunities afforded through the project are very different from traditional day centre / service provision and have included gardening, being a room steward, office work, cleaning, web-based research, reception duties, and youth work. To-date the project has been successful in supporting a significant number of young people but it should be noted that this requires an investment in sessional staff, recruitment and training of volunteer staff to support the young people, disability training awareness for the workplace, and time spent developing links with local employers. It has been critical to the success of the project that support is flexible, tailored to individual needs and respectful. At the end of year one: thirty-one young people have participated in a diverse range of volunteering and learning experiences; one young person has gained paid work as a direct result of the experience gained as a volunteer; 90% of the young people who have undertaken voluntary work are still actively involved with their volunteering opportunity; three disabled young people have achieved their V-fifty Award for volunteering. We believe schemes based on this model from The Children’s Society should be rolled out nationally. We would be happy to provide the Education Committee with further details of the scheme.

28 March 2011

### Further written evidence submitted by The Children’s Society

#### GENERAL

- In fully examining the barriers to young people’s participation in education, the committee should consider the impact on young migrants and refugees as one of the most vulnerable groups of young people that already face significant barriers to accessing education.
- “Young migrants” comprise of a diverse group of young people with different needs and entitlements to support and welfare: this ranges from young asylum seekers and refugees who have fled persecution, torture and abuse with or without their families; some have been the victims of trafficking; some children have caring responsibilities for their parents who may be disabled or have mental health issues; some are new to the country while others have spent their childhoods in the UK living with an uncertain immigration status for long periods of time; some have been made destitute through the immigration process through the withholding or withdrawal of support or inability to work. But as children they all have an equal right to education.
- School, college or university provides stability and normality for young refugees and migrants which can mitigate the negative effects of traumatic experiences and support them to overcome isolation and build resilience. In recent years we have seen many young people being made destitute yet being able to go to school or college keeps them going and sometimes it’s the only positive thing in their life.

#### BACKGROUND INFORMATION

- 11.3% of the total population is foreign-born—33% in Greater London.<sup>32</sup>
- Most of these are EU migrants (including pre-2004 nations like Ireland, France, Portugal and A2<sup>33</sup> and A8<sup>34</sup> countries).
- Among these is a sizeable population of young Roma: although an accurate figure is unknown and many Roma avoid declaring their ethnicity, experts estimate there are around 500,000 Roma living in the UK with around 65% being of school age (under 16s).<sup>35</sup>
- Around 7,000 children apply for asylum in the UK each year from (approximately 3,000 unaccompanied asylum-seeking children and another 4,000 children apply with their families annually).<sup>36</sup> There are another 1,000 from age disputed individuals some of which are later assessed as children.<sup>37</sup> Generally asylum seekers are destitute when they come to the UK and must rely on government support for accommodation and subsistence.

<sup>32</sup> Population estimate from the Labour Force Survey, Quarter 4 2009

<sup>33</sup> Bulgaria and Romania

<sup>34</sup> Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia

<sup>35</sup> Data from mapping research published by European Dialogue and commissioned by the DCSF in 2009: <http://equality.uk.com/Resources.html>

<sup>36</sup> Control of Immigration Statistics—Home Office 2009

<sup>37</sup> An age dispute case refers to an applicant who presents as a child but who the Home Office believes to be an adult.

- There are an unknown number of irregular migrants in the UK and in many of the UK's cities undocumented children are a sizable proportion of children living in poverty. Irregular migrants mostly comprise visa overstayers, refused asylum seekers as well as a smaller number of clandestine entrants. The central estimate for this group is that there are around 155,000 undocumented children living in the UK (including 85,000 who are UK-born).<sup>38</sup>
- Although statistics on poverty in migrant communities are sparse, income inequalities caused by employment patterns, high levels of unemployment among refugee communities, a lower uptake of benefits, asylum support systems that cause destitution and large numbers of irregular migrants mean that migration children are overrepresented among those living in poverty.<sup>39</sup>

#### MOTIVATION

- Young refugees and migrants are mostly very positive about learning and education in the UK; they enjoy studying; appreciate the relative safety in which they live and the quality of education.
- Teacher-student relationships tend to be very positive as a result and some teachers are very supportive of young people through the asylum and immigration process.
- Despite their often very limited means and having to overcome a great deal of adversity, young people that we've worked with are generally very ambitious about their career goals which often reflect the support they've received: their aspirations range from becoming doctors, lawyers, UN workers, teachers and social workers.<sup>40</sup>

#### BARRIERS TO EDUCATION FOR YOUNG REFUGEES AND MIGRANTS

- Finding a school place often takes a long time (months or even up to a year) especially for post-16s and families are often unable to challenge local authorities.
- Some educators are insensitive to the situations faced by young refugees and migrants.
- Families often feel less able to support their child's education because of language and cultural barriers, and a lack of knowledge of the education system.
- Children experience racial, religious bullying or bullying on the basis of language ability or cultural identity—not just in schools but in the community, which impacts on their ability to participate effectively.
- Poor mental and emotional health, stress associated with the asylum process and an often precarious living situation, make it difficult for young people to concentrate on their work.

#### EMA AND NEW BURSARY SCHEME

- In England, EMA was previously available to non-British nationals 16–18 who had refugee status, Humanitarian Protection or indefinite leave to remain, regardless of length of time in the country. It was not available to those on Discretionary Leave or “end of line” cases.<sup>41</sup>
- With the new bursary scheme, young refugees and migrants, unless they are in care or care leavers, will be excluded from this support despite the high levels of poverty and need among this group.
- Schools, colleges and training providers will have discretion to award bursaries to other students, however, given the problems that young migrants already have in accessing education including securing a school place, it is unlikely that this will effectively target these very vulnerable young people.
- For instance, until now the EMA was a vital resource to young Roma in order to enable them to participate in education given the high levels of deprivation among this group, who are the largest ethnic minority in Europe and regarded widely as the most marginalised. We know that Gypsy, Roma and Traveller<sup>42</sup> children have the lowest levels of educational achievement across the country. With Traveller Education Services disappearing, this will be an additional hit which will further marginalise these groups of young people.

June 2011

<sup>38</sup> Sigona, N & Hughes, V (2010). Being children and undocumented in the UK: A background paper. Centre on Migration, Policy and Society, University of Oxford.

<sup>39</sup> Child Poverty Action Group (2011) How should the child poverty strategy reduce poverty in migrant communities?

<sup>40</sup> The Children's Society (2010) Leading Edge Research from the New Londoners project.

<sup>41</sup> Refused asylum and exhausted any appeal rights arising from that refusal and/or previously granted a period of “limited leave” (DL/HP) and not applied “in time” for an extension or an extension of the limited leave has been refused and any appeal rights from that refusal are exhausted.

<sup>42</sup> Gypsies and Travellers are not considered migrants as such but due to the way that services are delivered—eg TES services—and the way data is captured, GRT in terms of educational achievement are often counted together, despite the very different experiences and circumstances between Roma who tend to be A2 and A8 nationals and GT who tend to be British nationals.

## Written evidence submitted by Barnardo's

### 1. INTRODUCTION

1.1. Barnardo's has been involved with education and training since 1867 and today runs about 30 services providing education and training for 16–19 year olds across the UK. We believe in the unique potential of education to break the cycle of poverty and contribute to social mobility. Our employment, training and skills services provide technical education, occupational training, social support and employability skills to bolster the ambitions and aspirations of young people whose potential was not unlocked at mainstream school.

1.2 Barnardo's welcomes the opportunity to respond to this Inquiry and we draw on extensive research evidence and experience through working with vulnerable 16–19-year olds in training settings. We draw on this in considering what is needed to make raising the participation age (RPA) a success, especially for the hard to reach young people we know best. In particular we wish to comment on the probable detrimental effects of the loss of Education Maintenance Allowance (EMA) to this group which we predict will increase the numbers of young people not in education, employment or training (NEET).

#### *Background*

1.3 Barnardo's believes the measures to raise the participation age in the Education and Skills Act 2008 offer an important opportunity to improve provision, especially for young people who have previously disengaged from education or who face barriers to participation. With the right support and incentives, the young people that Barnardo's works with will benefit from the chance to participate in education or training designed to improve their life chances. We continue to support the implementation of this legislation so long as it benefits the most disadvantaged.

1.4 Members of the Select Committee are warmly invited to visit our services working with 16–19 year olds to provide education, training and qualifications in a range of vocational areas. Despite a difficult start at school many of these young people go on to fulfil their ambitions, achieving positive destinations and improved outcomes as a result of their experiences at Barnardo's. There is nothing better than hearing from young people themselves about the barriers they have overcome and the pride they feel in achieving skills and qualifications which they can relate to their ambitions to succeed in the workplace:

*Harry had been a persistent truant and on the edge of criminal behaviour. After 12 weeks' training at our restaurant in Harrogate—Dr B's he felt he had really grown up and clamed down. He'd gone from days spent smoking cannabis to getting up early each morning to clean the kitchens by 8.30 am. Harry now sees his future in catering. His signature dish is lasagne and he is writing his CV ready to start looking for jobs when he completes his NVQ.*

#### *Summary*

1.5 Barnardo's is concerned that, although the replacement for EMA will be targeted at those who need it most, the funding available has been reduced too far. Although they would still wish to attend further education even without the EMA many students are unable to afford the costs associated with attending college and missing out on employment opportunities. The reduction in EMA will mean that many will need to work part time, unfairly limiting time to study. These young people need support to cover the costs of participating in education and training. The local discretions through colleges and training providers will lead to patchy provision affecting young people's choices about what courses to apply to.

1.6 The potential negative impact of the decision to end EMA in 2011 together with the provision in clause 69 of the Education Bill to delay commencement of the enforcement mechanisms in the Education and Skills Act 2008 means that both carrot and stick have been removed from RPA. Whilst we maintain reservations about the more punitive aspects of compulsion and its enforcement, we are concerned that the combined effect of these reversals will leave those most likely to become NEET without sufficient incentive or support, or appropriate provision, to continue in education and training. Given that many have been disengaged from education since early in their secondary education, we are very concerned that the current provisions will actually *increase* the number of young people who are NEET, rather than bringing this number down.

1.7 We illustrate the types of barriers faced by those most likely to become NEET and discuss some specific features of provision which are necessary to re-engaging those who may have already dropped out of school or college.

1.8 This submission focuses on the following:

- The impact of the EMA and the effectiveness of the discretionary Learner Support Fund.
- Barriers to participation for hard to reach young people.
- Enablers to participation for hard to reach young people.
- Values that support successful participation.

## 2. THE IMPACT OF THE EMA AND THE EFFECTIVENESS OF THE DISCRETIONARY LEARNER SUPPORT FUND

2.1 Education Maintenance Allowance (EMA) helps to increase participation. Although originally intended as an incentive to attendance and effort, EMA has had the major additional benefit of levelling the playing field between poorer students and their better-off classmates, allowing them to spend more time studying and less time worrying about how to support themselves financially. The reduced budget and change of focus to purely covering disadvantaged students' costs will limit the success of the discretionary Learner Support Fund (DLS) in replacing EMA.

2.2 Barnardo's evidence on EMA covers the following:

- The amount of funds available.
- Flexibility of payments.
- Enabling choice.
- Administration costs.

### *The amount of funds available*

2.3 Barnardo's believes that the amount of funding made available to further education providers will be fundamental to the success of the DLS in replacing EMA.

Indications are that the total fund will be drastically reduced to about £76 million, from the previous EMA budget of £540 million.<sup>43</sup> This money is intended to be focused on the most disadvantaged students—those that would be in receipt of £30 per week under the current system. However, initial suggestions are that eligible students will receive an average of just £20 per week of education support through the DLS.<sup>44</sup>

2.5 Young people told us that EMA did not cover the full costs associated with their course. Travel to college was a particular issue—even where travel for students is subsidised, like London, travel costs can be as much as £15 per week. The experience of hardship was worst amongst those living independently or in supported accommodation.

2.6 Evidence from interviews with service users during 2008, when administrative problems severely delayed the payment of EMA, shows many experienced considerable hardship, with some seriously considering whether to withdraw from recently started courses.<sup>45</sup> Any new system ought to be thoroughly tested before roll out to ensure that this unnecessary hardship does not occur again. However, the removal of EMA by the start of the forthcoming academic year allows no time to iron out any administrative teething problems.

2.7 Barnardo's is concerned that DLS awards will not be enough to cover the cost of support to those most in need. To reduce the value of the support to the extent suggested would seriously undermine the ability of some young people to engage fully with their chosen course and is likely to increase the numbers of young people NEET, by deterring those already on the brink who could otherwise be turned around.

### *Flexibility of payments*

2.8 EMA is paid directly to students, allowing them to decide how best to apply the support. Further education providers can restrict how money from DLS is spent. For example, colleges may just use DLS money to cover specified costs of course trips, textbooks or equipment. This looks likely to continue as a method of making payments.<sup>46</sup>

2.9 Students from the poorest families can be held back from participation through lack of basic living and travel costs, or a need to contribute to household expenses. Students must be given the flexibility to spend the money to cover their needs as they see fit. Therefore, the support offered should be in the form of direct weekly payments.

### *Enabling choice*

2.10 Our experience shows that disadvantage young people make choices about their futures in constrained circumstances. EMA compensates for some of the differences between them and their better-off classmates by enabling them to defer earning a living in favour of the longer term benefits of further education or training. For many it reduces the need to work part time to support their studies, enabling a fuller level of engagement with learning. For these reasons EMA acts as a driver of social mobility.

2.11 Students with limited resources decide about courses by whether they will be able to manage financially. In a small-scale survey of our service users we found that receiving EMA influenced students' decision to start

<sup>43</sup> Nick Gibb MP, Schools Minister, Debate on Education Maintenance Allowance, House of Commons Hansard, 12 January 2011, Col.406.

<sup>44</sup> This calculation is based on £76,000,000 fund distributed to 100,000 students. A £20.00 reward would be for full attendance during term time and does not take into account administrative costs. Nick Gibb MP, Schools Minister, Debate on Education Maintenance Allowance, House of Commons Hansard, 12 January 2011, Col.406.

<sup>45</sup> Barnardo's interviewed disadvantaged young people on this and other issues which impacted on their need for EMA.

<sup>46</sup> Nick Gibb MP, Schools Minister, Debate on Education Maintenance Allowance, House of Commons Hansard, 12 January 2011, Col.407.

a course.<sup>47</sup> In future, different providers will set their own eligibility and support rules leading to variation in the amounts of support across providers. This could further constrain the choices available to poorer students by limiting the colleges and courses they select to those offering better financial support.

2.12 Research from the Institute for Fiscal Studies found EMA increased participation in post-16 education among eligible young people from 65% to 69% and the proportion of eligible 17-year-olds from 54% to 61%.<sup>48</sup>

#### *Administration costs*

2.13 If there is an added administration cost to further education providers this risks further reducing the monies available for the direct support to students. We recommend that the Department for Education should take these costs into account when the allocations are made, and cover them if necessary.

### 3. RE-ENGAGING HARD TO REACH YOUNG PEOPLE WITH EDUCATION AND TRAINING

3.1 In order for the RPA to have the intended impact on numbers of young people NEET, provision needs to take into account the barriers they face and incorporate specific enablers to the participation of those that are likely to otherwise become persistently NEET. We also discuss the values that Barnardo's finds are supportive of successful participation.

3.2 In 2009 Barnardo's published research, (prompted by the Education and Skills Act 2008), on re-engaging young people with education and training.<sup>49</sup> In 2010 we followed up with research focusing on the educational needs of teenage mothers<sup>50</sup>. Altogether this research gave us a detailed insight into the barriers faced by over 110 young people at risk of disengagement, and we found out about enablers to reengagement through visits to 24 specialist services. As this research gave a valuable insight into what causes young people to disengage from education, and what is needed to re-engage them, the following two sections of our submission draw on the evidence from this research.

#### *Barriers to participation for hard to reach young people*

3.3 The barriers faced by young people taking part in this research came under three main headings:

- poor experiences of school.
- personal difficulties and life circumstances; and
- structural barriers.

#### *Poor experiences of school*

3.4 The outstanding factors at school which caused young people to become alienated from learning were extremely poor relationships with teachers and other pupils, and not being able to keep up with academic work. Many had poor literacy and numeracy skills and gained few, if any, qualifications. Services working to re-engage those young people need to take small steps to increase their trust and confidence before they feel ready to learn again, especially in a group setting.

#### *Personal difficulties and life circumstances*

3.5 Although nearly all were under 18 years old, many of our research respondents were facing complex adult situations in their personal lives. These included being teen parents, being homeless, being a young carer, having mental health difficulties, learning disabilities, or having been a young offender. This is why several of our services focus on social support as well as providing vocational training. It is not possible for a young person to make the most of their training opportunity if they have housing, financial or childcare difficulties. These must be resolved first. At Barnardo's this is helped by specialist support staff working alongside trainers and instructors. These workers might also set up additional training sessions which teach about the social skills and attitudes needed in the workplace—something which, in our experience, not all young people learn at home. A flexible approach can allow staff to respond to young people's needs, as for example at one centre when the need arose to deal with homophobic bullying.

#### *Structural barriers*

3.6 The current economic downturn has worsened the structural barriers experienced by the young people we interviewed in 2008. The local economic context in which young people seek work and training can affect their opportunities, thwart their aspirations and constrain their choices. Most of the areas in which we conducted our research were regions of longstanding industrial depression which had never recovered from the decline of industries such as mining and manufacturing in the 1980s. In these areas, young people we interviewed were

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<sup>47</sup> In research with disadvantaged young people conducted by Barnardo's in 2009 to inform a consultation response on EMA 17 young people said that knowing that they would get EMA influenced their decision to start the course to some extent. Only four felt that it had not influenced their decision.

<sup>48</sup> Haroon, C. and Emmerson C. (2010) *An efficient maintenance allowance?* <http://www.ifs.org.uk/publications/5370>

<sup>49</sup> *Second Chances: reengaging young people in education and training.* (2009) Evans et al.

<sup>50</sup> *Not the end of the story* 2010.

sometimes from the third generation to experience long term unemployment, and motivation turned to disaffection in the absence of suitable job opportunities.

3.7 It is important that those young people who face particular barriers to engaging with education and training do not miss out when the participation age is raised in stages over 2013–15. They, more than most, need the opportunities afforded by carefully supported, flexible training provision of the kind discussed below.

#### *Enablers to participation for hard to reach young people*

3.8 To help young people overcome their barriers to engagement with education and training Barnardo's runs two main types of services for young people NEET or at risk of becoming NEET:

- vocational training services; and
- support services.

#### *Vocational training services*

3.9 Our vocational training services focus on those young people who are hardest to reach and most at risk of becoming NEET. Many disengaged from school so have no previous qualifications—presenting a barrier to entering typical college courses. Others may have learning disabilities, caring responsibilities or behaviour problems. These services provide training for a range of occupational qualifications delivered by skilled trades people working with small groups. Young people responded well to “being treated like an adult”. Important literacy and numeracy skills are taught, but our service users also need to gain the “soft” social skills for employment. An instructor described these as “*the generic elements that allow you to succeed, such as self-presentation, punctuality, personal hygiene, interview techniques, working out money*”.

#### *Support services*

3.10 Our support services work with a more vulnerable group of young people; those often facing severe barriers to engaging with education and training, such as mental health problems, being teen mothers or homelessness. Our services offer more intensive support as well as the opportunity to gain Foundation Learning Tier and Level 1 qualifications. When ready, young people are signposted towards other educational programmes, including those run by our vocational services. Young people with multiple needs take longer to progress and take smaller steps towards achievement. For this reason extra time needs to be allowed to complete courses and ensure understanding.

## 4. A COMMON SET OF VALUES

4.1 Our research found that providers working with the hardest to reach young people succeed best if they understand and apply the importance of personal relationships and values of mutual understanding. The three most important values for success were:

- flexibility;
- positive relationships; and
- belief.

#### *Flexibility*

4.2 Vocational services with flexible start dates allow young people to start a course when they are ready. We know that if they have to wait too long they can lose momentum. Sometimes young people take longer to complete a course than the officially recommended (and funded) time. Barnardo's, and other providers, can lever in additional funding to ensure these young people have the opportunity to succeed.

#### *Positive relationships*

4.3 Many of the young people we work with have experienced very poor relationships at school. Chances of success are improved if they can build a positive, supportive relationship with a key worker or a respected instructor, working one to one or with small groups. But understanding boundaries is important too: learning the rules of acceptable behaviour in a safe setting is a social skill that young people from chaotic backgrounds need to learn in order to progress and succeed in the workplace. As one tutor explained “*A good relationship with the teacher is the key to learning. But you can't be their mate. It's a fine line; they need to know there's a line they can't cross and I let them know when we're not getting on*”.

#### *Belief*

4.4 Young people were offered second and even third chances to keep going at a course or make a change when a first choice had not worked out. Barnardo's managers and staff are highly persistent in ensuring that even the most problematic young person is properly provided for and learning. A second chance is always on offer. Even where a young person has behaved badly or walked out, they are welcomed back when they are ready to improve their behaviour and show motivation.

*Second chances*

4.5 Young people at risk of becoming NEET may follow chaotic trajectories towards employment and risk becoming demotivated. Providers that recognise the reasons for this and are prepared to take a flexible approach to engagement while providing focused and consistent support can succeed in reaching this group:

*“We do not let them drop out easily, essentially we try to get to the bottom of the decision to drop out and then adapt accordingly to deal with it and turn the decision around”.* (Barnardo’s service manager)

28 March 2011

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