With permission, Mr Speaker, I should like to make a statement today on education after the age of 16.

Today’s statement builds on the work of my colleagues such as the member for Yeovil, the original architect of the pupil premium,

the member for Brent Central, who has secured additional funding for reform of the early years and special needs,

my RHF the Deputy Prime Minister who has been leading the coalition’s radical programme of work on social mobility

and my RHF the member for Bermondsey whose work as advocate for access to education has been driven by the ethical imperative of making opportunity more equal.

All of us know that an increasingly competitive world economic environment means our children need to be better educated than ever

But sadly, we have been falling behind other nations in our educational performance
The OECD have reported that despite sharply rising school spending over the last ten years England has slipped down the international rankings

From 4\textsuperscript{th} to 16\textsuperscript{th} for science  
From 7\textsuperscript{th} to 25\textsuperscript{th} for literacy  
And from 8\textsuperscript{th} to 28\textsuperscript{th} for mathematics

And last month, in a new report, the OECD revealed that

we have one of the most unequal education systems in the developed world,

we have a system of education spending which is fundamentally inefficient

and we have an insufficient supply of high quality vocational education

The OECD’s challenge is underlined by the conclusions of Professor Alison Wolf’s report on vocational education.

Professor Wolf revealed that nearly half of school-leavers never secure five decent GCSEs including English and Maths – and many of the qualifications they do have are not respected by employers and colleges.
the case for reform she makes is unanswerable.

We cannot carry on with a vocational education system which is broken – and we are determined to ensure we have a technical education system which is among the world’s best.

Action has already been taken by my HF the Minister for Skills

The number of new apprentices taken on in the last quarter is 54,000 – 8% up on last year. And I expect that number to rise further.

More young people are being trained for work - and the number of young people between the ages of 16 and 18 not in education, employment or training actually fell by 15,000 in the last quarter of last year.

But we know more needs to be done – in particular action needs to be taken to reduce bureaucracy

That is why, Mr Speaker, my HF the Minister for Skills will be working with me to make it easier for small and medium-sized enterprises to hire apprentices
So we can ensure the next generation enjoy opportunities denied the last.

Critically, we know that the biggest determinant of whether students can stay on is their attainment at the age of 16 – and specifically whether they secure good GCSEs in subjects universities and employers value.

So, in order to raise attainment, especially among poorer students, we have radically extended our academies programme, we have introduced a new, more aspirational measure of performance, the English Baccalaureate and we are investing an additional £2.5 billion in the pupil premium for students in school to 16.

And today I can confirm that, building on the pupil premium, we will be introducing additional funding, for the education of students over the age of 16, who stay on at school and college.

We are already increasing funding for post-16 education next year to over 7.5 billion pounds – equivalent to over 1.5 million places in schools, colleges and training. Within the £7.5 billion, 770 million pounds is being spent on the supporting the education of disadvantaged 16-18 year-olds. This is £150 million more money than would previously have been available to schools and colleges.
specifically for the education of the most disadvantaged 16-19 year olds.

Nearly 550,000 young people will benefit from this student premium.

And as we plan for more students to stay on so we must reform how we fund the institutions which educate young people over the age of 16. So I will consult on a fairer funding formula for all schools and colleges in this sector.

But already, thanks to the measures taken by this coalition Government, there will be more places in schools and colleges for students, particularly those who want a high quality technical and vocational education.

Because of the steps we’ve taken to reduce waste and remove inefficiencies, my RHF the Chancellor of the Exchequer has released another £125 million to build new schools and colleges.

We will double the number of University Technical Colleges planned from 12 to 24.

And we will work with leading figures in industry and commerce to create a new generation of 16-19 technical academies which will support the growth industries of the future.
All schools should have the ability to benefit from a closer engagement with business so I have today also asked Bob Wigley, the Chair of the Education Employer Task Force to bring forward proposals which will allow every school to develop a link with local businesses through engagement with volunteer governors.

But Mr Speaker, we must also ensure that no young person is prevented from staying on in education or training for financial reasons.

The Education Maintenance Allowance was used by the previous Government to provide an incentive for young people to stay on.

And it did lead to a small increase in overall participation.

But, as a report commissioned by the last Government pointed out,

there are real questions as to whether it is socially just to be paying 45% of students a cash incentive to stay in learning, when we could be concentrating our resources on removing the barriers to learning faced by the poorest.
Today I can announce the shape of the new, more targeted, student support scheme we pledged to introduce last autumn.

We have consulted extensively to ensure we support those most in need. And I am grateful to my RHF the Member for Bermondsey for the work he has done to help secure a progressive solution.

We have already ensured that every family where the family aren’t on the higher rate of tax, and where children stay on in school after the age of 16, will receive increased child benefit.

And today I propose to increase the amount of support we give the most vulnerable.

12,000 students, those in care, care leavers and those receiving income support – including the severely disabled – should in future all receive an annual bursary of £1,200 if they stay on in education – more every year than they ever received under EMA.

I also propose that those most in need who are currently in receipt of EMA be protected.
All young people who began courses in 2009-10 academic year and were told they should receive EMA will still receive their weekly payments.

Young people who started courses in the 2010-11 academic year and received the maximum weekly payment of 30 pounds per week should now receive weekly payments of at least 20 pounds until the end of the next academic year.

In addition, these students will also be eligible for support from an entirely new post-16 bursary scheme. Our scheme will help ensure that the costs of travel, food and equipment for poorer students are properly met so no-one is prevented from participating through poverty.

£180 million will be available for this bursary fund – enough to ensure that every child eligible for free school meals who chooses to stay on could be paid £800 per year – more than many receive under the current EMA arrangements.

Schools and colleges will have the freedom to decide on the allocation of the bursary. They are best placed to know the specific needs of their students, and we will give professionals full flexibility over allocating support.
We will now consult on the implementation of the new scheme so that allocations can be made for the new arrangements to come into effect from this September.

Mr Speaker, in these extremely difficult economic times, the coalition Government is prioritising the reform and investment we need across education system.

More investment in the early years to tackle entrenched poverty

Tougher action to turn round under-performing schools

More investment in improving the quality of teaching – especially for the most disadvantaged.

Higher standards for all children at every stage to get more going onto college and into fulfilling jobs

More academies to extend opportunity across the country

Sharper accountability for how every penny is spent and every pupil is taught

And more autonomy for all professionals so we can compete with the best
We must ensure we have a world class education system in the decade ahead.

And I commend this statement to the House.