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Business, Enterprise and
Regulatory Reform Committee

**Job for the Girls:
Two Years On**

Second Report of Session 2007–08

Volume II

Oral and written evidence

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The Business, Enterprise & Regulatory Reform Committee

The Business, Enterprise & Regulatory Reform Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department of Business, Enterprise & Regulatory Reform.

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Oral evidence

Taken before the Trade and Industry Committee
Trade and Industry Sub-Committee
on Wednesday 14 March 2007

Members present

Judy Mallaber, in the Chair

Dr Roger Berry

Miss Julie Kirkbride

Witness: **Baroness Prosser**, a Member of the House of Lords, Chair, Women & Work Commission, gave evidence.

Q1 Chairman: Baroness Prosser, thank you very much for joining us. We have been looking forward to talking to you about your report since our predecessor Committee in the last Parliament, when we were looking at the issue of occupational segregation and we said that we would need to return to this in this Parliament when you had reported, to see where it had got to and what was going to happen to the recommendations and how it tied into the report that we had done in the last Parliament. So we are very pleased to welcome you today and get your thoughts on your report, where it has got to and what the outcome is and where it is going. Also, from the evidence that we have, if there are any areas where we feel that it should be extended from the recommendations you made. So if I can kick off with a general question. You made 40 recommendations in your report. Obviously there is a whole range of different issues there but maybe you can say which you think are the most significant for tackling gender inequality in the workplace, and why?

Baroness Prosser: I think we concluded that the two most difficult areas are, firstly, the whole question of job segregation—of girls and women going into particular areas of employment that are either undervalued or, in some people's minds, seriously underpaid, and which, largely speaking, are not part of a career path that will lead women further forward. So the whole question of job segregation, either across the labour market by sector, or internally within work places. So, for example, if you went into a manufacturing car plant you might find quite well paid, well-regarded jobs there but mostly those jobs would be held by men, and women employed in such a place would be segregated into other areas within the workplace, and that is true of lots of manufacturing areas. So job segregation is one big thing, and the other big thing we would highlight would be the lack of access to quality part-time employment; almost all part-time employment is contained within the lower end of the labour market. There are very few opportunities for managerial jobs to be made available at part-time, but hopefully we will be able to come on to ways in which some of these issues are being addressed.

Q2 Chairman: Perhaps you could say now something about which do you think are the most important of your recommendations in tackling those issues?

Baroness Prosser: If we take the part-time experience first, arising from our report the Department of Trade and Industry has established a part-time work challenge fund, which is only half a million pounds, which is not to be sneezed at but, nevertheless, in the great scheme of things is equally not a huge amount of money. Applications for funding from that fund closed yesterday and, as I understand it, numbers of organisations have applied to be funded to work out ways in which senior positions can be reconfigured and made available on part-time terms. If I give you an example, I went to meet with one of the big banks. Some people might say why would a big bank be looking for money from government to make changes, they make lots of profit, but in my experience if you have a dedicated fund provided by a body to which you must be accountable then it is more likely that that fund will be spent in the appropriate way. So I do not think it is inappropriate to say that well-financed organisations should not be allowed to apply to the fund. So let me give the example of the big bank. Banks, as we know, employ many, many women in their counter services and local offices, local branches. Where women do not move forward is to become managers, largely speaking because the path is that you would go to be a regional manager and get experience across the region. That kind of a job means uncertain hours, long hours and requires a good bit of travelling; therefore, those women who have family responsibilities are not prepared to go for that and the banks themselves are anxious about that because they just cannot get women through those hurdles. I have not seen an application, but I believe that one of the banks has put in an application so that they can dedicate some work to determining how they can reconfigure those regional jobs to make them more acceptable to women and break them down and enable women to get through that hurdle. So it is for that sort of thing that the part-time work change fund has been established.

Q3 Chairman: Do you think we have to have that kind of fund or project to persuade those employers to take that action?

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Baroness Prosser: We do have another initiative going on, which is the exemplar employers' initiative. We corralled together, shortly before the report was finalised, numbers of employers who had either sent in evidence or who had appeared before us, or who we knew were trying to do some things themselves. And we have swept them now into an exemplar employers group, which is overseen by Opportunity Now—it is umbrella'd by Opportunity Now—but funded by a dedicated fund from government for follow-up for our work. Those exemplar companies are trial-ing a number of initiatives, some of which are about part-time opportunities; some are about upskilling and retraining women from shop floor to junior management and then junior to senior management; some of which are about providing careers advice and guidance and better training opportunities in specific sectors. So there are a variety of initiatives going on—there are over 100 exemplar companies now in membership, and there is to be a conference on 15 May when the companies will come together and best practice and good experiences will be exchanged, so that people can learn from those experiences.

Q4 Chairman: Obviously the area of gender equality is particularly difficult, because you have been talking about specific examples—we are picking them out here and there—and overall to make those sorts of changes you are talking about long-term cultural change, about embedding a whole range of different areas. First of all, can you say, in order to get the thing going, what might be some easy wins from your report, from which people might be able to see progress was being made and some of that cultural change was able to be exemplified? Secondly, how do you see us moving down that path of changing the culture more fundamentally than just a bit here and a bit there?

Baroness Prosser: I am not quite sure what is meant by “easy wins”. In my 20-odd years' experience of working on gender equality none of it has ever been very easy, I have to say.

Q5 Chairman: Some bits are easier than others.

Baroness Prosser: It is a slog; it is a long-term marathon slog and you just have to keep on going. I think there are some things which are happening arising from our report which will send out such messages that they will have an impact rather wider than the immediate. One of the things that we were really, really pleased about, and which is working very well, was the decision by the Chancellor in last year's budget to allocate £40m to be spent over two years on upskilling and retraining women in particular sectors and/or in very low skilled areas. The sector specific work is rolling out extremely well in numbers of different sectors. For example, in the food manufacturing sector there is a big initiative to train up, I think about 500 women from general packing and manufacture and putting together pizzas and all those sorts of jobs that women do, to train them up to become food technicians and then move into management. Apparently there is a really

big shortage of food scientists and food technicians, so there is a training initiative to get women from the shop floor into those more qualified jobs. There is an initiative in the construction industry for 400-odd women to do NVQs in construction skills and for 100 women to do management training in construction. There are other initiatives in the logistics sector to train women as drivers and managers, in the textile industry and agriculture. So there is quite a variety. And in the science and technology area to enable women to identify what training they need, what career advice do they need. There is an enormous lack of careers advice for adults; unless you are part of a company and you get careers advice as part of a redundancy package there is nowhere really to go to get careers advice. So this is an initiative for women in the science and technology area to receive careers and training advice. So there is a whole range of stuff rolling out from the money that the Chancellor made available. I was afraid when it was first allocated that those people who had to make it happen would not quite grasp the initiative and maybe it would hang about doing nothing, but actually it is working extremely well. The reason I quote that in terms of how that has an impact, I think if those women regained their confidence and had access to jobs which are much more in line with their capacity and their ability, that has an enormous impact on their children—their children will see their mothers doing something different, something better and learning as an adult, and I think that will have a big effect radiating out amongst families and give girls, particularly, more confidence about the sorts of things that they could be doing.

Q6 Miss Kirkbride: Just on that, and then there is something else I want to ask you. Is that income-blind? It is the sector that decides the women who get taken on?

Baroness Prosser: Yes.

Q7 Miss Kirkbride: So it is irrespective of income?

Baroness Prosser: Absolutely. It is sectors that are short of skills, largely speaking, so that is the added incentive, if you like, for the employer.

Q8 Miss Kirkbride: That is very good. You see it every day that girls are better at school than boys, and I think I saw the more recent statistics that more girls go to university than boys do as well, so what happens? How come suddenly 20 years later or ten years later—I do not know when—there is this big income gap and things change? Secondly, is there any difference in terms of the research you have done between those girls who did go to university and the income equality gap there versus their peer group who did not go to university? Is this problem greater or is it the same irrespective of your educational achievement?

Baroness Prosser: Overall women are less skilled and have fewer qualifications than men. This is obviously changing because, as you rightly say, more girls and young women are going on to higher education, so it is shifting. But one of the things that

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the research has found, looking at women in low-skilled sectors, is that they are, largely speaking, less well trained or well qualified than their male counterparts, and that is partly to do with the job segregation that takes place at quite an early stage. So, for example, if two young people leave school together the boy goes on to train maybe as a plumber, an electrician, motor mechanic, whatever it might be, those traditional areas, and girls and women will go into office jobs which do not really have attached to them those sorts of qualifications, then of course they have families and then they go and work in the supermarket, so it all goes wrong from there. So, yes, there is a difference in skills level. Secondly, there are indeed more girls and young women going to university and more girls and young women doing better than boys at A Level, *et cetera*, but the research from the Equal Opportunities Commission showed that only three years after completing a degree, maybe in the same broad subject, girls are earning 15 % less than their male counterparts. So it does not take too long to happen.

Q9 Miss Kirkbride: Why do you think that is? That is shocking.

Baroness Prosser: These things are very multi-layered. It is partly to do with, for example, if you take a science degree is it hard science or a soft science, and one gets paid better or differently to another, one is more likely to be done by boys and men than girls and women. It is partly to say that women do not, largely speaking, push themselves for pay rises and promotion in the same way that men do; and I think lots of women, particularly once they have had a family, do have a great dilemma about where they want to focus their efforts and their energy. It is very difficult, I think, for those of us who have tried to make this balance, to keep really focused on fighting your corner at work when you have so many other responsibilities, and loads and loads of women decide that that is just too sapping and that they cannot be doing with it. The strain for the economy and the country at large is that once that happens and women start to fall behind, mechanisms to enable them to get back to their capabilities are not there, so that is partly what this £40m training money is about.

Q10 Dr Berry: Good morning. The government's response to your Commission's recommendations was the so-called Action Plan. Were you over the moon, were you disappointed? What is your response to the Action Plan?

Baroness Prosser: First of all, I was extremely pleased that they produced an Action Plan at all because when we first started out on this exercise, when I was first asked by the Prime Minister to conduct this Commission, there were mixed views about what the reasoning was behind that. A man of the cloth once said to me, never question anyone's motives they will always be bad. So I try not to think about what the motives might have been at the time, but I do not think they were necessarily terribly pristine. Nevertheless, the report was taken extremely seriously and we are very, very pleased

about that. Therefore, the determination by the government to produce an Action Plan, which demonstrated their acceptance of the recommendations and setting out what they were going to do with them made me very happy. The Action Plan, of course, is couched in very civil service/government terms, which I would politely say there could be some different interpretations of some of the wording, and a lot of it leaves some boltholes in case things go wrong and people can maybe escape from those clauses but, having said that, in almost all areas there is work going on. On the exemplar companies, for example, there is the Opportunity Now Initiative, as I mentioned earlier, of umbrella-ing that activity on the part-time work exchange fund, on the upskilling and training. I think the area where I feel most concerned and where I think it would be very good for your Committee to maybe do some prodding and ask some questions is the whole business of the schools side of DfES' work, because they are shining brilliantly with the adult training programme and putting a lot of effort into that, but the DfES has said that they accept our recommendations on work experience, on careers guidance, on the problem of stereotyping in schools, but I am not sure how that is all going to work and I cannot really find any hard evidence of how things are going to change terribly well. If we take careers guidance, for example, that is all going over in April to local authorities, then who is going to monitor how that works? Is there going to be either additional resources or mechanisms even to ensure that teachers who are giving careers guidance are themselves trained to give careers guidance, because largely speaking they are not? What is going to be the mechanism to ensure that work experience is less stereotypical than it is at the moment? So I think those are areas I feel a bit anxious about because if we do not get it right at that level we continue with the same cycle of expectations and behaviour that we have at the moment.

Q11 Dr Berry: Given that the Action Plan came out in September of last year, and obviously your Commission well before that, would you expect the government to have done more by now?

Baroness Prosser: None of these things happen terribly quickly in government, do they?

Q12 Dr Berry: No.

Baroness Prosser: To be perfectly truthful I am quite surprised that as much has been done as has been. In my experience the whole equality agenda is not an agenda that really grabs the excitement and enthusiasm of every person who has to deal with it—not everybody out there is a born again feminist—so we have to keep on prodding all the time. I am not unhappy with the pace but obviously the interest of this Committee is most welcome and I think that is another mechanism, another opportunity to keep the show on the road. There is going to be produced by the end of this month a one-year on report, which will set out all the stuff that has been achieved, how far we have got, *et cetera*. Then I think on 18 April the Women & Work Commission is meeting again as

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a Commission to look at the one-year on report and to look and see exactly what has happened over this period and we will then make noises about what we think is lacking.

Q13 Chairman: Can I clarify that? Who is producing that one-year on report; is the Commission doing it?

Baroness Prosser: No, DCLG. We all started off in DTI and then we moved over to DCLG, but there is an implementation team contained within the Women & Equality Unit that has been doing it, but it will be Ruth Kelly's report.

Q14 Dr Berry: I tend to agree. Obviously more is happening now than ever before, but recently I have been looking through some of the Action Plans, for example, produced by public authorities in relation to their duty on disability. I look at their Action Plans and there are specific things with timescales and if they are not then the DRCs fall on them like a ton of bricks. I look at the annex of this document and I have to say that anybody who produced that in response to any of the public sector duty requirements on public authorities in relation to equality, as a response, I think would have been subject to a fair bit of criticism. I mean, status acceptors, accepted in place, no timescales, nothing very specific. I do not want to be uncharitable but I do want to be pretty rigorous in looking at the government's response. Do you agree? Is this Action Plan not just a little wishy-washy without specific commitments and specific timetables, and is that not precisely what is needed across the equalities agenda?

Baroness Prosser: You can be as uncharitable as you like because it is not my report! Clearly, as I said earlier, the more a Committee like this can help push things along the more welcome that is. There is a difference because the gender duty is contained within legislation; there is a legal requirement.

Q15 Dr Berry: It is, yes.

Baroness Prosser: But there is not a legal requirement for any of this stuff, so you have to battle on on persuasion and encouraging people to see that there is added value in it for them, that it is going to be good for them, so to speak. It is always a fine balance on this between pushing and demanding and cajoling people and persuading them that it is good for them, that they will be better off if they do these things. I have great sympathy with the point you make because I think there is a large element of truth in it, but it is a different ballgame to the gender duty or the disability or race duties.

Q16 Chairman: Can I clarify that? Do you not think that when the gender duty on public authorities comes in that that will not be able to be used to give duties on this?

Baroness Prosser: It will be hugely helpful.

Q17 Chairman: I have been raising questions about how the Comprehensive Spending Review should require within the Public Service Agreements recommendations on how departments are going to

implement the gender duty. How do you think that would work out? Is that something that you will be continuing to practise?

Baroness Prosser: I think it will be enormously helpful to us, and it will be able to be used in conjunction with the social policy changes that our report is largely about. We had the debate in the House of Lords on Thursday of last week, International Women's Day, and Lord Lester, winding up on behalf of the Liberal Democrats, was critical that the Women & Work Commission Report did not make proposals for legislative change, and I intervened and said that that was not in our terms of reference; the whole point of our report was to look at social policy and to look at how policies that we have at the moment work, how they need to change, what different policies we might have to bring in, because the legislation was being looked at at that time by the Discrimination Law Review Group, so there were these different strands of things going on.

Q18 Dr Berry: And of course, the Equalities Review is being published now.

Baroness Prosser: Indeed, yes, there are those three things happening.

Q19 Dr Berry: What strikes me is that there are some government departments who seem to be pretty good on the equalities agenda and some government departments that, frankly, have not yet woken up. Which are the departments that you think have been less helpful in response to your Commission? Which are the departments that we should be leaning on—DTI, for example?

Baroness Prosser: It is very difficult in a way to answer that because some of these departments are such monolithic affairs. Some parts of DTI have been very good, and wearing my other hat as Chair of the Women's National Commission we persuaded DTI to establish a gender advisory group on international trade, for example, and the Secretary of State at that time, Patricia Hewitt, had a real feel for these things. So you need somebody at the top in a department who has the politics of it under their belt, if you like. I am disappointed that more is not made within DCLG, of the relationship between local government and its delivery, its employment of women, its services to women, and the equality agenda itself. It seems to me that that is all dealt with in very separate ways in the department, and I think that is very much a missed opportunity, and with the gender duty coming in on public bodies it is going to be an even more missed opportunity if those things are not woven together, which I think they are not at the moment. So I am disappointed about that. I think DWP has more of a sense of the needs of women and the world of work, and DfES in its training arena has more of a sense of all of that.

Q20 Dr Berry: Finally, on the government's Action Plan, some people have said—perhaps perfectly reasonably—that one of the reasons the Action Plan is a bit vague and non-committal in detail is that there are public spending implications on all of this,

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and with the Comprehensive Spending Review being in preparation in fairness there was a limit to what could be said in terms of very specific commitments that involved public expenditure. To what extent do you think your recommendations could be achieved without significant extra resources? Is there an argument that a lot of what you recommend, without people needing to worry too much about spending, is simply about the political will?

Baroness Prosser: I think there is a great deal that could be done with political will and some of it is about redirection. For example, the Trade Union Modernisation Fund, we recommended that there should be a specific fund for training equality reps in the workplace and DTI has been complaining for some considerable time about how strapped it is for cash, and so what they did—which was not terribly pleasing to everybody but was, I suppose, the best they felt they could do at the time—was to redirect monies from the Trade Union Modernisation Fund to be specifically allocated to training the equality reps, and there has been one round of claims under that and another round which I think concludes in April, and the T&G, the NUJ and Wales TUC have all started doing the equality rep training arising from that money. So that was a redirection, if you like. Speaking to people in the education service—not in DfES but from schools and from the education unions—they say that work experience and careers guidance will not really improve until there is a recognition that those jobs should be more specific and funded in a more specific way. So at the moment, for example, the responsibility for work experience is just tacked on to the responsibility of a teacher who has to do something else. So if it is not taken seriously at that level then we cannot really expect the teacher to do too much about it. So I do think more funding there would have been helpful. But of course the £40m from the budget was very, very welcome, and the specific training that is going on at the moment, I guess, would not be happening if there were not that extra money for it.

Q21 Miss Kirkbride: You touched on this earlier, about exemplar employers. Do you want to give us any more details about that? You said there were 100 of them.

Baroness Prosser: There is over 100 of them.

Q22 Miss Kirkbride: Does any one stand out as to what they are doing, so that you can inform the community?

Baroness Prosser: I can give you a few examples of things that people are doing. For example, Cranfield University is developing a work experience project and that is targeted at local schools so that they are doing that. Friends Provident has a big investigation going on to try to determine why it is that more women are not moving up into senior management and they have a staff survey going on to analyse all of that. The Royal Mail, for example, has a big Springboard training programme going on, which is training women who are working in the sorting offices to become junior managers and then another programme to get junior managers up to senior

managers; and in Post Office Limited, which is a separate company within Royal Mail, they have a very big women's network that is funded by the company, and a buddy system for women who are more senior to help those who are coming forward. Staffordshire University is doing an equal pay review. The University of Southampton has a women and science network, so there is a whole variety of different things going on, and a number of the companies involved are the very big corporates, like Shell Oil, the Ford Motor Company, BMW, ABB Engineering—quite big organisations as well as numbers of public sector bodies of course.

Q23 Miss Kirkbride: They are doing things similar to what you have described at the Post Office?

Baroness Prosser: Yes.

Q24 Miss Kirkbride: So do you see that as a model for better practice that you would like extended to certainly plc companies—or all companies—that would be easier in some ways?

Baroness Prosser: I think more and more businesses are beginning to recognise that there is an enormous waste of talent going on. There is a shortage of skills in the country and they also recognise that their businesses should reflect rather better the people that they try to serve, so if you have a business that is largely aimed at women and it is entirely run by men people are beginning to FALL in that that is maybe not the best business practice. So there is all that going on on that side, so it is in their interests really at the moment to try to improve things. Then the lessons that will come out of each of these companies and the best practice that is exchanged will be produced as guidance by Opportunity Now and it will be up to us to come and stand behind that and make sure that it continues to move forward. The one thing that I am really afraid of is that all of a sudden there will be another recession and nobody will want so many workers any more and we all know who will be out of the door first, really, so I am slightly anxious. We need to get to critical mass before such a thing happens.

Q25 Miss Kirkbride: I suppose that is probably what you would hope employers and trade unions are going to do, with your report, to take this up.

Baroness Prosser: Absolutely.

Q26 Miss Kirkbride: Is there anything else in your report that you think they could do?

Baroness Prosser: The mention of trade unions, I would like to see unions being more proactive in the workplace and asking more questions about why it is that women continue to lag behind, why it is that somehow or another men get these jobs and women get those jobs. You do not need an equal pay review when you walk around a trade union organised workplace to determine who is earning what; you can see it. I would like them to be more proactive to encourage employers to monitor who gets what of the training budget, why is it that the training budget always goes to the most senior staff, almost all of whom will be men? Why do those part time women

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not get more training money allocated to them? Why are not requests for flexibility, extended leave or whatever it might be, monitored more carefully so that it can be determined whether or not a particular manager is behaving fairly as against the behaviour of another manager? But quite often in work places that are scattered or large the answer you get to a question in one part of the workplace would be completely different to the answer you get in another part, despite the fact that the national policy of the organisation might be very progressive and helpful; and yet nobody monitors these things, so it is all a bit happenstance. So there are a number of easy things really that unions could buck up on, frankly.

Q27 Chairman: Following on from that, it is very gratifying now that when the TUC comes to give evidence we have very senior women there coming and doing that.

Baroness Prosser: Absolutely.

Q28 Chairman: But as I am sure at some stage we will be seeing the TUC, from your inside knowledge are there any pointed questions or issues that we should be putting to them about their own practice, both in terms of themselves as employers and themselves as representatives of the workforce, and what they should be pursuing?

Baroness Prosser: The TUC policy has been—and I have no quarrel with this—that we should have recommended statutory equal pay reviews, and at the Commission we could not agree on this so we agreed to set out the arguments for equal pay reviews without making a case for legislation to back them up—that was where we found ourselves. First of all, in a trade union organised workplace unions can of course negotiate to get equal pay reviews conducted so it would be interesting to know just how many are going on and how many have been either conducted or in the process of so being. It would also be interesting to know just how many training agreements are in place, which include the upskilling of women, and there will be some good examples but there are lots and lots more places where lots more could be done. Then the whole question of equality reps; I do not think that an equality representative should be a substitute for the shop steward. When we were taking evidence at the Women & Work Commission a number of equality reps came to see us and we had a round table and they came from all different unions, my own included, but I found it a very disappointing session because they were doing the equality work that the shop steward was not interested in—“Oh, there is a woman’s problem over there,” but actually it is a workplace problem, it just happens to be a woman who has it. Equal pay is a workplace problem, it is not specific, and it is not something that should be thrown over the shoulder. My idea of equality reps is that they should be proactive, they should be working with the union and with the employer to identify ways in which opportunities for women in that workplace could be improved or measured, or data collected to determine exactly what is going on

and how things could be shifted. So it would be interesting to know if the TUC is still supportive of that approach.

Q29 Chairman: Are there any other questions that we should be asking trade unions about their own practice?

Baroness Prosser: Lord above!

Q30 Chairman: It is your opportunity.

Baroness Prosser: You can certainly ask them about their own practice. In my personal experience it leaves a great deal to be desired.

Q31 Chairman: So they follow the same pattern as the rest of society?

Baroness Prosser: Yes. I will not say more than that.

Q32 Chairman: Going back to employers, the examples you gave were mostly quite large employers, were they not, and I know that within your report you did also talk about issues relating to small firms and some of the difficulties, and I think that was one area where the government has not in its recommendations gone as far as you would have liked. Would you like to say something on that and what you think we should be pursuing?

Baroness Prosser: I think it would do no harm if you asked representatives of the small business service to come and talk to you about what they are doing. I recognise absolutely that the issues for small business can be quite tricky and they have a complete fear of the legislation which gives maternity rights and paternity rights—how can they manage when they only have four and a half staff, or whatever it might be, and these are real issues to be addressed. But they are not addressing them at the moment, they are just afraid of them. Many, many women work in small firms and somehow or another it would be useful to get some ideas from them about ways in which we can start stepping forward in this area.

Q33 Miss Kirkbride: If you were they what would be your answer to that, given the very practical difficulties of four and a half staff in the business and one goes off?

Baroness Prosser: Lots and lots of jobs can be done in very different ways; lots of jobs do not require nine to five attendance at the workplace. So trusting employees to work in different ways, and starting that process before it is thrust upon you I think would be a help to them. They do get repaid for maternity leave so it is not such a financial burden as they seem to think. We have a big problem in this country that small enterprises do not grow into bigger enterprises; we have lots and lots of small firms, not so many of the small and medium enterprises, and if they want their companies to grow they have to embrace modern society. It costs them more to employ people; to train people, bring them in and then do that all over again than it does to work out ways in which they keep those folk.

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Q34 Miss Kirkbride: You just answered to Judy the question of compulsory equal pay audits, upon which the Commission did not agree. In your opinion do you think progress can be made unless they were brought in, without them?

Baroness Prosser: I think it is interesting that the people who pressed most hard for compulsion was the trade union group and actually within trade union organised companies it is not such a problem, I do not think, because the pay and grades are negotiated, it is much more transparent in the union-organised workplaces. The areas where it is a problem are areas where pay is not transparent, largely speaking right at the top of law firms or city finance, those sorts of places, over which the trade unions do not have any influence at all. So I found that odd positioning. I do not think that those major companies would ever make their systems transparent unless they were forced to.

Q35 Miss Kirkbride: That is an interesting point you have raised, is it not, because law firms, accountancy firms are unlikely to be unionised, partly because of their structures in partnerships and things, so who would do it and how would you allow for the confidential commerciality, which is reasonable in those circumstances, whilst reassuring the women staff that they were being paid fairly in comparison to their peer group? What mechanism could be used for those kinds of companies?

Baroness Prosser: Certainly the major firms all have HR departments and pay systems that are computerised.

Q36 Miss Kirkbride: But who would be in charge? How transparent then would that information be on the issue of confidentiality?

Baroness Prosser: The mechanism of conducting the review is not too tricky. What you would then do with the information is the next step, of course, and I think it is a bit of a stretch to say that these things are commercially confidential. I would like to see that tested; I do not really think that that could be seriously argued.

Q37 Miss Kirkbride: It might be tricky if all these firms compete with one another, they might not necessarily be keen on the other companies knowing their pay structures?

Baroness Prosser: Of course what they have at the moment, if you look at law firms, they all have the same problem, that women leave. So they all know that it is a big issue, and I guess under the surface that the most senior lawyers at Clifford Chance will know what the senior lawyers at Simmons are earning. These are quite small fields anyway, are they not? I think the big problem for them is partly that it is about who gets paid what, but more it is about the requirements that are laid upon people who want to get to the top or who the company wants to get to the top—24 hours a day is not too much of an exaggeration really. If you go to the Clifford Chance offices in Canary Wharf you could

move in there and live there for six months—you would not be deprived of anything, everything is available.

Q38 Miss Kirkbride: Just bring your toothbrush.

Baroness Prosser: Yes, and they expect people to spend hours and hours and women either cannot or do not want to do that. But they are losing a lot of talent. Clifford Chance is one of the exemplars and has joined us as an exemplar.

Q39 Miss Kirkbride: What are they doing, out of interest?

Baroness Prosser: I do not know to be truthful and I cannot answer that in detail, but hopefully when we have the exemplars' conference we will be able to learn more.

Q40 Miss Kirkbride: The Commission was cautious on the question of reforming the Equal Pay Act. Could you take the Committee through that because there is still in broad terms men's work and women's work, is there not?

Baroness Prosser: Yes. I think there is a general recognition that the equal pay for work of equal value regulations are convoluted, to say the least, and lead to tribunals and claims that can go on for years. But, as I said earlier, it was not in our brief to make detailed legal recommendations because the Discrimination Law Review was meeting at the time. Hopefully we will see the results of that review before too long because, particularly with the establishment of the new Commission for Equality and Human Rights, there is a requirement for a single Equality Act—it is a mess at the moment and I would like to see more employers on the bandwagon of demanding that because it is a mess for them. They have an employee that might be a disabled woman—which bit of legislation are they going to look at? They have to look at all of it at the moment, whereas if we had a more streamlined approach it would be much more helpful all round.

Q41 Miss Kirkbride: So what would your own view be on the Equal Pay Act and the measuring of men and women's work to make sure that there is better parity? Or what has traditionally been men and women's work.

Baroness Prosser: There has to be some kind of mechanism to value work but the hurdles that you have to get over currently in the equal value regulations with all the assessments and goodness knows what else puts people off and gets people very confused, and that is one of the problems with equal pay reviews; it is all very well to say, "We have men over there doing that and women over there doing that and she is paid as her job has been assessed, so that must be all right, and he is also so that must be all right." An equal pay review is not going to get into valuing those jobs against each other because that is just too much performance, so it will not really, in my opinion, shed a lot more light on whether or not there is real fairness going on. When I was with the T&G one of the responsibilities I had was interviewing people who wanted to become paid

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officials of the union and we used to travel around the country interviewing very senior shop stewards and conveners who wanted to work full time for the T&G and I used to say to them, “We have had 30 years of equal pay legislation and we still do not have equal pay. What is going on in your workplace?”— “Everyone is paid equally in our workplace. No, no, of course we have equal pay.” Do they walk out of the gate with the same money in their pocket? No, of course they do not. And they cannot get their heads around the difference. So there is a lot to be done on that front.

Q42 Chairman: So the concept of the hypothetical comparator, is that just unworkable or unusable or does it need to be extended so that it covers part-time legislation and so on?

Baroness Prosser: The requirement for the hypothetical comparator is a real problem because if you look at the way in which contracting out has happened in local government, for example, you have lots and lots of women contracted out to do school meals or cleaning, whatever it might be, lots and lots of men contracted out to do gardening and those people cannot compare their jobs with each other because it is all men doing gardening and it is all women doing school meals, and you cannot use the hypothetical comparator argument. So it is a big issue.

Q43 Chairman: So you do not have any suggestions that you want to make to us?

Baroness Prosser: I am assuming that the Discrimination Law Review Group has done all of this.

Q44 Chairman: Moving on to the future work that we are planning to do, the first area we were looking at was whether we might ask some of the companies that we all meet in the normal course of our work as individual MPs and through the Committee about the position of women in their firms or workplaces, and then we thought rather than us drop a questionnaire we would wait until you came and see if you had any ideas on what sort of questions we should be asking them. If you were a member of this Committee what would you ask companies about their practice and how they would tackle these issues?

Baroness Prosser: I think one area of interest is how do they recruit people because if you are talking about particular areas of the sectors of the economy, which may be predominantly female or predominantly male, what are those companies doing to try and break down those barriers? Do any of them offer internal adult apprenticeships to women to enable women to change path, a bit like I was saying earlier about women employed in the food industry who are now being given the opportunity to train as food technicians. What sort of upskilling arrangements do those companies have to enable the women they currently employ to move on to bigger and better things? What sorts of arrangements did they have for women returnees to enable women to keep in touch while they are on

maternity leave, maybe, or maybe extended leave for caring of one sort of another? Do they have special programmes to enable women to keep up to speed with what is going on in that particular area of the economy, the area of employment? I cannot think of anything else off the top of my head.

Q45 Chairman: If you do have any thoughts on the sorts of questions we would be asking that would be very helpful to know and you have a chance to come back afterwards. The other area of course we are going to be seeking oral evidence from government departments and inevitably you start off with DCLG, but we then have this issue about why they should be responsible for getting everybody else to do everything and that other government departments need to also be taking a lead. There are those with a clear responsibility, like DfES, who have given us some thoughts on some of the things which we should ask them, and DWP and DTI, but all government departments do have a role in relation to that, so we thought we might send round a questionnaire, and what again do you think we might ask to test whether they are taking their responsibility of giving a lead as a government public agencies?

Baroness Prosser: Given that there are so many departments which cover so many different areas the big broad question is what sorts of data do they keep about women? If you take the health service, for example, where is the data about different people in different kinds of jobs? Everybody is talking very positively and understandably so about the increased number of women in medicine, but how many of those women are GPs working part-time, maybe, because that is the easiest thing to do if you have a family? How many of those women have managed to move up to become surgeons or consultants because my guess would be that almost all of those women are in the GP side, and that is a good step but it is not far enough. So what sorts of data are they keeping to enable them to monitor how some of these things are progressing? DCA also, for example, with solicitors, are they keeping an eye on newly qualified women solicitors or women barristers, how they are moving forward and what the opportunities are there and what opportunities may be being missed?

Q46 Chairman: The other area we thought we might pursue was government departments which have huge public procurement responsibilities, which also ties into an inquiry our overall Committee is doing on the manufacturing industry and public procurement is one of the aspects of that. We did have an interesting exchange with one of the European officials when we were there who did not really seem to get us asking about whether it was legal to impose conditions on people from whom you are procuring in relation to, for example whether they were implementing the new gender duty. Are there areas there where, from your knowledge, we could be seeing guidance from government departments on how we deal with public procurement?

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Baroness Prosser: Absolutely. I think it is very important and I should have mentioned it earlier, perhaps. We held a round table on procurement as part of our evidence taking and the Office of Government and Commerce could not get the argument that maybe it was good for people to have some sense of equality and equality of requirements contained within their modus operandi, if you like, and at that meeting were representatives from the Greater London Authority, who were doing this all the time. They have big requirements on equalities, on training, on health and safety for the contracts which they put out for London Underground, for example, and other London-based organisations. If they can do it I do not see why anybody else cannot, and there was somebody there, an academic whose field this is, and he was arguing that this is not a problem. The Office of Government and Commerce were saying, "We have to fall in line with all of this because this is what Europe requires of us," and the opposite view was, "Nonsense, you can do it, you are just being too tight-lipped about it all." So I think it is a very big area, there are huge amounts of money spent and what we always used to call contract compliance has been long forgotten, and it is a pity.

Q47 Chairman: One of the areas of evidence we have is from the Greater London Authority, which obviously has a long history of in the past having wished to pursue those issues, so we might pursue that a bit further.

Baroness Prosser: Yes.

Q48 Chairman: Just a final, maybe broad question. Earlier on, or threaded through the evidence really, you talked about the impact on the economy, the loss of skills that we are losing, and obviously as a trade and industry and economic Committee the whole issue of the relationship between this issue and the economy and health of the economy and the waste of skills is a very critical issue and there was a report from economists at the IMF showing the lost growth around the world of billions of pounds from not implementing gender equality issues. For us that is clearly an important issue in relation to our broad remit as a Committee, but do you have any thoughts on how we can promote that as an issue, that this is not just a moral question, a question of fairness, it is an issue that is a serious economic issue. Is that something that Commission addressed at all—

Baroness Prosser: We have included that in our report.

Q49 Chairman: And how would you think we could pursue that?

Baroness Prosser: I think I am right in saying that we determined, "The Commission estimates that removing barriers to women working in occupations traditionally done by men, and increasing women's participation in the labour market, could be worth between £15 billion and £23 billion or 1.3 to 2.0 % of GDP." So that is a lot of money. That does not include such increased tax and national insurance contributions that would come from women who were earning more, it simply is an estimation of how

much more could be contributed to the economy if they were in levels of employment which they themselves have determined they would have the ability to do and to cope with.

Q50 Chairman: How widely do you think that argument is accepted and understood within government or within the economic players, employers and so on?

Baroness Prosser: This report was widely pored over by Number 10 and Number 11. The Chancellor of the Exchequer invited himself to the launch, which we were very pleased about, but, for reasons of space and all sorts of other proprietorial niceties, he was not on the original list, but he wanted to come along and we were, of course, very pleased about that. He would not have wanted to come along if there was anything contained in the report that (a) he did not agree with or (b) he thought was going to make him a hostage to fortune. I can only conclude from that that he is quite comfortable with this point and I would hope that it encourages his department to continue to recognise that upskilling and retraining of women to enable them to participate at an appropriate level is good for women and families and good for the economy generally.

Q51 Chairman: That is extremely helpful. Can we ask you, you know we are going to be carrying on with the inquiry, is there anything that you feel that you have not covered or other issues that you feel we need to jump on and keep pushing on?

Baroness Prosser: I do not think so, thank you. You are going to be calling DOC, TUC and CBI and they will be able to hopefully say a number of the things that I have said and some of it will be a bit different and different angles. Of course, DOC has lots of research evidence of detail about these things, but I am grateful to you for conducting your work and for asking me to come along because it is another measure of keeping the show on the road.

Q52 Miss Kirkbride: I remember one headline we saw a few weeks ago which we all remarked upon and I wonder what your take was, which was the figures on women in the boardroom had gone backwards and the underlying assumption for this was that they were all going out to work for themselves instead of starting their own companies, and I wonder if you had any observations or further thoughts on that.

Baroness Prosser: There is a lot of evidence which says that women are starting their own businesses because either they are not prepared to face what some of them see as a daily grind at that level, or they are being ignored and not being enabled to reach the level that they see is appropriate. I hope that business takes this as a big wake-up call to them because it is an enormous loss of talent. I sit on the board of Royal Mail, there is now one other woman who sits on the board who is a non-executive director with a financial background but everyone else is male and much as I must say I really thoroughly enjoy the work, masochist that I must be with the problems that Royal Mail has got, I am

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extremely fortunate in the sense that the men who are there are very much of the view that as long as you demonstrate you know what you are doing then they are really pleased to have you along. There is not a closed atmosphere about it. For all that, all their conversation is based around, "We need a good chap for that", it just comes naturally and if there is not a woman in the room to pull these blokes up sharp sometimes, they bowl along without thinking.

Q53 Miss Kirkbride: And discussing football all the time!

Baroness Prosser: I have to put a stop to that.

Q54 Chairman: That is a good end, it shows us what we are up against. Thank you very much for coming. You have given us a lot of thought to sharpen up the questions that we need to go on and ask of other witnesses and hopefully it will help sharpen up the debate around your report and recommendations to us. We are very grateful to you for giving us your time, even though you have only had to come down the corridor, but thank you very much indeed.

Baroness Prosser: Thank you very much.

Wednesday 25 April 2007

Members present

Judy Mallaber, in the Chair

Roger Berry

Miss Julie Kirkbride

Witnesses: **Ms Sheila Wild**, Director of Employment Policy, and **Ms Amanda Ariss**, Head of Policy and Research, Equal Opportunities Commission, gave evidence.

Q55 Chairman: Welcome. We are very pleased to see you. My apologies for the slight delay in starting but we are very pleased to welcome you here. The Women and Work Commission report is a very important report and we are very keen to make sure that there is progress as a result. You are obviously one of the key organisations we wish to see, both in terms of your input to it and in terms of what happens next and where we go from here. Maybe you could start by introducing yourselves.

Ms Ariss: I am Amanda Ariss and I am Head of Policy and Research at the Equal Opportunities Commission.

Ms Wild: I am Sheila Wild. I am Director of Employment Policy at the Equal Opportunities Commission.

Q56 Chairman: Let us start off straightforwardly with the report. It made 40 recommendations. Which do you think are the most significant for tackling gender inequality in the workplace, and why?

Ms Ariss: We feel that they are really important as a package. We have tried to resist cherry-picking the things that we think are the best because in order to tackle the pay gap issues action is needed on so many fronts and, as the Commission concluded, the problem is very complex and the causes of the pay gap are interrelated, therefore you need a number of actors—government, employers, trade unions and others, and indeed, a number of parts of government—to act together. We have come to resist saying there are particular bits we think are more important than others in general but there are some parts that we would like to highlight. One is the recommendations about tackling access to quality part-time working. The Women and Work Commission's conclusions there very much chime with the EOC's conclusions that the lack of access to quality part-time working is a really fundamental obstacle to progress because the overwhelming majority of part-time workers are women and they are mostly opting for that part-time work in order to balance family and work responsibilities and, with some exceptions, it is still extremely difficult to get part-time work that matches people's skills. We have identified that there are about 6.5 million people who are currently working below their skill level in the economy and in many cases that is because they cannot get part-time or flexible work that matches their skill level and that is obviously a huge problem for those individuals in that they are not able to progress, they are earning less than they otherwise would, but it is a big problem for the economy and

for employers because people have skills, investment has been made in those skills by government and by employers, and those skills are not feeding through to people working in jobs that are commensurate with them. So we highlight the recommendations about access to quality part-time working. We would also highlight the recommendations around the Low Pay Commission and the National Minimum Wage, which have played a very important role in the progress that has been made in the last five to ten years in closing the pay gap and it is really important to build on that. Lastly, we would also highlight the recommendations around the public sector, in particular how the new duty on public bodies to eliminate discrimination and promote gender equality might impact on the pay gap. Since the Women and Work Commission made those recommendations the Government have brought forward more detailed regulations about how the Gender Equality Duty will work and although it is the Government that sets the framework for that, it is the EOC that is responsible for promoting that and ultimately monitoring and enforcing it. We think if that framework that has been put in place works, if public bodies respond to the challenge, that could be very powerful because of what the Gender Equality Duty requires public bodies to do. They should be setting a specific objective to tackle the causes of the pay gap, not just pay discrimination but all the causes of the pay gap, and it requires them, if they need to do that, to set an objective and then to take action to achieve that objective. They have got to take that action; they cannot just public an action plan and say, "We are not going to do it because we have changed our minds." Once people have committed themselves to action, the legal framework of the Gender Equality Duty does require them to take that action. It is quite a strong lever for change that has been created there and we would say that is a particularly important area to be followed up.

Q57 Chairman: Thank you very much. I think we might come back to the Gender Equality Duty later on because it clearly is important. On the first point you made about the access to quality part-time jobs, do you have one or two specific things you think could really make an "in" on that that you would particularly like to highlight out of the report or your own experience?

Ms Ariss: The Commission recommended a very substantial initiative. The Women and Work Commission recommended that there should be an initiative with a budget of £5 million to develop

models of how part-time working at middle management and senior levels could be expanded. We very strongly support that and we were disappointed to see that the initiative that has been brought forward so far is on a much reduced scale, I think £500,000, so only a tenth of what was recommended is being invested. That approach of developing very practical ideas about how to make it work and doing that with employers is a good approach, but we do not think it is being done on a sufficient scale.

Ms Wild: I think extending the right to request flexible working to all employees is absolutely central to opening this up. It gets women off the "mummy track". What has been done around the right to request is absolutely superb. It is beginning to change things but at the same time it has highlighted how strong the appetite for further change is and it is so much more helpful, not just for employees but also for employers. If everyone is flexible, it is easier to meet the needs of a business, and opening it up in that way we think would certainly help to open up more senior levels.

Q58 Chairman: You have said it is an overall package and we also know that the whole area all of gender equality is incredibly difficult because it requires massive cultural change tying into the practical issues. I do not know if you would like to comment on that and also in terms of making some impact into that cultural change. You have mentioned some items but are there any that you might be able to see as potentially easy wins to get us going and make people think we are motoring ahead?

Ms Ariss: I think you are absolutely right that that long-term cultural change is essential. It is difficult; we would not want to suggest for a minute that this is an easy thing to do. In terms of what could drive that long-term cultural change, I think we would identify five elements, not all of which we think are really properly in place at the moment. All of them could be. The first element is really strong and strategically well-thought-through leadership. This is something that really has to be led strongly by government but also, when the EOC hands over its responsibilities to the new Commission on Equality and Human Rights, we will need to see them taking a very strong role as well in support of this agenda. So leadership is the first thing we would identify as absolutely essential to success for long-term cultural change. The second element is employers really taking the initiative. We recommended to the Women and Work Commission that there should be some new requirements on employers. They did not in the end go with that recommendation but they have thrown the gauntlet down to employers to take action voluntarily, and that is absolutely essential if there is going to be change. There is so much that employers can do and indeed, that good employers are already doing but there are far too many who are either doing little or nothing and are thus failing themselves to reap the benefits. So there is a leadership challenge for employers and employers' organisations as well. The third element we would

identify is about management training and education. In every investigation that the EOC has carried out into workplace issues in the last three or four years we keep finding the same issue, which is that managers, particularly middle managers, lack the training, the education and the awareness to manage in the way that will be needed for organisations to be successful in the future; that our middle managers are under-skilled compared with our competitors and compared with what is needed. Management training and education is a rather unglamorous issue but it is fundamental to making real, sustained, long-term change that would benefit not just in this area around equality but much more broadly in the workplace. So management education is the third area. The fourth thing that we see as really important for long-term cultural change is getting the law right. There is a lot that does not work about the Equal Pay Act at the moment. It is cumbersome; it is focused around individuals and not systemic change. What we would like to see is a new legal framework where we have a single Equality Act that brings together all the existing legislation, that is much easier to use, where the intended outcomes are much clearer and which has a much stronger focus on institutions taking actions to tackle problems rather than waiting for individuals to complain after something has gone wrong. So updating and organising the law is the fourth area. The fifth is actually about the broader support there is for long-term cultural change. We have been very encouraged that there has been quite a lot of warmth towards the Women and Work Commission recommendations from different parties, from employers, from unions and there is some degree of cross-party support and encouragement of change in this area. We think that is really important for long-term change. That will not happen if it is so closely associated with individual politicians or individual parties that political change reduces that momentum. That is what we think is needed in terms of long-term cultural change. That was rather a long answer, and you did ask us about quick wins as well.

Q59 Chairman: If you have any quick wins, you can give them to us as we are going through the evidence.

Ms Ariss: Sheila, would you like to pick up on any of that?

Ms Wild: Some of the quick wins? Yes, I have already mentioned one of them, which is extending the right to request to all workers. Supporting women entrepreneurs, which I know the Government is just doing—Margaret Hodge's initiative on that is very welcome. That is important not only in its own right but that is also going to increase the number of women in decision-making in business. That can only help to speed things up. Thirdly, providing HR support for small businesses, which relates to the point Amanda was making about the need for management training. We have found in several of our investigations that there is really a need for one-to-one HR support for small businesses but looked at from the perspective of their business. So if you have someone who is

pregnant and it is the first time you have ever had to manage a pregnant employee, having someone to turn to that you can talk to, someone who will help you take a longer term perspective and talk you through in business terms is going to be very helpful. Even in medium-sized businesses one has to recognise that human resource issues, people management, are being devolved down to the line managers and line managers do not necessarily actually have the experience in people management. So if we want them to start managing diversity issues, we have to increase the people management component of management training. I think that can be a quick win. There are ways of doing that.

Q60 Roger Berry: Good morning. What is your reaction to the Government's action plan?

Ms Ariss: We welcomed the action plan because it did take forward many of the recommendations in the report and we are pleased to see that in the follow-up report that came out last month reporting on what has happened since the original recommendations were published last year there is some good progress that has been made. Childcare is an example of an area where the Government for a number of years, not just in response to the Women and Work Commission, has been making real and sustained progress and we were very pleased to see things like the Women's Enterprise Task Force proposal. It is early days but we have seen some very good stuff there. We are warm towards what has happened but we do think more is needed. We have already said we were disappointed that the level of investment that the Women and Work Commission called for in supporting change has not come through in all areas, and although there has been a flurry of activity since the report's recommendations were made just over a year ago, we were not convinced that what is going on is sufficiently strategic. If you go back and look at the Women and Work Commission recommendations, although there were some things that we would have liked to see that were not there, taken together, it is a really strong package and it hangs together as a package. We are not quite persuaded yet that the Government's approach to taking it forward has been as strategic as the Women and Work Commission was itself and we would like to see some clearer and more high-profile leadership. It is very difficult to get all of the actors concerned working together. It is about joining up what a number of government departments are doing, and indeed what different bits of the same department doing, joining that up with what employers are doing, with what trade unions are doing and indeed with what organisations such as our own are doing. That does not happen. Joining up government is tricky, is it not? It is easy to say and hard to do, but it does not happen without some really strong, determined leadership and without there being some resources put into that strategic co-ordination. I think we would say some good things have happened but a lot more could be done with a clearer, stronger and better resourced leadership.

Q61 Roger Berry: How do you respond to the observation that, in addition to what you have said, one thing about the action plan is that finding timescales is impossible. If this were a gender equality action plan or for that matter a disability equality action plan or a race equality action plan produced by a public authority, would you not be expecting timescales, rather than just ticking "Yes, we accept" or perhaps "We do not"?

Ms Ariss: Yes, indeed we would.

Q62 Roger Berry: Does that cause concerns? I do not mean to lead the question. Yes, I do actually.

Ms Ariss: As you rightly say, in other areas people have had to produce plans that have deadlines and timescales, and we know that, at the current rate of progress, the pay gap is not expected to be eliminated until 2085, when I suspect very few of us will be around to celebrate the event. We would see it as really important that there are clearer targets in place about what impact government expects the action it has in train to have. When do they think there will be faster progress than there is now? There are a number of frameworks that government produce to do that. The Public Service Agreement framework is one and we are talking to the Department for Communities and Local Government and indeed the Treasury in its overall role in relation to that to press them on this question and we hope that the fact that the proposal is to replace the gender PSA with an equalities PSA will not lead to any dilution. There is always a danger, I think, that if you have a PSA that is about equality as a whole it gets reduced down to a "The government will be nice to everybody" sort of level, which has no real bite to it and does not lead to and stimulate action by departments. We do want to see some proper timescales attached to this because progress at the moment just is not good enough. We cannot wait until 2085.

Q63 Roger Berry: You have talked about possible priorities and easy wins and the importance of easy wins to send the message and get things moving. Have you been suggesting possible timescales for some of these recommendations? Waiting for others to give the timescale is often a long wait and I wonder, given the importance of the recommendations from the Commission, whether you feel the EOC has a view about the timescales that could be attached to some of those recommendations.

Ms Ariss: We have not gone through and said, "We want that one done by X and that one done by Y." We would like them all done immediately really but that is obviously unrealistic.

Q64 Roger Berry: Yes, but suggesting "reasonable" timescales might be a way of trying to encourage others to go down that road.

Ms Ariss: We have done that in some areas but we have not done it across every single one of the recommendations. Our view is that within 10 years it should be really clear that the pay gap is genuinely on course to be closed in this generation of working

women. We would like to see it closed by then but, given the current scale progress, we think it unlikely that in ten years' time it will be completely closed. The action that is needed is going to need to be taken over a number of years. We are not going to get rid of occupational segregation overnight, clearly, so although we would like to see a target of the pay gap being completely closed in ten years, we recognise that is probably unrealistic but it is important to have a target of that kind.

Ms Wild: I think this is one again where the Commission for Equality on Human Rights needs to be cut on the issue. The final report of the Equalities Review talks a lot about the need for data and for management associated with the data. From just the headline figures on the pay gap, it is very clear that whatever progress is being made is being made on the full-time pay gap and the part-time pay gap has not shifted at all over a 30-year period. So you would need two different periods of measurement for that one.

Q65 Roger Berry: At the One Year On Conference, Bill Rammell on behalf of the DfES put forward certain proposals for a variety of pilot schemes which seemed to be well received. Do you have any information on progress with those pilots to challenge segregation?

Ms Ariss: Our understanding is that there has been some progress, particularly around careers advice, and we were pleased to see that there has been a consultation recently on standards around information, advice and guidance in this area and we liked much of what we saw in that, although we felt that it underplayed the role of work experience. Our own research highlights work experience as highly significant for young people in deciding where to go, particularly for young people who are the least advantaged and who may have few other sources of advice. We think the new guidelines on information and advice and guidance are good but could be better. We are concerned about whether some of the pilots that are under way are sufficiently well resourced to allow them to be properly rolled out. There is such a history in equality of good pilot things happening and it stopping at that, that the pilot funding is time-limited, that when it stops the organisations that were doing the pilot drop whatever it was and it never does actually get rolled out. Until we actually see some of these pilots becoming normal practice and we get away from this model of equality being always some add-on pilot that the enthusiasts do, we will not be satisfied that we have really made the progress we need.

Q66 Miss Kirkbride: I was struck by your answer to the last question because if pilots are taking place and they are deemed to be successful but they do not happen while the pilot funding or pilot exercises have been stopped then that is a bit worrying, is it not? Why are employers not doing it anyway? If they could see that they were getting value from it because they witnessed it in the pilot, what is stopping them from proceeding when the pilot has come to its official conclusion?

Ms Ariss: Often pilots tend to have pump priming funding which eases the way and when that disappears, especially if it disappears in one go rather than more steadily, the easiest thing to do is to say "We cannot do that any more" and you get a short-term loss, because sometimes the benefits are quite long term and you are talking about the sort of "invest to save" model, that you need to take action now but the benefits may not accrue until two or three years' time and it may be very difficult, whether it is an employer or a public sector organisation, to sustain that initiative to get those benefits further down the track when the costs of the changes may be now and indeed when you are trying to struggle with all kinds of other challenges and changes.

Q67 Miss Kirkbride: It is going to make it very difficult to move on this if they can have in front of their very eyes a pilot project that on the face of it is working but they do not have the wit to realise that it is working over the longer term.

Ms Wild: I think there maybe needs to be some bridging between the pilot and what happens next because, in addition to the money that comes for a pilot, you can tap into advice and assistance from the Department that is delivering the pilot, and so you lose two things: you lose the money and lose that as well. Perhaps it could be tapered off rather than just stopped dead. We also actually did some research into why it is not being carried forward. I do not know why it does not get carried through; we are just speculating at the moment, but it is worrying, and we have seen it for so many years on equality issues. It happens through the ESF funding, that you get fantastic initiatives taking place while that funding is there and then the funding ceases and things just fade away because there is not a handover. There is a concept of mainstreaming, which means you pass on the learning but who are you passing on the learning to and where is it going? In a sense, projects ought to have built into them what happens after the project, the next stage. What I am asking for is an assumption of success in pilots and that you would then build through that as part of the project itself.

Q68 Miss Kirkbride: Taking from there the issue that has partly been touched upon already of gender stereotyping and the kind of occupations that boys or girls go into, how are we going to break that cycle? What do employers and what do employees need to do? What is your view on where we should be going on that?

Ms Ariss: I think we would argue that the approach needs to go beyond employers and employees because the schools and the careers advisory structure and the training structure around the Learning and Skills Councils and Sector Skills Councils and so on is really fundamental. Our research into occupational segregation identified very strongly that employers cannot do this unless the education and training system is acting too, that although young people, when you ask them, quite a high proportion expressed interest in pursuing non-traditional careers, particularly high proportions of girls but pretty high proportions of boys too, almost

nothing happens in school and in careers advice to take advantage of that interest. The whole system operates now to just carry on doing what we do now; the default position is you just leave people to do the traditional things, and the way in which things like careers advice and guidance and work experience are organised do not make any active attempt as yet to encourage people into non-traditional roles. That is starting to change. I mentioned that the DfES had consulted on some revised guidance on information and advice in this area which is improved, but work experience has not been touched and that is really fundamental. We know that a lot of young people's career choices are strongly influenced by their work experience but often young people are left to organise for themselves what kind of work experience placement they will have and that means they often fall back on family and family friends and they often therefore go and do very gender-typical things, and that forms a lot of their views about what to do next. We have also found that young women in particular do not know that jobs typically done by women tend to be less well-paid than the jobs typically done by men. When you say, "If you had known that, would it have made a difference to the choices you would have made at 16 or 18?" they say, "Yes, it would and I'm really not very happy that nobody told me this, that if I went down this route I would be a lot less well paid than if I went down that route." We are not arguing of course that young people are only motivated by money. People might still want to do something because they really want to do it but we do think they should know what the likely consequences are for their future pay and prospects of those choices. So there is a huge amount that needs to happen in schools, that needs to happen in the careers infrastructure, with Connections, that needs to happen in the training area before employers come into the frame, because it is very easy to say this is all employers' fault and it is not; many of the causes of occupational segregation are not what employers are doing but what they are working with, if you like. Having said that, there are of course things that employers can and should be doing to encourage people into atypical jobs. We have just published the results of an investigation we have done looking at, particularly in this case, British black Caribbean and British Pakistani and Bangladeshi women and their experience in the labour market. We found some of the things that we would like to see employers doing to encourage atypical recruits into their organisations, not to sit there and wait for people to come and bang on their doors but to get out there into communities, to communicate with prospective employees about what kind of organisation they are, to sell themselves a bit more, to encourage people in, really actively to give people the confidence that "If you apply in my organisation, you might not be a typical recruit but if you apply, we will welcome you and treat you fairly." So there is a lot that employers could do but we do not want to see employers being seen as the answer to the problem on occupational segregation because there is so much that needs to be done by others as well.

Q69 Chairman: Can I come in on this? You were talking about the problem about careers advice and young women not knowing what the options were and not knowing the implications for future earnings. This is something that we identified in the report of our previous Committee. Who would you pin the responsibility for dealing with that on? Clearly, there is an overall responsibility with the DfES but you have a number of ranges of different organisations. How do you think we can operate to make it happen in schools and in the places that young people are at to get that information and that advice?

Ms Ariss: The Connections service has a key role, whatever it turns into. Schools themselves. Clearly, they do need some help with the information that we would like them to use because schools may well not be aware themselves of the difference in pay that exists between typically female and typically male jobs. So there is a role there for other players, for people like some of the regional players, like regional development agencies, in making sure that people in their area have that kind of information about opportunities and about pay rates. Ultimately DfES needs to take a lead even if the action is needed at local level but it is something we would like to see schools being much more active about. We think they are missing an opportunity, that young people do want to be more innovative and schools are tending a bit to assume that young people are more conservative than they in fact are.

Ms Wild: It is a different discussion that needs to be had. It is not one about getting a job; it is one about a career and how your earning capacity is going to pan out over your lifetime if you go this route as opposed to that route, and I suspect that that kind of conversation is rather rare.

Q70 Miss Kirkbride: I was quite shocked when Baroness Prosser told us that after three years of leaving university the income of women was already 15 per cent lower than that of men, which is one of those figures that hit home. You just mentioned ethnic minority women and the segregation, sadly, in that respect. What did you think of the Women and Work Commission's proposal? You have already mentioned something that you might do but would you add anything else to those ideas?

Ms Ariss: Subsequently to the Women and Work Commission's report we have done a major piece of work ourselves in this area which I think builds on what the Women and Work Commission recommended. We have identified five areas where currently there are barriers to ethnic minority women either getting into work or, once they have got into work, getting on in a way that allows them to use their skills. Those five areas are participation; there are quite big differences in participation in work between ethnic groups, and they are often not just the result of people making a choice but they are actually the result of barriers. There are gaps around unemployment and pay. Ethnic minority women are likely to be even less well-paid than women as a whole. There is an issue around progression and there is an issue about segregation. Women as a

whole tend to be concentrated into a narrow range of jobs and ethnic minority women are even more concentrated. Ethnic minority men are very concentrated in particular ranges of jobs too. So there are five areas where we think action is needed and we have recommended, three years after our report which was published last month, that the Commission on Equality and Human Rights should go back and look at whether what we recommended has been done and whether it has made the kind of difference that it should, but a lot of those recommendations are in the sorts of areas that we have been talking about this morning, about careers advice and guidance, about improving support for women with family responsibilities, about workplace practice, about providing the sort of information that employers need to plan properly so that those who do not realise that they are missing out at the moment by employing either no or few ethnic minority women get the message. At the moment we think a lot of the policy discussion in this area assumes that the problem here is the women themselves, that they do not speak English, that they do not to work, that, even if they want to work, someone else in their community does not want them to work or that they do not have skills. We think that idea that the problem is all about the women is really out of date and that if you look particularly at the younger generation of women coming through, most if not all born here, speaking English as their first language, increasingly having very strong educational qualifications, but finding that what happens to them at work is that they cannot get the jobs that match their qualifications and they cannot progress in the way that others can. That is a huge loss not just to those women and their families but also to the economy as a whole, and potentially is also an issue around community cohesion: if those women are finding that, having invested in education and training, still they get stuck in low-paid, dead-end jobs, that does not help in terms of building cohesive communities and having workplaces where people have equals from all sections of the community.

Q71 Miss Kirkbride: Have you any figures on that? I do find that genuinely surprising. I would have expected women who were not born here to be stuck, so to speak, but I would have thought those that were educated here would have roughly the same chances as their white contemporaries.

Ms Ariss: That is what you would expect, is it not? But we have found that it is not the case, that there are higher unemployment rates, that compared to white women, ethnic minority women with degree level qualifications are more likely to be working in jobs that are below their qualification level and that they have a higher pay gap. We have just published a report that contains all of the evidence that we have been able to gather. Some of it is quite groundbreaking evidence. This is not a very well researched area, which is one of the reasons we want to take a look, because we had a hunch that there was something going on here, that there was a lost opportunity, which was what caused us to launch the

investigation and we would be very happy to supply you with a copy of the report if you would find that of interest.

Q72 Miss Kirkbride: What would you hope employers and trade unions would now be doing as a result of the Women and Work Commission's recommendations?

Ms Ariss: Lots! One of the big things we would like employers to be doing, which some are but nothing like enough, is we would like them all to be looking regularly at whether there is a pay gap in their organisation and, if so, what causes it. Is it to do with discrimination in the pay systems? Is it to do with women and men in the organisation doing different sorts of jobs? Is it to do with a lack of flexible working or a lack of part-time opportunities further up in the organisation? What is going on? Then taking action to tackle whatever the cause is within their own particular workforce. If we were going to pick one thing that we really want employers to do, it is that. At the moment they are not required to do that in the private sector. Effectively, public sector employers pretty much now are, but we would like them all to be doing it, whether they are obliged to or not, because we think that regular looking at "What is going on in *my* organisation?" and "What can *we* do to make a difference?" is one of the biggest drivers of change for employers.

Ms Wild: It is easy to overestimate the role of trade unions here in closing the gender pay gap. Where unions have a very good relationship with the employer, where they are recognised, they can achieve a lot but that may not necessarily be the case and of course, they may not be recognised. There are different scenarios. Also, looking specifically at equal pay and pay discrimination, equal pay is an individual right and although that right can be delivered through a collective agreement, the collective agreement will not necessarily deliver it, and that is why we are seeing the problems we are seeing in local government at the moment around equal pay. Most trade union officers are overworked and have far too much to do. Closing the gender pay gap is quite a complex issue for them to deal with. We would certainly welcome the creation of statutory equality reps to give some recognition to the role of trade unions around equality, to put some power behind that of recognition, but also to give people who move into those roles the space to do it so that they can become fully conversant with the issues, that they can become experts that people in the workplace can tap into, so that they have time to get themselves trained and to work on these issues. If you have somebody like that in a workplace or in a sector, that is a resource not just for the unions but also for the employer. Certainly, closing the gender pay gap is a challenge for both parties and there are certainly limits on what any trade union, no matter how good it is, can do if it is trying to do it and the employer does not want it to happen.

Q73 Miss Kirkbride: How do you see quality part-time work progressing?

Ms Ariss: We have already said that we think it needs to become a much bigger scale and that the level of investment that the Women and Work Commission recommended in this area is really what is needed, so we were very disappointed to see that that is going forward on a much smaller scale. We are glad it is going forward at all, because all the exhortation in the world will not help if there are not initiatives going on with employers to help them work out how to do this. We think what is happening is just not enough to tackle how absolutely fundamental this is. Almost half of women who are working work part-time and the vast majority of them are stuck in low-grade, poorly paid jobs with poor prospects. So this is not just one element amongst many; it is an absolutely central element and much more is needed in this area to persuade employers of the case for change, to help them make those changes, to make sure that managers are educated and trained to manage a much more flexible workforce and that there are some role models of both sexes.

Ms Wild: There is a presentational issue here. If a woman is in a senior position and she is working part-time, she is working part-time in a senior position. If a man in a senior position is working part-time, he has a portfolio career. There is a big difference in the perception there and we need to shift that. A woman too has a portfolio career but it is never portrayed in that way.

Q74 Roger Berry: On the question of training, you make the point in your submission to the Committee that mainstream training tends to focus on people who have few or low skills and that that is often no help for women who take time out to raise a family. There have been some changes in the approach to training recently. Do you see this as moving in the right direction or is it still inappropriate training, from this point of view?

Ms Wild: It is moving in the right direction but there still needs to be much more dialogue between the woman and whoever is providing the training, whether it is job-based training or whether it is externally based training. We are in a very fortunate position at the moment with the introduction of new technology that the possibilities of different ways of providing training have really opened up. There is a huge potential is there to deliver, but it needs to fit in with women's other commitments. It is not women being awkward if they have these commitments. There needs to be a recognition that they do have these commitments and they are real, and what actually do they need? Again, what are their long-term aspirations? Again, that conversation about if you follow this training route rather than that training route, what is going to be the long-term implication for your earnings? If you are training now, what is the implication for childcare? If you have a higher earning potential at the end of this training, is that going to open up more childcare possibilities than you have at the moment? It is a complex conversation, and to really make training

take off and be appropriate and helpful, not just for women but for the economy as well, those conversations need to take place.

Q75 Roger Berry: On the key issue, as many people would see it, of equal pay audits and reviews, you do seem keener than the Women and Work Commission on compulsory equal pay reviews. You do though mention alternatives, interesting, the use of public procurement to spread best practice and so on. My first question is: do you believe that there are alternatives to equal pay audits that can do the job, or are you just offering those as alternatives because you thought the struggle for compulsory equal pay audits was ongoing?

Ms Ariss: Yes. This is not an easy one. You are right that we are warmer towards compulsory, mandatory pay reviews than the Women and Work Commission as a whole. We like very much the model that is enshrined in the Gender Equality Duty. When we first saw it we were not sure; it took us a little while to work out what we thought of it but the reason we have decided that we think it is potentially very powerful is that it is challenging public bodies; it is effectively requiring public bodies if they have the pay gap to look at all of the causes of it and to tackle them, and if pay discrimination is one of the causes, an equal pay review would be part of how they tackle it, but if the primary cause of their pay gap is to do with lack of access to flexible working and that is holding women back in terms of getting promoted, we would be expecting to see them concentrate their actions in that area. We remain of the view that, if you have a pay discrimination problem in a workforce, an equal pay review is much the best way to tackle it, and that is what our statutory code of practice on equal pay says. But there are other causes of the pay gap, and there are other actions that need to be taken. Although we still think that pay reviews are tremendously important in tackling pay discrimination and that pay discrimination remains pretty widespread, and therefore our broad position on pay reviews is unchanged, we do think that other things need to be done to tackle the other causes. To an extent, of course, if there is a lack of willingness to progress as quickly as we would like with pay reviews, then we need to look at other routes but those other routes are important in themselves and there are a number of reasons why we would like to see public bodies integrating equality into procurement that go beyond pay.

Q76 Roger Berry: As far as public bodies are concerned, you are suggesting that where it matters, the Gender Equality Duty effectively would require an equal pay review.

Ms Ariss: Yes, it does. Effectively it does, yes, and that is what our statutory code of practice on the Gender Equality Duty says to people, that if you have a pay gap, you are going to have to have a very good reason for not setting an objective to close it and for not taking action and that is something we will be looking at very closely.

Q77 Chairman: That helpfully brings us to the area we need to explore in our last few minutes, which is that there seem to me to be three different areas that relate to legislation and structural ways forward: the gender pay duty, the discrimination law review and the Comprehensive Spending Review and Public Service Agreements within that for departments, and there are a number of questions around that. Are you saying that you would like the Gender Equality Duty extended to the private sector?

Ms Ariss: Yes, we do think a similar approach would be appropriate—not necessarily exactly the same in every last detail because clearly, the Gender Equality Duty framework was designed with the public sector in mind and it spreads well beyond pay; it covers every aspect of what public bodies do. We are not advocating something exactly the same for the private sector because the way forward needs to be tailored, but we do think that there should be an onus on organisations to eliminate discrimination and to tackle it effectively. At the moment that onus is only there in the public sector.

Q78 Chairman: That seemed to be the main point in your written evidence that you were putting in to the section around discrimination law review and yet I think it was when Sheila spoke earlier you made it broader than that. Was that your main tenet of what should happen in terms of amending the law? Can you say any more about what your proposals are in relation to the discrimination law review? Also, we are a bit unclear about where it has got to and I understand, Amanda, that you are on the reference group for it, so could you clarify both where you think it has got to, why it is not there yet and what your views are about what should be being done on legislation which clearly many people have said has come to the end of its usefulness. Maybe you could expand on that and also how it ties into the gender duty and whether you are saying that should be a major part of that review.

Ms Ariss: What I think is happening with the discrimination law review is that a Green Paper is due out in May. The reference group is an advisory group rather than one that has any decision-making power. That is my best information. It has been delayed a number of times so I am not yet holding my breath but we are expecting to see a Green Paper in May and of course, there is a manifesto commitment to introduce a single Equality Act in the lifetime of this Parliament. So that is what we think is happening. Because there have already been a couple of years of discussion around the discrimination law review, we made a major submission a year ago now and we identified three priorities in that submission, which remain really important for us. One of those priorities was to improve the way in which the law worked to speed up closing of the pay gap, and in that we recommended that there should be an obligation on employers in all sectors—the private sector, NGOs, et cetera—to look at what the pay gap is in their workforce and to take action to tackle the causes of that pay gap. That is still what we would like to see happen. We are not very confident that that is what will happen in the discrimination law review and we have a number of

other proposals that we would like to see taken forward in terms of improving the way that the Equal Pay Act works as it currently stands and we can say a little bit more about that if you would like.

Q79 Chairman: Would you think the Equal Pay Act should be abolished and subsumed within sex discrimination legislation, and how does that then tie into a single Equality Bill?

Ms Wild: That is one of the issues that we are still working on because it is actually quite complicated, not so much because of the two statutes but because of the whole raft of regulations around equal value which attach to the Equal Pay Act, and it is how you would actually take those into a single Equality Act. We are talking to lawyers and to independent experts and to the tribunal system as well at the moment about what the best way forward is on equal pay. We will have sorted our position out on that when we respond to the Green Paper but we did not express a view on that in our original submission.

Q80 Chairman: So you are not expecting that to be dealt with within the context of the discrimination law review?

Ms Ariss: We do expect there to be proposals around equal pay but we are not quite sure how wide they will go, whether they will treat the Equal Pay Act as something that will stay as a separate piece of legislation or, if it is incorporated into a single Equality Act, whether there will be a chunk of it that has a ring-fenced conceptual framework, because at the moment, obviously, the Equal Pay Act has a very different conceptual framework to what prevails in the rest of the discrimination law. It would be possible to incorporate it into a single Equality Act but still keep it having a very distinct set of concepts and ideas. It is arguable whether there would be any advantage in doing that. It puts it all under one cover but it does not actually make much difference to how effectively it works and at the moment there is widespread consensus that the Equal Pay Act, important as it is, and we are not arguing for a minute that it should be got rid of, is too slow, too cumbersome and too ineffective and the fundamental problem is that the onus is with individuals to complain after the event. It does nothing to tackle discriminatory pay systems on a proactive basis.

Q81 Chairman: Are you saying at the moment you do not have a fully worked out set of proposals in relation to equal pay legislation and what you want to happen, and if you do, can you share it?

Ms Ariss: We do have a detailed list.

Ms Wild: That fundamental question of whether you take the Equal Pay Act into a new single Equality Act or whether you keep it separate is one that we have not worked through but we have worked through some of the other important issues.

Q82 Chairman: If you could send to us what you have, because I have a couple of other questions and we have to finish at 11 o'clock.

Ms Wild: Of course.

Q83 Chairman: We will be writing to government departments and public authorities to ask how they intend to implement the Gender Equality Duty. Is there a programme? You said that you had responsibility in relation to how that was implemented. What about in relation to what happened in Northern Ireland and their legislation? How closely connected are they in terms of their experience and being a bit ahead of us?

Ms Ariss: They are quite a long way ahead of us. In fact, I was talking to Evelyn Collins, the Chief Executive of the Equality Commission in Northern Ireland, about this last week and they are about to launch a substantial review of how the public duty framework in Northern Ireland has gone, which I think is due out within the next couple of weeks. So we have been able to learn from their experience and indeed from the experience of the Commission for Racial Equality—we have been overseeing the race duty for some years now—and from the Disability Rights Commission, whose duty is only a few months ahead of ours, but nonetheless there is some useful learning for us. One of the main things we learned from talking to other people was that some of the existing duties are quite focused on processes. If you look at what the law requires people to do in relation to race equality, it is about setting out your arrangements for doing things, not actually doing them, and technically, you can comply with the law and do very little apart from publish documents. Clearly, that is not what anybody intended. I was really struck by this because I was responsible for implementing the race equality duty within the EOC, and I was quite shocked. Obviously, we wanted to do it properly because we are an equality organisation but I was quite shocked when I realised, if you were clever enough, how little you could do. We put a really strong emphasis in the gender duty on making it focused on outcomes, so it is not about setting out your arrangements for doing things; the heart of it is setting objectives that will help to eliminate sex discrimination and harassment and to promote equality of women and men, and then to take action to achieve those objectives and, in monitoring what happens, that is going to be right at the heart of what we are looking for. So we hope that this is a better designed framework. While the duty has been in preparation we have consulted on and produced a statutory code of practice and a series of non-statutory guidance documents to try and help public bodies to implement the duty successfully. We have also had a substantial as our resources will permit programme of activity to raise awareness of public bodies about what is happening but also to help them think through what this means, what kind of things might be changed. So we published research, for example, looking at how gender equality would change transport planning, which concluded that currently most transport planning is done by men for men and that if we took a more imaginative

approach, we would get much better value for money out of the public investment that goes into transport. So we have done research to try and help people. We are now, as the duty comes into force, moving more towards the monitoring and enforcement stage of the work and we will be looking very closely, again, in so far as our resources permit, at what people have done with the pay requirement. We have already identified that in our monitoring work one of our strategic priorities will be looking at what public bodies are doing with the pay part of the gender duty and although we do not want to be running around the place issuing compliance notices just to look macho, we do think that Parliament has given us enforcement powers for a reason and we should be making sure public bodies are very clear that this is not a nice optional extra but something they should do because it would be good for their businesses, but they must do it and if they do not, we will be on their case.

Q84 Chairman: That is extremely helpful. I think we could do with exploring this in more detail. If you have any information setting out how you see the gender duty working and your role in relation to it, maybe you could liaise with Elizabeth and make sure that we have that because I think it would be useful. Also, the sort of questions you will be asking public authorities, because we may ourselves wish for our own purposes to see what answers we get when we ask them what plans they have to implement it and also what they are going to put in their Public Service Agreements about it. If you have any more information on that, and also on the proposals in relation to equal pay legislation, that would be very helpful. It may be that we will need to have a look at it and maybe have some telephone conversations with you to clarify any points that we do not understand, if that would suit for us to proceed in that way because it clearly is very important.

Ms Ariss: I did not mention but we can send you some information also about some work we have been doing jointly with the Commission for Racial Equality and the Disability Rights Commission that we have been doing jointly with the Treasury on the Comprehensive Spending Review and the PSA framework, where we are trying a mixture of carrot and stick to encourage the Treasury to take a very upfront and energetic approach to this.

Chairman: I got a very positive response from Stephen Timms when I raised precisely this point in Treasury Questions, about approaching from different angles. Anyway, it has been an extremely interesting session. We could easily have gone for another two hours but I am sure you have other things to do, as do we, but it would be very helpful to have that information, if you could let us have that, and we will come back to you if we have any questions on that. Thank you very much for your time. We do appreciate it, and we are looking forward to our future sessions, in particular when we get government departments in as well, and start raising these questions with them as to what they are doing. Thank you very much indeed.

Wednesday 9 May 2007

Members present

Judy Mallaber, in the Chair

Roger Berry

Mrs Claire Curtis-Thomas

Witnesses: **Ms Susan Anderson**, Director of Human Resources Policy, **Ms Marion Seguret**, Senior Policy Advisor, Confederation of British Industry, **Ms Sarah Veal**, Head of Equality and Employment Rights and **Ms Rebecca Gill**, Policy Officer, Trades Union Congress, gave evidence.

Q85 Chairman: Good morning and welcome; we are very pleased to see you here. I think this is the first time I have been at an evidence session where we have had the TUC and CBI in the same session. We thought as we were likely to ask you the same questions it might be more interesting, so long as the answers are kept reasonably brief, to have you dealing with the same questions and any interplay or comments you want to make on each other's responses as well. We look forward to this session and thank you very much for coming. Maybe you would like to introduce yourselves.

Ms Seguret: I am Marion Seguret; I am a Senior Policy Advisor at the CBI.

Ms Anderson: I am Susan Anderson; I am Director of Human Resources Policy at CBI.

Ms Veale: I am Sarah Veale, Head of Equality and Employment Rights at the TUC.

Ms Gill: I am Rebecca Gill and I head up Women's Equality Policy at the TUC.

Q86 Chairman: In the previous parliament we were very keen to look at women and work and particularly the gender pay gap and occupational segregation so it seemed logical for us to look at the follow up to the women and work report which obviously both your organisations were very involved with both in the work and in developing it. It is hardly surprising that both TUC and CBI have welcomed the report as you were both involved in presenting evidence and drawing it up. We know that the area of gender equality is very, very difficult because a lot depends on long term cultural change and it is not something that is going to be dealt with and changed overnight, but what are the main recommendations from the Commission's report that you think you and your members should concentrate on? Maybe the CBI could start us off on that.

Ms Anderson: I think the first thing I want to say really is that we have come a long way in the whole area of women being able to combine their work and caring responsibilities, but I think we recognise that we still have a way to go and I think the area we really want to focus on is the whole area of education and careers advice. Whilst we are seeing young girls really outperform boys in terms of achievement at GCSE and A level and even in degrees, they are not necessarily taking the A levels and degrees that lead to higher paid careers. We need better information and advice to girls in terms of their career options. We think work experience can play a useful role there. I think it is very much in the area of education,

careers advice and work experience where more needs to be done. When it comes to work, particularly the whole work-life balance issue—rights to request flexible working—there things are generally working very well. We would want to focus on education and careers advice.

Ms Veale: We actually agree with that, so that is a good start. Obviously education and careers guidance pushes people into particular directions and gets them ready for particular vocations. I think the only danger with focussing too much on that is that it rather lets employers off the hook and there are several workplace issues that the TUC has identified as being absolutely key for reform, all of which are quite difficult because they involve quite serious changes and challenges to employers. I think the first is the whole issue of gender job segregation which of course is tied to careers advice and education pathways and so on. However, the fact is that you still have I think about 97% of people working in childcare, for example, being women and other professions seem to be largely male ghettos at the moment. That has repercussions in terms of pay and status and there is a kind of vicious circle that operates where women apply for the sorts of jobs that they think other women do. I have two daughters who, obviously without any help from me, have identified particular areas of work that they simply would not be attracted to for a whole range of social and cultural reasons and lack of confidence. There is that and there are also issues about working hours and I think that now more women are in the labour market employers are having to pay much more attention to flexibility. There is a 24/7 culture now where a lot of businesses have to operate outside the old nine to five hours—certainly in the public sector that has been the case for a lot longer—so there is an attractive proposition to employers that they can match people's family needs and their needs to work flexibly with the needs of the job and the needs to provide services to the public. I think employers perhaps have not gone far enough with that and this is an area where trade unions can be of great assistance in making sure that flexible work is applied throughout. That actually benefits not just women but men because one of the other issues we have is that men are usually the bread winners and the people who are expected to earn the larger part of the family income and feel that they cannot afford to spend time looking after children. I think a lot of men would quite like to do that now but in order to achieve that employers have to be a lot more imaginative about the hours in which people work

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and the way in which shift patterns are organised. The Commission picked up flexible working and quality part time working as a major issue. It is hugely important. It should not be the case that part time work is seen as sub-standard work and something that would stop you from following a career because you are not really sufficiently enthusiastic about what you are doing. That is another big challenge for employers. Those are probably three issues we picked out as being of key importance. I do not know if Rebecca has anything to add.

Ms Gill: I think that quality part time work was absolutely crucial and the occupational segregation. The focus on careers advice, whilst it is useful, it very much focuses on young women and does not really support the women who are looking to come back into the labour market now or in the next five to ten years, who might be looking to change occupation as well and to support women who might have been doing a low paid job who decide that they wish to move into a more highly skilled job and need support in gaining those qualifications.

Q87 Chairman: You are putting responsibility on the employers to take some initiatives. I was interested in the CBI evidence which says: "The Commission's final report was well received with employers. They had committed to tackling the remaining courses of the gender pay gap". I am not altogether sure that employers in my constituency are conscious of the issue or want to deal with it and I wondered how you respond to explaining about your members being committed to it and what the position, for example, might be with smaller firms, whether there would be the same interest.

Ms Anderson: When looking at the causes of the gender pay gap we have to acknowledge—as Sarah has done—that a large part of it is caused by occupational segregation. The reason that I put so much emphasis on what is happening in education and careers is because I am afraid it starts in our schools. For example, if we look at the statistics in terms of A levels we see that only 22% of those taking physics A levels are girls; only 39% of those taking maths are girls; it is about equal in chemistry so we have made some strides there; more girls are doing biology than boys, around 57% of biology A level students are girls. That knocks on into undergraduate degrees. If we look at the occupations that are open to those with science, technical engineering and maths degrees they tend to be better paid occupations. If we look, for example, at the starting salary for somebody in retail management—which is where perhaps the girl with the arts degree might look—it was £17,000 last year. The starting salary for someone who is going into investment banking, on the other hand, is £38,000 a year. Clearly if you have taken a maths degree or an engineering degree you are much more able to apply for higher paid jobs. If employers are not getting the applicants with the right levels of numeracy then they are not going to be able to appoint women so we need to go back into the education system and encourage more girls to do those A levels and those

degrees that are going to lead to the higher paid occupations, or lead them to access the higher paid occupations. If we look at what is happening in the graduate market, for example, in those higher skilled jobs we see very little pay gap between men and women for those young people who have just graduated. Despite what I have said about the occupational segregation, the pay gap between male and females in the 22 to 29 age group is only two per cent. What happens at 30 is that women start to think about starting a family and obviously that will lead a high proportion of them perhaps to go into part time work where their career will tend to plateau for a period and that obviously can lead to men then taking a lead in terms of the pay and salaries. It is not a matter, I am afraid, of firms saying, "Oh, we don't believe in equality and I'm going to pay this woman less than this man". Those members that we know who have done equal pay audits have not found that they are paying men more than women doing the same job, it is because men have reached more senior positions and therefore have accessed the higher pay. Whilst at a company level you will see a gender pay gap it is because men have tended to reach higher levels and therefore higher pay.

Q88 Mrs Curtis-Thomas: You referred earlier on to focusing on education and careers guidance. Does that mean you have members that sit on the Connexions Board?

Ms Anderson: To be honest, I do not know whether we have members on the Connexions Board but there are employers on the Connexions Board. We have just put out a report on work experience. For example here is one we prepared earlier which Marion can probably tell you more details about.

Q89 Mrs Curtis-Thomas: I wanted to know whether or not anybody was sitting as a representative on the Connexions Board and with respect to the employers what representations have you got on particular education boards or within any of the institutions that are responsible for delivering educational programmes into either further education or higher education?

Ms Anderson: If you would like me to provide you with a list I am very happy to do that.

Q90 Mrs Curtis-Thomas: I do because when you say you are going to focus on something you need to articulate that to a set of institutions and organisations that have a remit in this particular area. Do you know where that is happening, otherwise it just sounds like words to me?

Ms Anderson: It is not words because we know our members are providing very valuable work experience for young people.

Q91 Mrs Curtis-Thomas: I was not talking about work experience. You said you wanted to focus on education and careers. To do that you need to have an institutional position as well as offering practical experience. Where is that?

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Ms Anderson: If I may say though that the days where CBI or TUC had an automatic right to sit on these committees, that is not something we ask for. CBI is represented through the employers. They will not necessarily wear a CBI hat but employers are there, so employers are on Ofsted Board, employers are on the Connexions Board, our members are delivering high quality services through actually providing Connexions services. Companies sit on the Job Centre Board. There are employers on all these boards and I am very happy to provide you with a list later on.

Ms Veale: There are trade unionists as well. Of course the career teachers are mostly in the NASUWT who gave us a lot of very useful information to inform our response to the initial Women and Work Commission activities. One point they make to us very strongly is that there has not been very much in the way of dedicated funding for careers teachers and what tends to happen is that somebody who is teaching full time as a day job gets careers teacher tacked on and that means they tend to do it in their spare time effectively. I pay tribute to a lot of very dedicated careers teachers or teachers who do careers advice as well. I think it is an area that has been vastly neglected. It is difficult because all you are doing as a careers teacher in a sense is putting an individual into a system so I come back to the problems in the work place because there is only a limited amount you can do as a careers advisor for older women and indeed for school leavers and graduates if the opportunities are not there. You have to remember that when you are directing people in particular directions.

Q92 Chairman: I think we will return to that. Our concern with this inquiry is not to repeat the facts and the analysis which is well known and understood and has been analysed within the report, it is to make sure that we get things to happen as a result. Before I hand over to Roger Berry specifically on the government's action plan, given that this is a very difficult area and we are talking long term change, are there any easy wins that either of you can see where we could make immediate progress on some part of the Women and Work Commission's report without it being ten or twenty years into the future?

Ms Veale: I think one area is the flexibility point and the right to request to work flexibly has been a great success I think probably to an extent to our surprise. The trouble is that it has picked out certain groups, it is now carers and parents of children aged up to six, but that leaves out parents of older children unless they are disabled. It gives employers quite a difficult task, which is how to manage a group of people who now have the right to ask to work flexibly and a group who do not have that right. I think one thing you could do is have a look at the legislation and see whether it could be extended so that all workers who have good reason can ask their employer if they can work flexibly. That would probably encourage more men to do that and take away the stigma that attaches to making those sorts of requests still and to career progression. There is

still an attitude in a lot of work places that there is a period in women's lives when they are not proper contributors because they are likely to—or do—go off and have children and have difficulty working particular times and in particular jobs. I think one key thing that could be done is a lot of stimulation to employers and unions to work together to make flexible working a reality. I think that would unlock some of the problems. Gender job segregation is massively difficult to change because we operate in a free market system and people choose the jobs they want to go to. One interesting statistic that got missed out was that there is research that boys and girls—young men and young women—with exactly the same degree go out to work and within five years a gender pay gap appears between the man and the woman of 15 per cent. So there obviously is a problem which goes beyond education and careers guidance; there is something happening at work which is pushing women down all the time and that is another thing that has to be properly investigated, whether it is prejudice or the impact of culture on employment relations it is hard to say, but it is happening and it is useful that the Women and Work Commission are pulling out all these statistics and where to go is of course, as you say, a key point.

Q93 Chairman: Are there any quick wins from the CBI point of view that you can see?

Ms Anderson: I think why the Women and Work Commission report was impressive was that it did not actually go particularly for quick wins or, "Let's have some more legislation, that will sort it out" and I think it is admirable that it did not choose to do that. I know that for legislators it is always nice to pull the legislative lever but I would say that in this area further legislation would not help. I would agree with Sarah that the right to request has been a success, it has been extended to carers and actually CBI took the approach that it was best to do it in a staged way. We are not looking for rights to be extended, certainly in the lifetime of this parliament, to other groups and I think we have received some assurances on that front. That is not to say at some point in the future, yet to be determined, that that might not happen. I think there are no easy, quick, legislative wins on this one but, to be frank, it is a matter of building on what does work. There were 40 recommendations in the Women and Work Commission and I think in our evidence to you we went through each one of them to identify what is being done. I would say, from a CBI perspective, a pretty easy win would be to sort out the careers service. In the Leitch report it is coming out pretty consistently across government the absence or lack of across-the-age careers service (to address Rebecca's point really) is leading to a waste of talent. We do need to address the issue of older women who may want to take a career change, who might want to take up an apprenticeship but present age bars prohibit them. I do put a lot of emphasis on careers but that is not legislation, that is ensuring that we get better quality careers service that is not

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stereotypical, that is impartial and gives young people and indeed older people access to impartial advice of a high quality.

Q94 Roger Berry: It has been said that the Government's Action Plan does not have the usual characteristics of an action plan in the sense that yes, the word "accepted" pops up in response to most of the report's recommendations, but in terms of specific courses of action, timescales et cetera, it is difficult—if not impossible—to find either in response to any of the recommendations in the Government's Action Plan. Equality action plans are meant to look a bit different, some would say, from the Government's response to the Commission. Do you think that is a fair criticism or are those critics being unreasonable?

Ms Anderson: In my view they are being somewhat unreasonable because, as I have said, I do not think that we need to say that this somehow is going to be the answer. I think that some of the things that the Government has been doing (I know some other organisations take a different view) for example the half a million pound fund for developing quality part time work is very much on the CBI agenda and the TUC agenda. I think it is actually helping develop some good practice and I think in many of the areas what we need to do is to grow the things that are already working rather than saying that legislation is somehow going to answer these things. It is good practice. It is using the funds that government is not making available and building on the best practice—the Exemplar companies for example that the Commission helped to establish—and I think that is going to be far more productive than new initiatives that add little value or that focus on somehow requiring employers to have, for example, equal pay audits.

Ms Veale: From the TUC's perspective, we were disappointed there were no hard targets because you can measure things against a target. Something which can be demonstrated by figures would have been an appropriate area for setting a target. As the entire purpose of the exercise was to address the gender pay gap we were a little disappointed that there were not some specific ideas with targets attached to them. There is a big issue about funding as well because the Women and Work Commission recommended, for example, five million pounds for the Part Time Work Initiative and with that amount of money I think we could have gone with the CBI and worked out some really, really good proposals for targeting specific employers and specific areas where there are particular gender job segregation problems. As it is we got £500,000 distributed rather late in the day which has gone, frankly, to employers who are already doing a pretty good job. I think in a sense that has not been properly seen through. It is very well intended and it is going in exactly the right direction, but without being too critical more money would obviously have been very helpful and a bit more careful addressing of how you get employers, unions and others to work together to find out where the problems are and do specific projects which are time limited and have a specific objective in mind.

The other thing I would just say that we thought was extremely welcome was the focus of the Government on the skills level for BME (black, minority ethnic) women in particular where there are double problems of gender job segregation and ethnic job segregation as well. We very much welcomed the money that is going in to helping the Sector Skills Councils to identify areas where that is a specific problem and address the training deficit and the workforce development needs there. I think that will make quite a difference. There are a lot of positives but I think you are right, it is disappointing that there were not hard targets and more funding given to this important project.

Q95 Roger Berry: Apart from additional funding are there any other things that you would have liked to have seen in the Action Plan that are not there?

Ms Anderson: We are awaiting the DfES paper that we are expecting shortly and we do expect there to be some concrete proposals there and we will measure that very carefully to ensure that they are both taking the Leitch Review's recommendations very seriously and that they are addressing the very specific proposals that CBI has made in terms of improving careers advice. I am happy to share those with you. That is one area, for example, where we think there needs to be quite a comprehensive readjustment in terms of the resources and it could in fact require considerably more resources. That is one area where we shall be watching very closely to ensure that this new Green Paper will actually address our concerns about the inadequacies of the present service.

Ms Veale: I gather we are coming onto equal pay later on, but one of the biggest issues now is that we are almost in melt down in the public sector with an equal pay crisis of massive proportions. In a sense it is quite easy to be wise after events have suddenly appeared, but nonetheless I think the Woman and Work Commission did not really get to grips with the fundamental problems that the legislation is well out-of-date and does not actually apply any more to a modern workplace. I think that was a disappointment; they did not really get to grips with that issue. I know there is the Discrimination Law Review going on but I think the changes we need go well beyond legislative change—although that is desirable—and until you start at looking at a way of getting equal pay by looking systemically at issues in the workplace rather than encouraging individual women to put in applications that take 13 years to get through an employment tribunal, you are missing a trick on equal pay. One of the weaknesses for us in this was not only that they did not make recommendations about pay audits which we do think are important because you cannot expose gender pay discrimination, you cannot do anything about it because you do not know it is there, but also there are all the important areas of remedy and measures and so on and I think that was unfortunately a bit of a missed trick and it was partly to do with the timing. You could see it all coming; it has all been rumbling for a while.

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Q96 Chairman: Coming back to this question of culture and how difficult it is to change it, the EOC pointed out that a lot of young people are interested in non-traditional areas of work and employers realise they need to get more women and skilled workers to deal with skills shortages and bring business benefits. However, the EOC were pointing out that we are still not really making much progress in opening up opportunity and choice. I know the CBI has focused very much on careers and skills and I understand that, but are there other ways in which both employees and employers can take action to break down that gender stereotyping? Is there a role there for employers and employees and if both employees and employers want to break some of those down what is stopping people? Is it just the careers advice at an earlier level and what happens in schools or is there something that is happening later on that you, as organisations, can address?

Ms Veale: For us one of the important keys to this is having people in the workplace who know about these issues and can have discussions with the employer about them. Unions come into their own there because they are interpreters of the employers' desire to run the business profitably, deliver the service and so on and the workforce desire to do things differently and genuinely often to give better opportunities for people who have not had those in the past. It is a question of completely rearranging work structures and systems. You have to take positive action. I know there are restrictions at the moment in terms legally of what employers can do, but adventurous employers would probably quite like to be able to give women the opportunity to be assisted into new areas of work and given the special training that might need and given the support that might take and put into positions where they are doing something very different and given the chance to try and test them with the guarantee that if it did not all work out there would be no prejudice and it would not count against them. I think also one of the other things you have to do is have women in senior positions because at the moment if you are working on the shop floor and you see the whole of the management system is white male you kind of switch off and say, "That's not for me, I can't do it because nobody else has done it". I think there is a real difficulty with that. You do have to take some artificial measures to push some women up, to push some disadvantaged groups up. I think that can only be done successfully if you have representatives of the workforce working with employers with a will to make it happen. I think there are a lot of good employers around who do want to make it happen but we see the role of the union equality rep as being absolutely key in that. They are trained up and work with the groups of people who want to try those new opportunities and they would be able to talk to the employer about who could do what where, what it would cost, what the implications would be and all the rest of it. Often the shop floor understands how the workforce operates better than some senior management who have become rather distanced from it. There is great opportunity there but there has to be quite a lot of good will on both sides. We

do talk to the CBI and there is quite a lot of interesting work we are thinking of developing together. That is something the Woman and Work Commission ought to be pushing, they ought to be pushing us together and telling us that together we can make some changes. We have to.

Ms Anderson: Here is one we prepared earlier, a CBI/TUC and, indeed, DTI practical ways to reduce long hours and reform working practices. This is something that we did and we looked at case studies of companies that had addressed the whole issue of work-life balance but I think it is important to recognise not just for the benefit of women but also for men, where you started off by saying that caring responsibilities are not just a matter for women, they are also a matter of giving men the opportunity to have better work-life balance. In this report we looked at the very positive examples of what companies are doing in terms of addressing work-life and long working hours. We had a range of companies, for example BNFL, who introduced a annualised hour system and credit time and they reduced overtime, for example, to the delight of the company but also with the acceptance of the workforce who actually found that their overall pay was actually slightly higher than it had been in an environment where they had relied on overtime. Another company in a completely different sector, Eversheds, introduced a work-life policy with about seven or eight different options from annualised hours to zero hours. This is attractive both to men and women although we have to recognise that the vast majority of that particular company who took advantage of it were women. There are many good examples of companies who are doing things and we are finding through our surveys that the companies are taking the whole work-life balance agenda very seriously. As Sarah said, this is not just a matter that benefits employees, it benefits employers because if you want to have flexible working either because you are in retailing or because you are in financial services and you operate 24/7—you are dealing with Singapore and India—you need people who are prepared to come in and you want them to come in and work happily and contentedly so you offer them working life options that suit them. Our surveys show that the vast majority of employers are offering at least one flexible working opportunity, it is often part time work because that particularly suits women with childcare responsibilities, but we are tracking this over time and, for example, the numbers that are offering at least three flexible working arrangements has been steadily rising. Companies are doing an awful lot.

Q97 Chairman: Are there mechanisms for getting the positive value that employers get from such arrangements over to other companies and employers that may be rather behind the game on it?

Ms Anderson: I do not quite recognise some of these companies that you are talking about. You particularly asked me about smaller firms. We found, for example, in our survey of members that actually smaller firms provide and agree to more requests for flexible working than their larger

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colleagues. They do offer more informally; they do not necessarily go through the formal right to request and follow it to the letter, but actually I think they accepted something like 96% of all requests whereas the average was 90.

Q98 Chairman: What about the other areas like the gender stereotypes not just flexible working, companies, employers actively going out to recruit women into slightly less usual areas of work?

Ms Anderson: Sometimes these choices reflect a real decision about the sort of lifestyle that you want to have and I think we should not say that what we are aiming for is equal outcomes necessarily if actually the fact that women prefer to go into teaching, for example when we look at some aspects we see that primary schools are dominated by women. If that reflects a genuine wish of women to go into teaching I do not think we need to say that we should be aiming at a 50/50 split; I think we have to give people choices and opportunities. We are not going to drag people kicking and screaming into sectors of the workplace where they do not want to go. Yes, we do things like this with TUC; these are available on our websites. We have another guidance that we did which we published recently and this is a report that was actually financed under the European Commission funding. This again is emphasising the real practical benefits to employers of work life balance and also gives them a guide. In terms of what can be done—Sarah makes this point very well—around positive action, again we find here that there is a difference between large and small but what we find is that large firms tend to be more comfortable than smaller firms with positive action because a lot of people know that positive discrimination is not permitted but positive action is. Large firms will have teams of in-house lawyers or HR experts and they know the difference; smaller firms do not and so they may worry that they are not allowed to do that because that is not permissible, that is positive discrimination. Therefore they need better guidance on the difference between permissible positive action and what would take them into unlawful positive discrimination. I think they can learn from each other and that is an area where we would expect and hope CEHR to make a matter of priority.

Q99 Roger Berry: In the CBI evidence you talk about the importance of high quality work experience placements for young people and you give examples of good practice in relation to business education partnerships and so forth. What do you think needs to be done to move that project forward, to really push hard in that direction?

Ms Anderson: I think this is a matter for schools and for employers and for young people. Marion can take us forward on that one.

Ms Seguret: I think with 95% of students in the run up to GCSEs when they are taking work experience placements in the run up to GCSEs. There is a huge opportunity to open up their minds to non-traditional sectors, particularly in science and engineering. As Susan mentioned earlier, since we have submitted our evidence we have published this

report with the DfES on work experience and how work experience can help develop both employability skills and raise students' awareness about potential careers and sectors. We have found that the great majority of students—over 90%—enjoy their placement. The employers we spoke to also said that they saw the promotion of relevant careers and sectors as one of the key benefits of work experience. It is a great story. There is still a long way to go with only 60% of students finding that work experience has really helped them identify a future career but we are heading in the right direction. We mentioned earlier that it is really about a partnership between schools and employers. This report, for example, has defined in an employability framework, the types of skills that can be developed during work experience and can form a good basis for other employers to use.

Q100 Roger Berry: As you say, relationships between schools and employers are important but do you see a role for trade unions in this?

Ms Anderson: If I may give an example, one of our member firms in the engineering sector who was involved in this report worked with the trade union. When the children went in to do their work experience they were assigned a mentor on the shop floor. The individual who was doing the mentoring—the shop floor employee—takes an immense amount from that and it was with the full support of the trade union. This company said that the benefit to the employee was almost better than the benefit to the individual, the young person coming in, because they got such a positive experience from mentoring somebody and passing on their life experience and work experience and really feeling that they had sold a career in engineering to this young student. That was something that was developed in association with the trade union and is one of our company case studies in this report but it was very much developed in partnership with the trade union.

Ms Veale: We do train trade unionists when they have the time—there is an issue about getting time off work for this to go into schools—and they are particularly good about talking about things from the bottom up. We have designed various activities they can do with young people in the school which illustrate particular issues that arise at work and try to give them a flavour of what working life is really like. We also work very closely with the National Union of Students because huge numbers of students now work part time and that can be quite an important opportunity for tasting different types of job in different sectors as well. We do our best to help out with that and to expose young people to the trade union view of the world of work, but we are limited in terms of resources.

Q101 Mrs Curtis-Thomas: Does the CBI carry a list of companies that offer work based experience for young people and is that made available to schools?

Ms Anderson: We have companies who have exemplar experience. Unfortunately CBI members do not cover the entire workforce.

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Q102 Mrs Curtis-Thomas: That was not the question I asked.

Ms Anderson: We do not keep a list because that is not our role but if you look at all the education business partnerships they keep the lists. It is not our role to act as a broker, but there are broker organisations who keep lists.

Q103 Mrs Curtis-Thomas: So you do not know how many of your employers actually provide work based experience.

Ms Anderson: That was not the question you asked me. To answer that question our survey shows that over 70% are providing work experience to students.

Q104 Mrs Curtis-Thomas: The problem I have is that when I go to engineering companies very few of them are linked into local schools and when you go to local schools of course the opportunities to place young people in very diverse opportunities in the work place simply does not exist because they are not aware of the companies and I think they would be very interested to know which companies offered work based experience.

Ms Anderson: If you would like to let me know your constituency I am sure I can put you in touch with firms who would be very happy to provide people with work experience.

Mrs Curtis-Thomas: Thank you.

Q105 Chairman: I heard recently of a very good experience of a young girl on a young apprenticeship scheme going into an engineering company which was very positive and exactly what you said, a good experience for the people working there as well.

Ms Anderson: There are safety issues and I must say you cannot always allow young people into environments where they might be unsafe. In the example I gave you—that was Landrover—they had to pay very acute attention to the health and safety implications of having a 16 year old on the shop floor. It has to be managed very well and you do need resources there so sometimes it can be the larger firms, particularly in those sectors, where there could be hazards and sometimes it is easier to offer it in areas that are not so hazardous.

Q106 Roger Berry: The CBI make a number of very detailed recommendations on careers guidance which are very helpful. That was written 11 months ago and I suppose 11 months is not a long time in history, but in recent times have you seen local authorities, government and other players actually taking up some of these recommendations? Obviously the trade unions have made similar comments, the Commission has made similar comments, do you see any evidence of a significant impetus in that area to make improvements?

Ms Anderson: That is the area where we would like to see much faster progress. It is recommendations that we have made in our evidence to the Government's CSR. We published this report "Shaping up for the future" only last week—and we repeat our recommendations in this area and we will continue to repeat our recommendations in this area

until somebody takes some action. We have costed it; we have put it in our CSR submission which we also published on Monday so we will continue to really ram this one home.

Ms Gill: As a result of the funding that the Chancellor announced from the Woman and Work Commission the Sector Skills Councils which are employers and trade unions have worked very hard and they have had two rounds of funding for projects which would push people—women in particular—into non-traditional occupations. That has happened in the last 11 months that these companies and unions had to demonstrate that they were working together, that they had fully costed and understood how their projects were going to address the barriers that older women might face going into a new occupation and the application form they filled in had to clearly demonstrate that they understood all these barriers and issues. They only got funding if they could demonstrate this and they could run with this project over the next 12 to 18 months. There is some evidence and in particular the money that came for that training has been really, really important and will be well spent. I know the Olympics are being used as well to train women—the unions and the employers working together—to get women into non-traditional occupations as well. I think that is a really important example of what has happened quite quickly in a time when things might be moving quite slowly elsewhere.

Q107 Mrs Curtis-Thomas: You mention some interesting examples of how slightly changing the way jobs are described—for example BT's experience with apprenticeships—can encourage a greater number of women to apply for them. How can we encourage the spread of good practice?

Ms Anderson: I think we all have a responsibility there in our separate ways. Certainly those government bodies that are charged with spreading good practice, whether it is the EOC presently or the CEHR in the future, we very much hope they will play their role just as we and the TUC are playing our roles in spreading good practice. There is another initiative that we are both involved in, for example, called Workwise UK and that is very much focused on telework which is good for the environment and helps those people who want to be able to work from home either because they have caring responsibilities or just want to cut down on all their travelling time. There are a lot of initiatives that are helping. We also drew attention to women in science and engineering so there are a lot of things that are going together.

Q108 Mrs Curtis-Thomas: Do you have any apprenticeship programmes within the CBI and what areas do they cover?

Ms Anderson: We do not have apprenticeship programmes.

Q109 Mrs Curtis-Thomas: You do not offer any apprenticeships in your own organisation.

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Ms Anderson: It would be hard to think of where that would be relevant to the CBI. Apprenticeship programmes tend to be vocational and I am afraid there is not an apprenticeship for lobbying and campaigning apprentices at this moment in time.

Q110 Mrs Curtis-Thomas: There are a range of apprenticeships for young people who are considering administration or work in IT or statistical evidence and all of those would be applicable in the area of CBI.

Ms Anderson: I am afraid our IT is outsourced to an external firm. I could find out whether they provide apprenticeships.

Q111 Mrs Curtis-Thomas: I presume you have administration within your own organisation.

Ms Anderson: We have very little administration within our organisation.

Q112 Mrs Curtis-Thomas: I am not comfortable with any organisation the size of yours not having apprenticeship schemes.

Ms Anderson: How big do you imagine our organisation is?

Q113 Mrs Curtis-Thomas: I know exactly how large it is, but if you think of yourselves as a small to medium size enterprise many of those are thinking about ways to involve young people in apprenticeships and I do not see any reason why the CBI does not do the same, which of course goes to my question about how do you spread good practice? They might be reading about it but the question is how do you take companies that hitherto have been very reluctant to employ young people to actually give young people and women the opportunity to take up work place experiences?

Ms Anderson: I am very happy to give you lots of data about the diversity split of the CBI. Perhaps I could share that with you later. We provide work experience, we provide internships; we do not provide apprenticeships but we have a very good record and I am very happy to share with you many of our diversity factors within the CBI if you would like have that after this meeting.

Q114 Chairman: I think we should ask the TUC to comment on that.

Ms Veale: I think the word apprentices might be slightly difficult because it has all sorts of connotations of young men on print machines and what have you.

Q115 Mrs Curtis-Thomas: You and I will know that it is a very diverse offering today. It is not just about construction based opportunities; it covers a whole plethora of work wherever it may arise.

Ms Veale: In a sense similarly to the CBI we offer internships and we do that kind of thing like work experience programmes. We have tried systems of bringing people up from relatively junior jobs to more senior jobs which has been difficult. I am not pretending that is easy, it is quite difficult because of expectations amongst the existing workforce. It is

quite difficult to invent that and sell it to people who are already thinking they have jobs earmarked for themselves. One of the things that we have done is to change our recruitment practices so that when job applications come in people put all their details about their gender, their age and so on on a separate sheet which are all detached from the forms and the people doing the selection for interview simply get "Person One", "Person Two", "Person Three" so they are completely unable to tell the gender or disability or whatever of anyone who comes in. That is having some quite surprising positive results because every organisation is, to an extent, going to be guilty of forms of discrimination that they are not aware of, not intentionally but just because of old practices and so on.

Ms Gill: We do also run a mentoring scheme at the TUC as well so staff are encouraged to take on a young person to come in and it tends to be slightly longer than a work experience scheme and we did certainly have an apprentice at the TUC about three or four years ago who went onto much bigger and better things having worked at the TUC.

Q116 Mrs Curtis-Thomas: Yesterday I had a very interesting lunch with the head of human resources at British Gas who said that they were very worried about gender issues and the lack of women in customer services within British Gas. They had got around this problem very creatively by recruiting on the basis of attitude rather than skill. They said that attitude is a much better new tool for recruitment rather than looking at somebody's skills at the time of recruitment because skill is something you learn but they thought that attitude was possible something a bit more difficult to provide. I thought it was a very good model. Have you heard of any other companies who are looking at recruiting on the basis of attitude because to me they have had a something like 300% increase in the number of women applying. That is still very small, but nevertheless it is a significant jump as a result of that particular position. Have you heard of anything like this before?

Ms Veale: It sounds absolutely admirable. I think that is potentially a very exciting area to explore and I would have thought that that is the sort of thing that ought to be disseminated amongst companies especially if you can get an employer who has done something like that and it has been a success and has not affected their profit margins and they are recruiting better because of it. I suppose in a way businesses tend to be competitive rather than ideologically geared to sharing things that have made them as successful as they are. Nonetheless I think an important role for the CEHR is going to be marshalling examples and doing a lot of work to push them at other employers and even possibly use their powers to formally investigate in sectors and in companies where there is a clear problem and you could do the two things together. You could say, "It's no good telling us that it is impossible, here's a company of a similar size which has done this". They would have a big role in that I would think.

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Ms Anderson: I think attitude is absolutely essential. All employers these days are telling us that actually it is attitude they look for above all else, particularly when they are recruiting young school leavers. If you have the right sort of attitude, you are positive about work and you want to learn, then that is the sort of employee, no matter what age, that you are looking for. In our employability template it is all bound up in attitude. Of course it is about the basic skills of numeracy and literacy but if you do not have people with the right attitude then no matter how you train them they are not going to succeed. Attitude across the piece is important but, as you say, there are companies who are really taking these positive action steps and, as I said before, they do tend to be the larger firms because they are looking to address occupational segregation. One of our members called N G Bailey have some particular interesting experiences to offer. Marion, do you want to expand on that?

Ms Seguret: N G Bailey was a case study in our work experience report and amongst the issues to address for work experience and I think it applies also for apprenticeships is that many students are usually not aware what the apprenticeship or even the career will generally involve and informing them and giving them clear advice before joining the programme is important. N G Bailey, for example, involves parents in the apprenticeship programmes to make sure that the student has a good support from his or her family and the company. Better advice and guidance would also help address gender stereotyping when choosing an apprenticeship or a career generally.

Q117 Mrs Curtis-Thomas: The CBI's memorandum mentions initiatives by three Sector Skills Councils to increase the recruitment of women in their industries. Which of the Sector Skills Councils actually did this? I would be interested to know that. These are the Councils that our predecessors identified as taking a lead in best practice, are there any others that you know of—and could you let me know their names—which are following their good practice?

Ms Anderson: As we pointed out it is e-skills, construction skills and SEMTA. It may come as no surprise to you that these are three of the best Sector Skills Councils and as I am sure you are aware the experience of Sector Skills Councils is somewhat patchy. There are some very good ones, these three are particularly good. There are others like Cogent, for example, which deals with the chemical sector which is also good. I think we have to recognise—the DfES does this—that Sector Skills Councils are a bit of a mixed bag and indeed the Leitch report recommended that we do need to review Sector Skills Councils to ensure they are all of an equally high standard. What we have seen is the better Sector Skills Councils getting a grip with this issue and saying that there are actions they can take, they are promoting best practice doing exactly what you have been suggesting they ought to be doing. These ones are doing well; others are not so well advanced. If we look at a variety of sectors—again they are in

all the case study examples I have given—we are seeing individual firms take a lead whether it is in IT, whether it is in consultancy or other sectors, individual firms really doing quite a lot of good things. I am afraid that because they do not have such a good Sector Skills Council maybe that is not being promoted in the way that it could be.

Q118 Mrs Curtis-Thomas: I actually work with 12 of the Sector Skills Councils. The three that you have mentioned are dominated by very large companies; 80% of their membership comes from three or four firms. You have classified them as good and I would argue that quite a number of the other Sector Skills Councils are also very good. SummitSkills, for instance, handles a huge number of employers. They do not have the benefit of BT or British Gas; they have to deal with a plethora of small to medium sized enterprises throughout this country and I think they are doing an equally good job. What I do know is this, that for each of the Sector Skills Councils that you have mentioned, the good ones that you have described, support from organisations such as the CBI is not difficult; for smaller Sector Skills Councils trying to get responses from either CBI or the TUC has been incredibly difficult. In fact, there are no members from the CBI or the TUC sitting on some of the Sector Skills Councils boards. Can you just tell me why this is?

Ms Anderson: Because the CBI leaves it to those people who are expert in those sectors to sit on those boards.

Q119 Mrs Curtis-Thomas: Forgive me, but what you were telling me earlier on was that careers advice was absolutely fundamental to you.

Ms Anderson: Generic, yes.

Q120 Mrs Curtis-Thomas: Yet the main platforms that are responsible for providing a link between the employers and education provision in this country are the Sector Skills Councils and I look to them and I challenge them on a regular basis about what they are doing to offer experience to women and young people. They tell me that without direct support from either CBI or business based organisations they are running into a brick wall of difficulty. They need the support. Can I hear from you again about how you articulate something that you say is a very important objective of the CBI in such a way that it works with those organisations that are charged with the job of delivering what your members want.

Ms Anderson: My colleague has reminded me that Simon Bartley is actually the Chair of SummitSkills and he is a CBI member and he sits on our Education and Training Committee, so we are involved.

Q121 Mrs Curtis-Thomas: He is not sitting there as a CBI member though, is he?

Ms Anderson: No, he would not be. It is not the role of the CBI—we do not have the staff—to sit on every Sector Skills Council. You say there are 12 good ones; there are 24 in all and even the DfES recognise that not all are very good and that is why Leitch has suggested that they do need to be relicensed. He has

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also suggested that they focus on their key task which is actually not about providing careers advice to young people in their sectors, it is about ensuring that the skills needs and gaps are identified and appropriate action taken to fill them. Leitch has suggested that they ought to focus particularly on the reform of qualifications which is something we entirely support.

Q122 Mrs Curtis-Thomas: Could I ask you, Mrs Veale, about the role of the TUC in respect of the Sector Skills Councils?

Ms Veale: Obviously in principle we would like to have a trade unionist on every single one.

Q123 Mrs Curtis-Thomas: But there is not.

Ms Veale: No there is not and I accept that and it something we are looking into. It is often a question of time. Trade unionists are often lay members who have very busy working commitments and if any of the activities take place during working hours they have to get permission and pay to get off and do other things. That excuses some of them. The trade union movement is not growing at the moment. Full time officers now have a wider and wider range of responsibilities that they have to undertake and it is invidious to try to rank things in terms of importance but it is for each affiliated union to decide within its limited resources what it is going to put its people onto. I take what you say and we will try to find out the exact areas where there is no representation from trade unions and see what we can do to try to stimulate more interest in that. I do very much take your point, we should not just preach goodness and light and then not actually make sure we have bodies in place to deliver the message and do the work.

Q124 Mrs Curtis-Thomas: I think they are there, they are charged with the job and I think that matters very much to both the CBI and the TUC but without direct support it makes their positions extremely difficult. They also need the backing of those organisations in order to deliver their objectives.

Ms Veale: We do give them backing, we train them. We have a whole section at the TUC which trains people and gets them ready for it and we do try to stimulate particularly women in trade unions to go onto these things. It is a slow process and all I can do is agree with you; we need to do better and we are trying to do better and to get people into these positions. It is not easy; it is a big challenge but I agree it is important.

Q125 Chairman: Very briefly, because you have already touched on it, the TUC said the Quality Part Time Work Initiative was for you a really high priority and getting your high priority part time jobs is clearly a key factor (which is one reason why I am trying to keep my local tax office open) but you were also critical about the lack of funding. What does that mean your organisation is currently thinking about this Initiative? Does it mean that it is really not

working properly at all? How would you like to see it develop into a wider programme and does that require more funding?

Ms Veale: The trouble is that it is very limited funding and I think because it was done quickly companies who were already doing well put their hands up and said they could use some money to keep going with something they are already doing. If there had been a bit of a step back and perhaps there had been more active engagement with both of our organisations and other employers' bodies as well. I think we could have worked out a much more sophisticated targeted approach to this where we pick out particular areas and sectors where there is a real issue with part time work and nobody above a senior level is doing part time work at all and develop pilot projects which would have to be funded because you are talking about taking people away from the workforce, devising programmes with them and then going back into the workforce to get them running. These things are not cost free and need much more attention to detail and some much more careful shaping up of actual projects you could do. You could then show by example that it is possible to do all sorts of jobs part time. It is not quite so much of a horrendous challenge as people think it is. It is a key area though.

Q126 Chairman: We have not lost the possibility of going back on that because clearly we are in a position where we can make recommendations.

Ms Gill: We will recognise it as something that will happen over the longer term. We would need funding and we would need funding in particular areas where there is no culture of part time work. I think that is one of the problems. We have a lot of evidence that shows that women work part time because they need to and they will go into jobs where there is a lot of part time work often close to where they live because of caring responsibilities and so on. So they need part time work that is local to them and a recognition that more senior grades may be in areas that have not traditionally been occupied by them or where they are already occupied. We see it as something that would happen over a long period of time. It would need pilot projects. We have talked a bit about best practice and I think it is about putting a business case to employers. It requires a whole cultural shift in our attitudes to part time work. Certainly from the TUC perspective when we have looked at it with affiliates there is a sense of what jobs could be done part time and almost everyone sits there saying, "I wonder what jobs could be done part time?". I think this needs to be explored in much greater detail. If you are talking about it in the next five years or something it would require quite a bit of investment.

Ms Veale: If you look at British Airways that is a very good example. They were actually taken to a tribunal over it which was unfortunate, but it was sheer timidity on the part of management: "We can't possibly have pilots working part time, there'll be crashes, it won't work" but actually when they sat down and thought about it it is a perfect industry for part time work but there is no adventurous approach

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to it. What you need to do with this initiative is to pick out those kinds of areas which culturally have become no-go areas for part time workers and say, "Why? Do it, here you are; get on with it, this is how you do it. Here's some money, you work with the union and devise some part time shift".

Q127 Chairman: From the nodding of the heads do I presume the CBI regards it as equally important as the TUC?

Ms Anderson: Yes, we could have usefully had a bigger fund and if we look at companies like Lloyds TSB for example where they have an on-line job share register maybe we could, with a bit more money, perhaps take that beyond individual companies or help other companies use the sectoral approach so we can put two women engineers in touch with each other so they can do job sharing. There are some imaginative ways in which we can build on what is there already. Asda has a part time manager scheme. People are developing these role models, as it were, but we can say that with a bit more money we can go out and make some approaches either on a sectoral basis because we know there is a particular problem or because we know there are a lot of women there who would like to work on a part time job sharing basis. With more money we could do a bit more.

Q128 Mrs Curtis-Thomas: I am not very sure of my facts here but I understood that the progress in increasing the number of female directors of companies has stalled and there was some suggestion that it might have been reversed. You clearly know better than I so could you tell me what the situation is with women directors? Is the number increasing or has it stalled or is it in decline? If so, why? How do we overcome this sort of problem?

Ms Anderson: I am aware that the statistics on women directors has recently been published but I am afraid I do not have it to hand. I agree with you that that is what it was suggesting but of course it is a one year result and I think they are looking at FTSE 250 so a few movements can actually make quite a big difference. I think we need not just to look at FTSE 100 or FTSE 250 directors, we need to look at what is happening elsewhere. If you look, for example, at the number of female managers again we have seen a lot of progress and that is not stalling. If you look at the statistics there I think we have gone from eight% female managers to 30% female managers. Obviously having female managers hopefully they will reach director level and the board. The other area where there are grounds for some optimism is among entrepreneurs. We are seeing more women. Maybe it is for a variety of reasons; maybe it is because they cannot get the work-life balance they want at work so they set up their own firms. I do not think we should look at the directors on boards which tend to focus on the very top echelons and where a few movements can actually alter the statistics quite considerably. If we look at managers and entrepreneurs we are seeing some much more positive signs of change there. I am happy to get the statistics for you.

Q129 Mrs Curtis-Thomas: How long do we have to have women in good managerial jobs for before they become eligible for boards?

Ms Anderson: Clearly you need to have the work experience that is going to fit you to be on a board. I agree it is not an area where we can be complacent but, as I say, the number of women who are setting up their own companies and therefore are chief executive, chairman of the board is growing. I think these companies have gone up from 18 to 30% over five years. That is a pretty good rate of progress but clearly we need to build on that.

Ms Veale: I think one of the problems is the sort of clubbiness that still prevails at the very top of companies and the way you get onto the board is to appeal to the people who are currently on the board. The way that some exclusively male boards operate is "nudge, nudge, clubroom, that person is an okay chap". I think there is a blindness; they just do not think women are going to fit and that is loaded with all sorts of appalling cultural and sexist implications. There is a rather opaque approach to it. There is some kind of osmotic process by which people get onto these boards which is very mysterious and cloaked in secrecy. It is not open and I think that is one of the real problems with this and women just think there is no point. It is very unpleasant trying and being rejected and women do not want to go through with it. I can see why they are more tempted to go off and set up their own businesses; that is really getting round the problem rather than tackling it head on. I do not know what you do about it, whether through company law you take action to force boards to be more representative. You could do it, you could say that it is not acceptable, it is discrimination, there are no women on the board, no proportional number of BME that reflects the local population, no disabled people and it simply is not acceptable any more. This is presumably outside the remit of what you are looking at.

Q130 Mrs Curtis-Thomas: Has there been any cultural shift with regard to promoting women to boards in the last ten years?

Ms Gill: It depends on the company. Some companies have bought the business case for why you want women for example if they are trying to target women as their customers or they want to recruit more women to their organisation then they will have seen that this is worthwhile.

Q131 Mrs Curtis-Thomas: Is there a business case for doing it?

Ms Gill: There is a business case for it. I would say there is a moral case for it but there will be others out there in the wider world who do not see that moral case.

Ms Anderson: If you look at our submission we are reporting on what is happening in respect of the Higgs and Tyson report. We talk about the setting up of women directors on boards which actually is many of the FTSE 100 companies themselves coming together to ensure that they are creating effective ways of encouraging people, as Sarah say,

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from under-represented groups themselves to move up. In our evidence we are giving quite a lot of good examples of where this is actually happening but I certainly agree that we need to make more progress.

Q132 Roger Berry: Moving onto the legislative framework, you disagree strongly on equal pay reviews. Is there any realistic alternative?

Ms Veale: I do not think there is because you are never going to identify a gender pay segregation problem or unequal pay where it is to do with sex discrimination until you have open and transparent processes whereby you can examine grading systems, pay structures, promotion opportunities and all the rest of it. We have had years and years and years of employers telling us that it will happen, they will do it, it is good practice and it is not happening enough. Congratulations to the ones that do do it. There is a gender public sector duty which gets near to requiring the public sector not quite to do pay audits but it is very process driven and it would be very hard for them to comply properly without doing some kind of auditing. If it is necessary in the public sector, why not in the private sector? It is going to hit the private sector through procurement initiatives so they are going to have to get used to it sooner or later. I think we will get there because I do not think you can do this without doing a proper analysis. I will come on later if you want me to to why that leads to difficulties with individual claims and all the rest of it, but there is no way that you can tackle sex discriminatory pay systems without exposing them. I think employers are going to have to come up with a position where they are required to do that in company reports or by whatever means. So yes, we differ on that.

Ms Anderson: It pains me to disagree with you, Sarah, but it had to happen. This is an area where the Government set targets and the target was that 45% of larger firms should have completed an equal pay audit by 2008. I am pleased to say that we have already got there. According to our survey 58% of larger firms have already conducted an equal pay audit (larger firms are those that employ more than 5000 staff) and a further 14% were planning to do so. That 58% from our last Employment trends survey compares to 44% in 2004, so we are seeing firms conducting these equal pay audits. Whether they should be compulsory is another matter. We think we are getting to those firms that need to do it through good practice. We do not think the small firms need to go to the considerable expense of having a full equal pay audit. I think the interesting thing that emerges when firms have done these pay audits is that whilst half of them found a pay gap the pay gap was largely as a result of the fact that men tended to be in more senior positions and therefore they tended to have higher pay. That explained the headline equal pay gap which you will see on a firm by firm basis; it was not that women were paid less for doing the same job as a man, it reflected the reality of the labour market which is that men tend to be in more senior positions and are paid more. Some of the other issues that the pay audits exposed—this is sometimes the reason a firm does a

pay audit—was that they had merging pay scales after a take over or merger so where you might have a unionised environment a different union negotiated a pay agreement for certain grades of staff for a new firm or the merger of a new firm and those obviously take some time to integrate. Firms will often red circle groups of employees because you cannot just raise everybody's pay up to the highest level. That can cause some problems where you have red circled people after a take-over or merger. Indeed, you may have agreed to do that with your trade union and hence some of the problems in the public sector that Sarah as alluded to earlier. Where companies have identified action they have taken action appropriately. They may have, for example, reviewed performance management systems or introduced diversity training or new pay structures. However, I have to say that in half the cases they did not discover any pay gap and therefore action was not appropriate. I think you just have to realise that equal pay audits of the sort that the EOC suggest are very labour and resource intensive and they do not in the majority of cases reveal that there is an equal pay problem. To suggest that this is going to be some sort of panacea for closing the pay gap, I do not think it will do that because the days when employers thought they could get away with paying their women less than their men are long gone.

Q133 Roger Berry: What do you estimate is the cost of a small company doing an equal pay audit? I am a small company; like most members of Parliament I employ two or three people. I comply with all the equality legislation that is currently on the statute book as I am aware and I do not find it a burden whatsoever. What kind of burden in reality is doing an equal pay audit for a company employing ten people?

Ms Anderson: If I could direct you to the EOC's equal pay tool kit, it is pretty comprehensive. You could say, "I've looked at the pay levels and I can't see any problems". Do you have to go through all the complexity of a pay audit to say that? That is not what we are saying. We are not saying that every single company, even if they only have three people employed, have to do this particular pay audit. Obviously the smaller a company is, the quicker and easier it is because you are not doing massive job evaluations.

Ms Veale: The thing is, Susan, in a large company there is no substitute for doing a proper pay audit. It should be done as a matter of good practice. You say they are doing them and they are not identifying any serious sex discrimination problems, then good. Companies should do them and say, "We've done one, there are no serious sex discrimination problems, there are no sex discrimination problems" but you have this 42% on your own statistics of employers over a particular size who are not doing them. It is not good enough. They are undercutting good employers and sex discrimination in pay systems is illegal in this country. It is serious; they are breaking the law and it is not acceptable.

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Ms Anderson: We are not finding that it is at all as widespread as you are suggesting and therefore we do not think that equal pay audits are the solution; there are better ways of addressing the gender pay gap. You asked me about a medium sized firm, in our evidence we gave some of the examples of how much it did cost. For example, with a firm of 700 staff they had to pay £14,000 to an external consultant to come and do a pay audit. That is quite a lot of money if you only have 700 staff to discover you do not have a problem. Maybe you are going to say that that is money well spent but I have to say that when you are looking at your diversity issues then conducting a pay audit when you know you have done a simple analysis and there is no problem is it sensible to say you are going to spend £14,000 on a consultant to do the EOC—which is what will happen if we have legislation—recommended pay audit. You might be better off spending your time providing that resource to train managers, to think about some other positive action. There are better ways of spending your money than going through a tick box exercise of saying you have done an equal pay audit.

Q134 Roger Berry: So that would be about £20 per employee.

Ms Veale: I question your figures. With 700 we would do it for you for a quarter of that price.

Roger Berry: This is on public record; this is progress.

Chairman: We knew we would not get agreement on this issue and this is a good reason why we wanted you both here at the same time.

Q135 Mrs Curtis-Thomas: You both say that public procurement is a very good vehicle to promote equality and diversity and that is absolutely splendid. I guess you can give me a number of good examples where public procurement has done exactly that.

Ms Veale: I think it is working in London. If you look down the road at the GLA they are taking some very important initiatives on that and it is beginning to work. I do not have their information to hand.

Chairman: We are asking them to come and see us.

Q136 Mrs Curtis-Thomas: What about outside London, where we have major public procurement projects that are driving the diversity and equality agenda?

Ms Anderson: If I am honest it is patchy.

Q137 Mrs Curtis-Thomas: Do you have any examples?

Ms Anderson: Yes, we do have examples. I am happy to send them to you; I do not actually have them to hand.

Q138 Mrs Curtis-Thomas: I would like to see them.

Ms Anderson: I am very happy to send them to you. What our members tell us is that what they will find is that they will be asked to bid on the basis that they have effective diversity policies—it may be on gender, it may be on race, it may be on disability—

and they will spend a lot of time putting in a bid to demonstrate just how they are prepared to take very positive action. Then to their disappointment they find that whoever is doing the procurement just goes for the cheapest bid. That is very disappointing and of course it does nothing for this whole issue of diversity or the commitment to diversity if, having put in your bid, you know it has just gone to the lowest bidder who has not actually made any attempt to address the diversity agenda. That is a common complaint from our members.

Q139 Mrs Curtis-Thomas: Is that public procurement in the local government sector or for major government departments.

Ms Anderson: It is across the piece.

Q140 Mrs Curtis-Thomas: I would like specific examples for each.

Ms Anderson: I am very happy to share them with you.

Q141 Mrs Curtis-Thomas: I would very much like to see that. Is that your experience as well, Ms Veale.

Ms Veale: I think so. Another place you could look is the Olympic Development Agency which, although it is based in London, is a nationwide project. We have been talking to their diversity manager and there are some very exciting procurement activities there, particularly on the basis of gender, race and ethnicity. That is coming along and developing. We can similarly look for local authority examples through our regional structures and programmes.

Q142 Mrs Curtis-Thomas: Do you think it is easy for employers to tackle the ethnic requirements that are placed upon them rather than the gender duties that are placed upon them?

Ms Veale: They are different. I would not have thought one was more difficult than the other. They take different approaches and in a sense gender is easier to measure, you are either a woman or you are not a woman. With the BME populations there are shades between and there are issues about, for example, migrant workers coming in from Eastern European countries who are white; they are ethnic minorities but they are not black. There are all sorts of cultural permutations that are quite difficult on the BME side. I am not saying one is easier than the other though, I think they are both challenging.

Q143 Mrs Curtis-Thomas: Do you think the gender equality duty should be extended to the private sector?

Ms Veale: Yes.

Ms Anderson: I think the public sector duty has been round longer in terms of race than it has in terms of gender so there is a difference there. What we have failed to be convinced by within the public sector the duty to promote has actually delivered better outcomes and I think until we can see convincing evidence that within the public sector it is so much ahead of the private sector in terms of either the practice or the outcomes either on gender or

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diversity, I do not think that we would see that general duty to promote being appropriate to extend to the private sector. I think in the Equalities Review Trevor Phillips implicitly acknowledged that. We have to show that it is successful before we can extend it. Procurement is different and in that area we are saying it could be a force for good but it needs to be more effectively managed.

Q144 Roger Berry: Given that the duties in relation to both disability and gender are very recent and given that Trevor Phillips has recognised that in relation to race it has not been implemented particularly effectively, are you saying that if, in two or three years' time, the evidence in relation to equality duties on public authorities was seen to be effective then your objection to it being extended to the private sector would be dismissed?

Ms Anderson: It certainly would lead us to reconsider our position. We would have to look at the evidence very carefully but clearly we would want to look at that evidence.

Q145 Chairman: That is obviously one area of potential legislation to deal with some of the issues we have been discussing, but as you now we have the Discrimination Law Review looking at the moment at legislation and we, like others, are slightly bemused by exactly what has happened to it and what it is going to cover. You said earlier that the current legislation is very out-of-date, particularly referring to the current difficulty in the public sector and equal pay. What recommendations would you like the Discrimination Law Review to make? Should we be getting rid of the Equal Pay Act and subsuming it all? How does it tie into single equality legislation? Would you like to expand?

Ms Veale: The key principle things we would want to see, specifically an alignment of the Sex Discrimination Act and the Equal Pay because they do not work properly together which is partly what has caused the difficulties that are occurring in the local authority sector. We would also want to see legislation across the piece but aimed at tackling systemic discrimination where it happens. At the moment it is entirely based on an individual complaint led system which is invidious for the individual because they have to put their head above the parapet and risk wrecking their employment relationship with the employer. It is timely, it is litigious, it is difficult, it attracts no win no fee lawyers to all the wrong sorts of cases. You need to have a thorough overhaul of the system and allow it to be much more proactive and use the CEHR's existing new duties that could be used to look at particular areas of obvious discrimination and problem. There are many, many issues for us. There is a whole area of representative actions in the tribunal. It is ludicrous that 50,000 individual claims have to be submitted against one employer for one pay system. That is mad. There are problems with indirect discrimination. We like the Disability Discrimination Act which has a duty to make reasonable adjustments and we can see there is some scope for extending that into other areas of

discrimination. You need to be able to make sure that you can tackle multiple discrimination through this new legislation and I think it has to have some proper purpose clause at the beginning with clear objectives set out so that all the detail can be read in the light of clear aims and objectives of where you want to go.

Q146 Chairman: Have we had your most up-to-date position on the legislative changes you would like to see?

Ms Veale: We are ready to go but we have not seen this Green Paper yet.

Q147 Chairman: So you have not submitted anything to them, you are waiting to respond. Do you have a position paper on it that we could see?

Ms Veale: Not publicly available yet I am afraid but as soon as it is we are very happy to share it and it will be on our website. I think everyone is waiting for the Green Paper to set out the parameters.

Q148 Chairman: I think the CBI in your evidence were not making your own proposals, you were more saying that you are waiting to see what is in the Discrimination Law Review. You said things that you did not want to happen as I recall. You did not want the equal pay legislation with the extension of a hypothetical comparator and you wanted to change the way in which equal pay questionnaires were put forward. I am not sure we saw a position from the CBI.

Ms Anderson: We did submit evidence to the Discrimination Law Review and I am very happy to share that with you. As Sarah says, it has been a long time coming and when we see it we will judge it according to the various tests that we have set. I do not think that we are convinced that a major overhaul of the legislation is actually necessary or appropriate. What we would actually hate to see is a lot of little fiddly changes because then actually you are going to have an awful lot of management time spent making small adjustments and public tribunals having to cope with slightly different wording. I think change for change's sake is not good. The legislation is probably about where it should be.

Q149 Chairman: So you do not agree that it is not working as we have been told by a number of organisations and the TUC has just expressed.

Ms Veale: I think we fundamentally disagree on that and I expect you would get two very different types of solution.

Chairman: If we could have from both of you whatever is your most up-to-date position on that, that would be very helpful because obviously this is a very complex area and one that we will need to look at further. I think at that point it is time for us to go and to allow you to leave as well. Thank you very much for coming. It has been most interesting having you both here together which has been a new experience for us and it has saved us having to ask you each the same questions one after the other. Thank you for your time and I am sorry we have had

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to cram so much into a short period of time on this very, very complex subject, but it has been much appreciated and I think we have managed to get a

very good flavour and set of ideas. We will be looking forward to getting any further documents and anything around legislation will be extremely helpful. Thank you very much for your time.

Tuesday 9 October 2007

Members present

Judy Mallaber, in the Chair

Roger Berry
Mrs Claire Curtis-Thomas

Miss Julie Kirkbride

Witness: **Mr David Lammy MP**, Parliamentary Under-Secretary of State for Skills, Department for Innovation, Universities and Skills, gave evidence.

Q150 Chairman: Good morning, Minister. Thank you very much for coming to see us. We are a sub-committee of the Trade and Industry Select Committee. We have a particular interest in seeing what has happened to the Women and Work Commission Report, with particular emphasis around the equal pay gap and occupational segregation as a factor towards that. Obviously we have a particular interest in that as a Trade and Industry Committee because it ties into issues around the skills gap and how we fill that, and the waste of resources that are available to us. It obviously crosses every government department, and we are seeing ministers from three different departments; and we have also done a survey of the other departments on what they are doing. We think that obviously your area of work is particularly relevant to a number of the areas that we are looking at. Perhaps we could march straight in with a fairly open question to begin with. As you will know the Women and Work Commission made 40 different recommendations: which of those would you particularly highlight as being the most significant for tackling gender inequality in the workplace; and why? Are there any particular “easy wins” you can see that your Department should make in relation to the work of the Commission and recommendations that they are putting forward?

Mr Lammy: When I looked at the recommendations in the first few weeks of the job and decided what I wanted to do and what I wanted to see, I think Recommendations 1 and 22, if my recollection is correct, that bearing in terms of our Department really falls to apprenticeships and ensuring that (as we said we are growing apprenticeships to 500,000 across the country, 400,000 in England) women are benefiting from that growth. My own view, having seen some apprenticeships on the ground, is that the flexibility is now there; the part-time possibilities are now there for women in terms of the framework for apprenticeships; but we still have a job to do to actually have the employers who want to provide those apprenticeships and use that flexibility to get women into the workforce. Adult apprenticeships here are absolutely key with £16.7 million this year. We have got to ensure that the priority, which is gender, disability and BME backgrounds, is there and that we are seeing those women coming forward. I went with Karren Brady to look at the Sector Pathways pilot, and particularly at construction in London that Kier are running in Islington; and obviously I think it is right to say the pilot has got off to a slow start. We need to see that

grow and involve more women across the country; but I think that is where my Department can really add value. Yes, we have got the Train to Gain programme where we are wanting a more employer-led response, so that we are in that persuasive business of encouraging employers to take skills seriously and putting the money in that direction; but that particular Pathway is interesting because it is far more flexible. It is not just aimed at Level 2; it is also Level 3 and beyond; and it is also not just aimed at employers that are under 250 employees but it can include big companies as well. I think the contribution that we can make is in that joining up. There is a big agenda that we set out in World Class Skills. We have got to do far more work—DWP, Jobcentre Plus and others—but broadly it is in apprenticeships; it is in Train to Gain and the broader skills agenda that I hope we are meeting your aspirations, which we share.

Q151 Chairman: Can you see areas where you could see some progress within a reasonable timescale? We are obviously talking entrenched difficult areas here that have been with us over many years where we have failed to make progress. Apart from that general aspiration you have put forward, can you see how you can make progress on those areas reasonably quickly?

Mr Lammy: We should make progress reasonably quickly in adult apprenticeships because there gender is a stated priority, and there are only two others, and that is ethnicity and disability. We should make progress there within a reasonable timeframe. We have got to accelerate the Sector Pathway. Given that that is a pilot which concludes in 2008–09—it does not conclude but the evaluation of how it is going comes at that point—we should see progress there, and that will have a big effect in London. The Level 3 pilots also will net big dividends I think for women. We have said there has to be an entitlement for Level 3 adults between 19 and 25, and I think that will benefit particularly young mothers who may want to return to the workplace or have had interruptions in their education in that period often between 16 and 20. That should see progress because the entitlement is there to get them the Level 2 training we want them to exercise. I think there are areas in which we should see progress over the next, I would say, 18 months.

Chairman: Thank you. We will come back to explore the issues on apprenticeships later on.

Q152 Mrs Curtis-Thomas: First of all, Minister, thank you very much for coming to see us today. On some points of clarity, what is the older age group for which you are eligible for an older apprenticeship? You said 19–25, is that the upper limit, 25?

Mr Lammy: We are reviewing the whole of apprenticeships at the moment. I think we recognise that there is more work to do with adult apprenticeships. I came back from Scandinavia two and a half weeks ago where their progress in Sweden and Finland on adult apprenticeships is considerable. Yes, we have got 25-plus apprenticeships but we have not got the numbers there that we want to see over the next while. I hope as we grow to 400,000 that a significant proportion of that are adult apprenticeships.

Q153 Mrs Curtis-Thomas: Does “significant proportion” mean over 50%?

Mr Lammy: No, it does not.

Q154 Mrs Curtis-Thomas: I understand that to be the definition of “significant”. What is your definition of “significant”? Is it 2%? I have got to have some idea of what you mean by “significant proportion” of apprenticeships—that is really important.

Mr Lammy: We have got 250,000 apprenticeships at the moment. We have said we will grow that to 500,000 across England, Scotland and Wales, and within that number 400,000 in England. The stated obligations of the Prime Minister are an entitlement for 16–18; and obviously that is an important part where we are putting in a lot of effort, and there is a lot of effort pre-school as well for young people. At the same time we want to grow adult apprenticeships. When I say a “significant proportion” I meant that there is considerable growth, but I cannot get into percentages. I hope it is more than 2%, but it cannot be as much as 50% when we have got a pot of money and have big obligations that we have said we are going to make to 16–18 year olds.

Q155 Mrs Curtis-Thomas: We have got three categories of apprenticeship for the moment: we have got the young persons apprenticeship, between 16-19; we have then got what you define as the older person’s apprenticeship, 19–25 or 26?

Mr Lammy: No, there are 25-plus apprenticeships as well.

Q156 Mrs Curtis-Thomas: Okay. Then you have got a portion of 25-over apprenticeships. My understanding about those is that they are just pilot studies at the moment, or are they confirmed programmes?

Mr Lammy: There are a small number. They are nowhere near where we want to be at the end.

Q157 Mrs Curtis-Thomas: My question is around what are we doing for older women. I suspect there is a small proportion of women who regard themselves as older between the ages of 19 and 26.

Most of them would consider themselves to be older after 26 and into their 30s. Certainly that is when many women discharge their responsibilities with regard to childcare and are really looking to address some of the problems that may have arisen during their own education and want to put them right. My question is: if you are seriously considering allocating a number of places or a growth in that older sector, then how do you intend to ensure that within that growth there is a facility made available for older women who want or may be eligible to work in the STEM sector?

Mr Lammy: That is a specific area. Can I drill down to get to that. You are right that, for example, if we have got learndirect running their nextsteps work, which is really about getting people back into the labour market and the lion’s share of those people are women, (and 55% of those ringing learndirect or wanting those nextsteps direct face-to-face advice are women), then they have to have placements to go to. In terms of this CSR spending period, this next three years, we want growth to 10,000 per year in adult apprenticeships.

Q158 Mrs Curtis-Thomas: Is that the 19–26?

Mr Lammy: No, that is 25-plus in the next CSR period.

Q159 Mrs Curtis-Thomas: We want 10,000?

Mr Lammy: Yes, 10,000. That is not obviously 50% of the 400,000, but it is significant growth given that in terms of 25-plus the numbers are small at the moment. You are right in terms of what the direction of travel should be. If the advice is there for these women (which can be: what are the skills for life you need; what are the Level 2 qualifications that you need; what is the support you get back into the employment?), we have got to have the apprenticeships available for those women; and we have got to have the other things as well. When we get to the STEM work that you are doing, that UKRC are doing, we support things like the Returns Project which is helping those women come back into employment at a level which is appropriate for them, given that they have got serious qualifications but may have been outside the labour market for several years because they have been raising their children.

Q160 Mrs Curtis-Thomas: It is 10,000 extra apprenticeships for adults, that is, across the whole sector; and of course you have a tendency to recruit women into traditional women’s sectors and men ditto. Are you going to set targets for the recruitment of women into STEM-related work, or STEM-related apprenticeships? That is crucial. Out of that 10,000 we may have just 50 places for women.

Mr Lammy: No, is the answer. We cannot just have 50 places for women; that is a bottom line. We cannot be in the situation that we have been in in the past. I have seen the figures and they are not great when you look at the amount of women in construction or engineering—that is clear. There is a lot of work going on in the various sectors to change that. I was on the Olympic site with the ODA. I had

a meeting with the construction industry the day before, and there is a clearly a will and a desire to change things. There are funds; there are pilots; there are projects; there is a desire to change the stereotyping. Crucially there is also in the ODA procurement contract an obligation to train, and they have issued their equality plan which means that gender is an important dimension of that. I do not think that we are in the situation that we have been in in the past where, frankly, there has not often been the will, there has not been the perception from employers, and there has not been the activity to actually change that. That is a different context. Alongside that in a broader more general way but crucially important is the work of the 25 Sector Skills Councils. We have said that we want to re-focus and re-license those Sector Skills Councils going forward; that is a big part of the new Department's mission, as it were, in relation to skills. Notwithstanding that, I am pleased that the Sector Skills Councils themselves, who are coming forward with their sector agreements, are prioritising gender equality within those agreements. Not all the 25 have come forward so far; we have got 13 of them that have come forward; but a significant number of them are saying that gender is important. One of the first questions I asked is: have we got women on the boards of our Sector Skills Councils? Who are the chief executives of our Sector Skills Councils? I am told a third of them are women. I have not met them all obviously in the first 12 weeks in the job. It is crucial that the sectors themselves, the employers themselves, are seeing this as a priority and raising their game. In construction they have a levy that they can use to good effect, and that is why projects like the Olympics are so important. We have got the biggest building programme in the country since the war; it would be unacceptable if, in that context, we look back in ten or 15 years' time with all these cranes across the country and we had not got women the training; we had not got women into employment; we had not made that difference. My answer to you is: no, that will not be the case; but I do not think we are in a case where we are prescriptive of employers and we are setting them targets. That is not the way we have been managing our Sector Skills Councils, and that is not the direction of travel.

Q161 Chairman: Before we move on, you mentioned procurement contracts with the Olympics bid, something we are very interested in. Do you support extending that kind of procurement strategy to other public sector contracts in other areas, because you cannot have a "fairly unique" experience but it seems a bit of a "one-off" as we see it at the moment. Would that be something you support, extending that model elsewhere?

Mr Lammy: Certainly in my Department we have just done work on our Equality Impact Assessment and equality is one of the issues that we should have regard to in procurement. I am told by lawyers that there are technical rules about the way in which you have got to allow people to bid for contracts and other things; and you will understand that ministers usually are not engaged in who gets particular contracts and things; that is something you generally

leave to permanent secretaries of departments. We have indicated a desire in legislation. We have done that. We have said to the public sector that they must have regard in terms of race equality and a public duty there and that applies in gender. I am hugely sympathetic to the reality that government departments and the public sector broadly procures massive activity of huge economic importance every year, and that there is huge leverage that we can exercise to ensure that women are getting access to skills, training and employment. We as a new Department want to ensure that we are reminding colleagues about that across the public sector. That is the strength of having a new Department; in the sense that I am sitting here as a Minister in a Department of Skills that can go beyond that in a way that perhaps could not have been the case in the past.

Chairman: That is very helpful.

Q162 Mrs Curtis-Thomas: Chairman, before we move on I would like to clarify that whilst that facility is available in contract, when that contract is being assessed it does not carry weight in that assessment. It is there as a desirable; it is not there are a core element.

Mr Lammy: That is an important point. Are you talking about, for example, the contract that the ODA has just issued?

Mrs Curtis-Thomas: Yes. It is there as a desirable but it is not there when you compare and contrast the contracts for placing. It is not weighted at all.

Chairman: I think this is an area we would want to pursue further, I am sure.

Q163 Roger Berry: Good morning, Minister. The review in April of the implementation of the recommendations of the Women and Work Commission said a fair bit about training. Just following on from what you have said already, it referred to a number of schemes—the London Olympics-related Level 3 pilots, the Skills Coaching pilots and the Women and Work Sector Pathways and so on. I would be interested to know about how successful you think these are proving? Assuming they are successful, is funding available to roll them out more widely?

Mr Lammy: I think from what I have seen it is true to say that some of these pilots have got off to a slower start than certainly I would have liked. That perhaps has been because they really are cutting to the heart of changing employer practice. I do not want to evaluate the London Level 3 pilot before that should be the case, and I certainly do not think I ought to do that from this point sitting here. Having met 30 or 40 of the women in Islington who are, broadly speaking, in construction, building and painting and decorating, I thought it was hugely impressive and, clearly, it has changed their lives. Having spent some time with Karren Brady really proselytising about what we have to do for women in relation to skills and training, it is clear to me that there are huge things to do. As a London MP I know that too often black and ethnic minority women are some distance indeed from the labour market. It is not just about getting them into employment, and

the employment lasting a few years and then goes; it is about embedding that. I would hope that this work continues, and that we are able to accelerate it even further once we have got that evaluation back. It cannot just be about the individual pilots; it has to be about the working practices of sectors themselves. Whether it is the construction industry, working with graduates and undergraduates to make sure that their qualifications are getting them jobs in the market, and their construction skills are doing that; whether it is asset skills, working with cleaners to get them up to higher levels so they can run their own cleaning business; the individual Sector Skills Councils have a job to do here as well.

Q164 Roger Berry: You have mentioned some of the pilots and some of the schemes have got off to a slow start. I wonder if you could say a bit about the characteristics of those kinds of schemes and what have been the problems? Why do they stand out as being slow starters, and what is being done about it?
Mr Lammy: They got off to a slow start but we are seeing pace and improvement. The London Level 3 pilot got 740 people who are participating. That needs to grow over the next period so that we get to hopefully up to 7,000 learners who have benefited. We need to see acceleration in that. We need to see the money spent and used properly. What the LSC has been keen to emphasise to me is that this work is about changing practice. It is about persuading employers that this is good for them, and that takes time—to find them and to place them. You want the pilot to succeed, so you want to place women into an environment that is going to work for them. You want employers to understand the flexibility that is there and how the money is spent and other things that have not been there in the past. At the same time outside of the gender issue, as it were, Train to Gain is a new programme full stop; it has only been running a year. Us putting in our money, about £440 million now and going to over £900 million by 2010, is new. We are asking providers; we have got new brokers; we are asking the system to adapt to a changed environment anyway.

Q165 Roger Berry: Just so I am clear, I think what you are saying and I would like you to confirm whether this is correct or not, you keep emphasising “employers”, is the basic obstacle not the people coming forward to participate in these schemes; it is not the resources that Government is providing; the real challenge is to generate that change of culture by employers?

Mr Lammy: Roger, you will forgive me, if I had opened with opening remarks what I would have said is that we have got a brand new Department, a Department dedicated to skills, that is able to work across the system, across Whitehall. We have made good progress in the last few years, but in terms of where we need to get to, to implement Leitch’s ambitions by 2020, we have got a long way to go and a new Department needs to be there to drive that through. That means a culture change in this country. Anyone sitting at home is now watching adverts inbetween *EastEnders* and *Coronation Street* reminding them that skills are in their hands, telling them to ring up a number, that they can get skills.

We are reminding employers through Train to Gain that we are serious about Level 2; that full subsidy is there for people who have not got Level 2 qualifications; and part subsidy is there available for beyond that. That is a huge culture change in this country. At the same time, who will be the beneficiaries of that culture change particularly? They will be people who have been traditionally left out of the labour market: women, a key component of that; black and ethnic minorities, a key component of that; but the list goes on. People with mental illness, people with disabilities, are fundamentally important in making that change. In a sense, when we talk about a “slow start” it is because we are only 18 months into this journey and a new Department enables us to accelerate this.

Q166 Mrs Curtis-Thomas: The number of women who are taking apprenticeships are increasing but, unfortunately, there is a disproportionate increase in the number of women going into female segregated apprenticeships. In actual fact, it is quite counterproductive in terms of set stereotyping and reinforcing that. What progress has been made in developing a more flexible apprenticeship structure? What success has there been in developing a project-based structure? Why go for a project-based structure anyway?

Mr Lammy: Why go for it? There has been good progress in the project-based structure which is now available across the piece for apprenticeships—that flexibility is there. You can do your apprenticeship part-time; you can pick it up; you can move from one employer to another. The framework for apprenticeships we have changed to ensure that maximum flexibility is there. You can change the framework; you still have to incentivise, encourage, persuade and remind employers that it is there and that it can benefit, for example, their female employees. I think that is the journey we are now on. For some it does mean changing practice and changing perception. I remember when I was a lawyer in a City law firm, and City law firms were talking about how we could have female partners, and in order to do that it required flexibility; it required part-time working; it required job-sharing. It has taken the City a long time to come up with the mechanisms to allow that to happen even though it is there in law. This is no different in a sense. We have taken on board the project-based arguments; we have taken on board the argument about making the system fully flexible. What we are doing is ensuring that our brokers in Train to Gain when they are speaking to employers are able to articulate these possibilities. I think where we are seeing progress, although this is only a year in, it is because brokers are reminding employers what is available; because Business Link is linked in and is reminding employers what is available, as well as the system driving change in design, driving change in the way that allocates money and the way that it pilots fully flexible projects.

Q167 Mrs Curtis-Thomas: One of the reasons that people fail to complete their apprenticeship programmes, and particularly women, is that they

do not get work-based opportunities. As much as I am cheered to hear your assertion that project-based apprenticeships is working —

Mr Lammy: No, it is there across the system. You can do it.

Q168 Mrs Curtis-Thomas: In terms of accessing it and making that available to women it is still a very long way off. What impact has this project-based approach had on the completion rates for apprenticeships for women?

Mr Lammy: The story on completion rates as you know three or four years ago and certainly when we came to power was hugely problematic. Completion rates: 40% in 2004–05, rising to 53% in 2005–06. It looks like it is round about 60% this year with no gender differences on those latest figures, so that is progress.

Q169 Mrs Curtis-Thomas: Is that gender differences over all sectors?

Mr Lammy: I cannot answer that. I can certainly come back to the Committee on that.

Q170 Mrs Curtis-Thomas: That is something I think we need answered, simply because if you disaggregated those figures you would find there is a disproportionate number of failures for STEM-related careers, than there is in the set stereotyped career path. I put it to you that what we are about here is trying to get more women into work, diversifying the range of opportunities available to women, and setting targets in relation to the successful completion of apprenticeships for women. I also applaud the sentiments with respect to the BME group and people with disabilities. It is absolutely vital.

Mr Lammy: I am with you. That is the overall figure. I would expect to see, and would be staggered if I did not see, differentials between sectors as you indicate. As I say, this is very much in the mix in the apprenticeship review where we are looking at all of these issues. Your indication of targets is one of the things that is on the table.
Mrs Curtis-Thomas: I think quite frankly, Minister, without targets you cannot get the Sector Skills Councils to respond because they need to have those to drive their employers.

Q171 Chairman: I visited my FE college last week which had done a project analysing girls and young women not going into non-traditional areas. A number of factors were seen from the attitude of the tutors, their own tutors, to the attitude of others in their group, and to others on work placements—many of the factors that you might expect to be there. One of the things that the college principal said was that they would like to do some more diversity projects, particularly to get girls and young women into some of the more traditional areas, like taster courses, like women-only motor vehicle and bricklaying courses; but their funding at the college is such that it is tied in so closely to particular targets in funding for Level 2 courses et cetera that they cannot find any small pots of money that would enable them to do things which do not fit into those categories that would help them break down some of

those boundaries. They are very keen to do it. I was told even just £20,000 for the college could help them do that but there is no access to such funds. Would you like to comment on that?

Mr Lammy: I do not think the Committee would want us to back off our aspirations on Level 2. It is the case that there were many people doing short courses, some of whom did not get qualifications to speak for the time they had spent on that course, and many of whom were going round and round in circles with no progression. We are absolutely clear that the aspiration to get 80% of our population up to GCSE level is a noble aspiration and it is one we have got to stick to, and we have got to encourage providers and FEIs to help us deliver it. It is hugely important, I think, for social mobility and for aspiration. In the end it benefits women directly. At the same time within that we know, for example, that in relation to apprenticeships you have to provide tasters; you have to provide work placements. UKRC are looking at work placements for girls in the STEM subjects, I know, and have got some money and are doing that work. E-skills are working with 10-14 year old girls in schools with IT so that they can change the perceptions of young women wanting to go into the IT sector. Those taster courses are there. They should be there. There is funding in the system. I am hearing from some of the colleges that they want some flexibility. I have got to look to see how that money in the system is being spent. Again, part of our apprenticeship review will be to ensure that we are embedding in a bigger way that work that has got to go on pre-16, because parents have influence and have strong perceptions about what careers they want for their young girls; and we have to have employers in school working with parents to change those perceptions. You are right, we have got to have the funds there in the system to meet that need. I am happy to look at it but, at the same time, it would be wrong to back off the Level 2 aspiration, which is a fundamental to the skills agenda going forward.

Q172 Roger Berry: Minister, earlier you touched on the question about the accessibility of training courses. As we all know, traditionally many training courses have been geared at young people who attend them full-time; and for people, for example, who have caring responsibilities the timetabling of this is wrong and the flexibility is not there. You were suggesting that there had been significant improvement in this. My question is: in *Towards a Fairer Future* we are told that the Government asked Ofsted to “consider the practice of a sample of adult education providers to establish the general picture of accessibility” with a view to using best practice guidelines 2007–2008; which sort of suggests to me that it has taken quite a long time to address this accessibility issue. Are we being to slow in addressing the needs of people with caring responsibilities or people who wish to combine various activities with some training? Is the flexibility really improving as we speak?

Mr Lammy: Let me give you an example. I listened to some of the learndirect phone calls within the nextsteps programme, those are women who are often not in the workforce, who are very low skilled,

who are ringing up; they are not just getting advice about what course they can take; they are getting advice about child care; they are getting advice about caring allowance and those sorts of responsibilities; what is in a local neighbourhood; how they can make that particular course a reality; and how they can hopefully make long-term employment a particular reality. That is happening. I am not going to suggest it is happening for all women with caring responsibilities; that is why the Ofsted work continues; and it is also why there is a cross-government review of carers which the Prime Minister has initiated, in which obviously my Department is playing a big part. I am obviously pleased that this is now firmly on the political agenda. There is a lot more to do in relation to this, I think; but I have seen evidence of good work going on that is helping these women come back into the labour market.

Q173 Roger Berry: Is there anything you can say about the timescales in terms of particular targets for improvement?

Mr Lammy: I am not sure I can. A point where there is both the Ofsted work and the cross-government review of the carers going on.

Q174 Roger Berry: The Ofsted guidance will be published when?

Mr Lammy: May I come back to you on that?**Roger Berry:** Yes.

Q175 Miss Kirkbride: Are you aware of the social entrepreneurs' project "Women Like Us" and, if so, do you like it, and are you going to promote it?

Mr Lammy: I am aware of "Women Like Us" because they are working quite a lot in North London and they are working in Haringey.

Q176 Miss Kirkbride: Do you think this is a marketable way forward and how are you going to put it if it is?

Mr Lammy: I think I have asked to go and see one of the projects. I have not been to see one of the projects. I do think that we have got to work with Social Enterprise. Rightly, much of your questioning has been top-down. What is the Government doing? How are you setting targets? Where is the money going? How are you making this happen? I have wanted to emphasise in some of my answers the key role of changing culture and employers. I think the other side of the coin is social enterprise such as Women Like Us. It is grassroots organisations on the ground and how we can support them. Phil Hope was in my job before this, he is now Third Sector Minister, so there is key partnership that can be done there to really help the Third Sector help us deliver this; and I think it is partnership that is not that different from the key role that unions have played in relation to the skills agenda. We have been able to give them extra funds, and we have seen the benefits because a woman on the shop floor saying to a colleague, "You can do this course" has borne results. We want to see that with the Third Sector and Social Enterprise as well. I will go and see Women Like Us and I will look across the piece at the organisations that are

dedicated to gender and skills that are out there and are doing good work, so I am not just going to FE colleges and others. I am told that I can write to you on the timescales for the Ofsted practice and I will do that.**Roger Berry:** Thank you.**Chairman:** We look forward to receiving your letter and anything else you would care to share with us.

Q177 Mrs Curtis-Thomas: Going back to the issue of Sector Skills Councils, which we started talking about earlier, we understand that eight Sector Skills Councils are using the money available under the Women and Work Sector Pathways Initiative to do things like identifying barriers to women's progression in their sectors, providing appropriate training and generally assisting women to progress in their careers. Firstly, I know this is a bit unfair but I would be interested to know which of those Sector Skills Councils we are talking about. It sounds interesting, but that is £10 million worth of government funding and matched funding by employers. Is that £10 million from both parties or is it a total sum, with £5 million coming from each or £10 million in total from each?

Mr Lammy: It is £10 million of government money.

Q178 Mrs Curtis-Thomas: With matched funding coming from industry. So how much industry funding have you attached to match that?

Mr Lammy: May I come back to you on that. I will talk to you about the projects if you want me to talk to you about the projects. May I come back to you about how the money has been divvied up?

Q179 Mrs Curtis-Thomas: The first thing I want to know is: that there are eight Sector Skills Council which have stepped up to the mark in relation to this particular programme, and which ones they are?

Mr Lammy: I have the list in front of me. We have got Asset Skills, which I have mentioned already, and they are helping cleaners to level up their skills. We have got the automotive and retail recruiting a hundred women into customer services and giving them specific training so they can actually get qualifications. There is an area where there are many, many different qualifications, but qualifications that would help them move forward.

Q180 Mrs Curtis-Thomas: In customer services does that mean vehicle maintenance and repair?

Mr Lammy: It is automotive and retail so I suspect so.

Q181 Mrs Curtis-Thomas: Could you find out?

Mr Lammy: I can find out. Claire, you will forgive me, I have been in the job 12 weeks and I have not been able to get round all the Sector Skills Councils but I will do my best. The construction industry I think we have talked about. There is a lot of work going on in the Olympics and work going on particularly with graduates so that women actually who are getting qualified are coming in and getting the jobs within the sector. Energy and utility are doing work enabling 380 women to access a particular tailored leadership programme. We have got Lantra working on career progression within the environmental and land-based industry for 600

women. We have got Semta supporting 400 women in bioscience and engineering. We have got Skillfast working on getting those at the lower end of the skills market, job securing and training as they move up. eSkills—I have mentioned the work they are doing on IT in schools. We have got Logistics again working with stereotyping perception and guidance with careers counsellors to change the perception of women who might want to come into freight to be long-distance lorry drivers and to get the LGV licences.

Q182 Mrs Curtis-Thomas: Thank you very much for that because you have answered my next question, which was how many women are benefiting from that investment. That is £10 million going in. Do you think you are getting good value for money in terms of the output?

Mr Lammy: When I look across the range of sectors responding saying that gender is a key priority for them I am pleased. My initial assessment of women within the sectors in leadership roles, particularly on the Sector Skills Councils, I am pleased to see them there. When I look at the range of projects that is going on those are exciting first steps. I think it is far too soon for me to say. This is just the beginning of a journey. This is not by any means the median point.

Q183 Mrs Curtis-Thomas: When will you be able to make an assessment of that investment?

Mr Lammy: What we have said is that we want to re-license our Sector Skills Councils and re-focus some activity. Clearly at that point that is a good juncture at which to communicate what has worked and what has worked less well.

Q184 Mrs Curtis-Thomas: You omitted in your list of sectors to refer to the Government Sector Skills Councils. The Government has huge opportunities to provide apprenticeship-based programmes. Is there a specific reason why our own Government is not participating in this particular programme?

Mr Lammy: It is not on my list. I do not know the reasoning. I think what we are all aware of is that there is much more the public sector can do, that is in relation to apprenticeships, that is in relation to within Sector Skills.

Q185 Mrs Curtis-Thomas: It is just unfortunate that they are not on this list and we are, of course, big purchasers of training and big providers of opportunities, but not engaged on this list?

Mr Lammy: Although we probably ought to qualify when we talk about Government. For example, the Ministry of Defence has a good track record in apprenticeships; and has been doing now for some time quite a bit of work on gender and perception; the Health Service in terms of Train to Gain. Brokers have made some real inroads into social care and the Health Service moving women up. I have met nursery nurses and others who are now talking about setting up their own business because of that work. Broadly speaking within the public sector there is variation and difference that we ought to be sensitive to. I am with you in the direction of what you are indicating, which is that the public

sector needs to step up to this, it can do more; and that is certainly something I want to probe in greater detail over the next few months.

Q186 Miss Kirkbride: Our predecessors recommended that the Learning and Skills Councils and the Sector Skills Councils should be more involved in advice for young people in schools and colleges—I wonder whether this is now happening?
Mr Lammy: You probably know our absolutely stated ambition to have an adults' careers service. Colleagues in DCSF are now responsible for the careers service, the old Connexions within schools. I am perhaps not the best minister to inform you in relation to the detail of what is now happening in schools. What we certainly want to ensure with the setting up of a new adults' career service is that it is linked into school and has those links; and that for young people from 19 plus they really have quality service, that is comprehensive, that is challenging stereotypes, that is using the best practice, not just from this country but from around the world and that is universally accessible to all.

Q187 Miss Kirkbride: Who will be doing that?

Mr Lammy: We have not issued the contract. That is something we are modelling and exploring with the LSC.

Q188 Miss Kirkbride: How would you like to see work experience changed to encourage girls to do a variety of jobs? In particular, how is the Wider Horizons project of the UK Resource Centre being developed? I think mainly the focus is, as you were saying earlier, starting with parents, and girls knowing exactly what they are going to do with their lives, but actually challenging that in schools so you are sent to a building site rather than to nursing college.

Mr Lammy: I certainly welcome what the Wider Horizons project is doing. My own view is that there are two important strategic areas to bring about a culture change over the next period: one is with employers generally; and the second I think is the pre-16 work, that obviously has to take place in schools, not just with the young people themselves but with their parents. In a policy sense that is something I am acutely aware of in relation to apprenticeships and, in our review, how we take that work forward—very important; how we are getting employers into schools. That is something the Sector Skills Councils themselves are aware of. What different industries have been saying to me, I got this from the land-based and agricultural sector, I got it from gasfitters and others that, in a sense, in 2007 the traditional “mucky industries” as it were are not in the forefront of young people's minds in the way they used to be. You ask an average 16-year old what he wants to do and he wants to work for the BBC or Channel 4; he is aware of brands like Nike and others. Those employers in some of those traditional industries, who are offering great prospects, do have to be in school earlier. We do have to have those bite-sized taster experiences. The workplace programmes have to be comprehensive. I need to work with colleagues to encourage that activity so it bears dividends when they older and, if you like, when our

departmental interests really kick in. You may want to speak to colleagues in DCSF in detail about how that work is going forward.

Q189 Miss Kirkbride: Having gone into schools to be a gasfitter, be a plumber or to do the traditional mucky jobs, how do you get the girls more interested? What would be the mechanism of saying, “We’re not just talking to the boys here, we’re talking to the girls to come and do it”?

Mr Lammy: That is about pedagogic practice; new practice; it is about literature not being stereotypical; it is about the women who do exist in those industries coming into schools; it is about role-modelling; it is about all of the things that certainly I have advocated in relation to BME populations in this country. That is how you change perceptions. You have got to be in there. You have got to be active. It is about mentoring, as well as careers advice. It is about serious engagement again, again and again on these issues it seems to me.

Q190 Chairman: You have talked about having to change the culture of employers, and also we need to change the culture at work to get girls to on work placements. There are also issues around people who are in employment and whether they are then able to switch into different areas of work. Within those areas the role of trade unions can be very important. I know that we are coming up to the second round of projects under the Union Modernisation Fund. How much of that money is being provided to develop trade union equality reps?

Mr Lammy: I think £900,000 has been provided and the unions are, the NUT, Unison, CWU and the TUC; the lion’s share of money coming from BERR, the old DTI, to those unions.

Q191 Chairman: So that is not in your patch?

Mr Lammy: No, it is not.

Q192 Chairman: Can you tell us anything about the projects on gender equality under the fund, or is that something you would not know about?

Mr Lammy: I am aware of the projects but I cannot give the detail on that.

Q193 Chairman: That should be something we should get from them?

Mr Lammy: I am sure we can provide you with the detail but you may want to explore it further with them.

Q194 Chairman: Do you have any view on the proposal from some of the unions that we should have statutory equality reps?

Mr Lammy: No, I have not. I do encourage the Committee to recognise the work of Unionlearn and Unionlearning reps in this area who have really made a difference. Certainly that is our big departmental interest. We have increased the funds for Unionlearn because it has been such a huge success. I am actually meeting later on today—and this is key to some of the points that Claire was making—with Baroness Wall and the union reps that sit on each of the Sector Skills Councils to drive the agendas that we all know are so important. It is

not just women on the board, it is actually unions who have traditionally taken up these issues that are hugely important. I will hear from them this afternoon; hear some of their concerns, hear the things they have succeeded on, and I really encourage the Committee to take an interest in the work they are doing.

Q195 Miss Kirkbride: The overall impression given by the *Towards a Fairer Future* report is of a number of worthwhile initiatives, many of which are pilots, with little co-ordination, no long-term commitment to funding, some lack of clarity over how they are to be assessed and their value compared, and little indication of how they will be developed over the next few years. After being in the job for 12 weeks, Minister, could you comment?

Mr Lammy: I think there are two things I would say: one is to remind the Committee of the broad direction of travel; skills accounts for individuals, so that you can see your entitlement; you can build your portfolio; you can see the subsidy that is going towards your Level 2 and beyond qualifications; and that empowers individuals and certainly empowers women being able to exercise that right; an adult careers service, as well as shifting the money to employers; having the Sector Skills Councils doing that work—and we have talked about some of the schemes that are happening; and trying to get the culture change in the system that, in the end, benefits those with low skills, benefits women and hopefully benefits some of our black and ethnic minority populations. Then the more general is that this is an exciting time, and that is why there are pilots in the system showing how to get flexibility, how to change perception, how to work with women in particular sectors to change the way that it has been in the past. Key opportunities also with the Olympics; the work that we can do in STEM-related subjects as well; and, please, procurement and training going hand-in-hand in, say, the Olympics. This is an exciting time. Naturally we want trailblazing schemes to show the way, and that is why we have pilots. In our Department we have just issued an Equality Impact Assessment to ensure that across the piece of the things coming out of our Department equality and gender equality is at the heart of what we are doing. I think the Committee will hear later on from Harriet Harman who is sitting in the Cabinet with this agenda and is there to ensure that that coherence exists across the system.

Q196 Chairman: If you are still in the job a year and 12 weeks in, you will be able to come back and show us how the projects have rolled out, and you are coordinating both within the Department and with other departments and agencies to promote these projects. We look forward to a positive report in a year’s time.

Mr Lammy: I look forward to coming back in a year’s time. I am sure there will still be a lot to do, but there should be progress.

Chairman: Minister, thank you very much. We appreciate that you have come after such a short time in the job. I think we have asked for various pieces of information from you including the Equality Impact Assessment. Thank you very much.

Monday 29 October 2007

Members present

Judy Mallaber, in the Chair

Roger Berry
Mrs Claire Curtis-Thomas

Miss Julie Kirkbride

Witnesses: **Rt Hon Harriet Harman, QC, MP**, Minister for Women and Equality, **Ms Janice Shersby**, Director of Government Equalities Office and **Ms Ann-Marie Field**, Head of Gender Equality Policy of the Government Equalities Office, gave evidence.

Q197 Chairman: Welcome. It is very nice to see you. I hope you are feeling better. We were contemplating, are we meant to call you Secretary of State, Minister, Leader, we are not quite sure. Secretary of State, I think. Would you like to introduce your colleagues who are with you.

Ms Harman: Thank you very much indeed. I do apologise for my no-show last week. I have with me today Janice Shersby, who is Head of the Government Equalities Office, and Ann-Marie Field, who is responsible for gender within that office.

Q198 Chairman: Thank you very much. As you know, last year the Trade and Industry Committee started looking at equal pay and the pay gap, particularly looking at occupational segregation and the link into the lack of people with skills in the economy. We did a report and said we would return to it when we had the Women and Work Report, which we have now been looking at, and what has been done in relation to the recommendations in it. If we can start off by asking you what you would regard as being the most significant of the Women and Work Commission's recommendations for tackling gender inequality in the workplace and why?

Ms Harman: Thank you, Judy. Perhaps I can say that I very much welcome the attention which this Select Committee has paid to this area of work, and I feel progress is made by everybody keeping a sharp focus on it. I am not sure I could pick out one particular thing of the Women and Work Commission, but perhaps I might get back to them. I think it is really a combination of a whole range of activities taken in a whole range of ways and it is also a whole range of organisations keeping a focus on this issue which will take us further forward. That is rather ducking the question about one particular one. If I could say the reason why I think this area of work is so important is, firstly, because of the principle of fairness. I think we would all agree it is wrong for people who are at work to be paid unfairly on the grounds of their gender, so there is a straightforward principle issue. There is also a whole range of other issues, like if we want to tackle child poverty we have to tackle low pay amongst women, if we want to have a sensible efficient labour market then it does not make sense for occupational segregation to exclude or deter a whole swathe of

people, so it makes economic good sense. There is a whole range of issues which need to be addressed and, therefore, I cannot pick out one particular one.

Q199 Miss Kirkbride: Tempting you a little further to make a decision about what is the most important, a lot of the focus on equal pay is on encouraging women to do more of the jobs traditionally done by men and if we did more of the jobs traditionally done by men, which are paid better, we would then begin to diminish the pay gap. Is that the most important way forward or is an equal or, perhaps, more important way forward to focus on the skills which women already have and encourage them to upgrade them throughout their own career, ie should we be steering women towards doing the non-traditional women's jobs or should we be getting women better trained and focusing on what they already do and like doing?

Ms Harman: I think there is a fair evaluation of the work which is traditionally done by women, that is a very important thing, that there are a lot of women doing work which is clearly undervalued, otherwise you have got to accept that a part-time woman is worth 40% per hour less than a full-time man. Therefore, part of it is about us doing what we can to make sure the work which is traditionally done by women is not undervalued. Even without women training for further opportunities, even without women going into work which is traditionally done by men, there is something which needs to be done just about how women doing jobs which are traditionally done by women are valued in terms of the amount of pay they get. The question about jobs traditionally done by men is very much an issue for young boys and girls in school and people newly into the labour market because, of course, the nature of work is completely changing. Work which might have been traditionally done by men in factories that might have been regarded as very heavy manual work will often involve the use of computers now, like in a warehouse which might have involved masses of lifting huge amounts which does not involve any because of machinery. I think we need to try and think afresh about what are traditional male jobs because the work in those traditional male areas is changing because of new technology. The third point in relation to training and upgrading of women in terms of them getting on in their jobs is it is important for people to have as much choice as possible about the areas they work in and that we have as little preconceptions and stereotyping of

jobs. I also think one of the key areas for women is the inability for women in part-time work to take training opportunities and to get advancement, the difficulty of the labour market recognising that somebody is just as committed to their job even if they work fewer hours and, therefore, are just as worthy of promotion and extra training, so I would say those three issues.

Q200 Miss Kirkbride: Out of interest, what occupations would you identify as being the ones which are undervalued in terms of their male comparative roles?

Ms Harman: I would think caring.

Q201 Miss Kirkbride: Which should be compared with what traditional male role?

Ms Harman: If you look across the whole range of people at work in any particular sector where there are men and women working together, occupationally segregated but within the same employer, you will see women who perhaps have the same levels of qualifications but being lower paid, as I say particularly if they are likely to be in caring work. I would say traditionally, and this is just a generalisation, the skills, commitment and experience which people bring to work for caring, whether it is for children or older people, have been undervalued. That has changed quite a lot recently with the focus on the importance of people working with young children, but there is still a backlog.

Q202 Chairman: Can I ask you about structures because we identify the same factors over and over again of some of the causes for inequality in the workplace, be it on pay or other issues, and the question is how we do something about it. Your own Women and Equality Unit has jumped around from department to department, the Minister for Women jumps around and now I am trying to get my head around the press release on what the Government Equalities Office is and your role within that and, for example, how that ties in with having a Sub-Committee on Equalities chaired by Ed Miliband. What do you see as your role, and do you think you have got the clout and the power to be able to drive the gender equalities issue across departments? We have been slightly confused as to which ministers to invite here. We have tried three different departments and we ended up writing to all of them. Do you have the power to make it happen, and what are the structures which might enable us to get over some of the blockages that we have had in the past?

Ms Harman: Because the Government is committed to tackling inequality, to tackling discrimination, to tackling child poverty and unfairness, there is an overriding political imperative for whatever machinery we have to work. You can sometimes have the most brilliant machinery and without the political commitment nothing happens, or you can have an asymmetry of approach but it works to deliver. I do think the current structure we have got is disappointing if people do not know who to contact in terms of outside organisations or select committees or parliamentary colleagues. It is a

problem if people do not know who to contact, but I hope whatever point people arrive at they meet a willingness within government to take these issues very seriously and take them forward. I regard this as one of the most important things that I am here to do in government.

Q203 Chairman: I do not think the problem is knowing who to contact, we know that if we want to look at how we deal with segregation or models coming out during schooling we should talk to the schools department, if we want to look at apprenticeships we go somewhere else, so we know that it requires action in every department, that is the whole nature of the issue. The question we would ask is how do we make sure there is sufficient imperative across departments to put it higher up in the agenda. Do you think we have got it right? Is that your job or is your job something different from that? How will the Equalities Office operate in relation to that? Will it be interfering in every different department or will it have a different role?

Ms Harman: Yes, it certainly will be, and that is a very important part of my job. I do not know whether Janice wants to say something at this point as well about it is actual ways of working.

Ms Shersby: Of course we have informal ways of working with our colleagues across government, but we do also have, and will have, some more formal structures to take forward our equalities work. Perhaps, in particular, it might be worth mentioning the Equalities Public Service Agreement, which includes an indicator on the gender pay gap. That puts the gender pay gap at the heart of the PSA agreements which will be taken forward over the next three years. For that particular piece of work we will, for example, have a programme board chaired by our Director General which will bring together departments that have agreed to work with us to help us deliver that. On other issues, for example working with colleagues on the Minister for Women's priorities, we have some more informal arrangements at the moment, but those are arrangements we have worked through with those colleagues who are most directly involved in helping us on those priorities and those are very close working relationships.

Q204 Roger Berry: Secretary of State, the Government's response to the Commission's report last September, the Action Plan, has been criticised by a number of people on the grounds that the response was somewhat short on details. It is true that most of the 40 recommendations were accepted by the Government, but then virtually all of the recommendations had no timescales attached to them at all. The partially accepted ones tended to be ones which involved public spending. For example, the £5 million modernisation fund to support capacity building for equality reps, that was partially accepted. Do you accept that a real action plan has got to have timetables and specific commitments for it to be truly credible? With a bit of hindsight, was not the Government's Action Plan last year a bit vague?

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Ms Harman: The first thing an action plan stands or falls by is the policy objective. I think there was a view which could have been taken that perhaps the policy objective could have been a bit tougher or a bit sharper and could have been more ambitious. I am certainly looking not just at how we are taking forward the existing Action Plan in terms of making sure that it has got timescales, resources behind it, and milestones, but whether or not our response is sufficient to the task that we regard as so important. I am looking afresh at whether or not we have been ambitious enough because I think we probably need to be more ambitious in terms of the pace of change we expect and the amount of commitment we are prepared to give to it across government.

Q205 Roger Berry: I welcome that reply. That seems to suggest that in terms of the objectives and the strategy, that is reasonably clear, the various components of that, but are you acknowledging that we do need timetables to achieve each of these objectives, there is no point in just saying, "Well, we are going to have a look at this and we might do more here and there", there will be timetables which indicate when certain things will be undertaken and also there has got to be the appropriate funding?

Ms Harman: Yes.

Q206 Roger Berry: That was absent last September in the Government's Action Plan, was it not?

Ms Harman: I do think we could look again at how we give people more of a sense of confidence and certainty of the progress which is going to be made on this. People are entitled to expect that we do not have just commitment but that we have some real timescales against which people can measure progress backed up by resources. Ann-Marie, would you like to add anything on that point?

Ms Field: One of the main reasons for not having a comprehensive timetable—and I agree, it would be a very useful thing to have just to keep track of things, apart from anything else, over 40 recommendations—was there was such a wide range of issues in there, things like the ten-year childcare strategy and the strategy for the Olympics for 2012. Of course, there are some things we have already achieved, or have already set up, and they were reported in the one-year on report which we did in April this year. For instance, the Equality Part-Time Work Fund is already underway, the projects are underway, and we are already starting to see results from that. We probably do need to set it out as more of a milestones and timetable but I would not want the progress we have made to be ignored as well.

Ms Harman: Perhaps we can do that by way of an interim situation.

Q207 Chairman: Was anything extra done as a result of that and the report or, from what Ann-Marie is saying, do you think there was a number of things in train anyway and inevitably that was going to be reflected in both the report and the response? Do you feel action has happened in new areas as a result of their report?

Ms Harman: As a result of the Women and Work Commission Report?

Q208 Chairman: Yes.

Ms Harman: Yes, absolutely. It has brought a focus that there might not have otherwise been, but could we do more, yes, I am sure we could do more. I think we will take that as a suggestion, we should take stock and get back and update on that. Discussions go on all the time. For example, I have just been discussing with David Lammy how things are taken forward within his department and I know you have talked to him. I have just been discussing with John Healey how he takes forward questions of equal pay within local government. Discussions are going on all the time, but I think it is very important that we do be outward facing in our reporting on where we have got to on all of this and, also, keep asking ourselves is it time to up the objectives.

Q209 Roger Berry: If, for example, we were looking at a local council's Equality Action Plan, we would expect timescales and specific targets. All I am saying is, as politely as I can, if a local authority had produced an action plan response like this with very little in terms of specific commitments to meet specific targets by specific points in time, we would probably say, "It's a bit vague. Go back and try again", and that is what I am politely trying to convey. I think you have accepted that point.

Ms Harman: We have definitely received that point and we will come back to you with that via the Chairman, perhaps.

Roger Berry: Thank you.

Q210 Chairman: We had a number of questions we were going to ask you about legislation, which we will come back to later on. As in Business Questions last week you implied that responses you had received on the consultation paper on the Single Equality Bill had raised issues which were maybe rather more radical than could be embraced in coming forward with an immediate Equality Bill ready for Parliament. It suggested that you were likely to go further than what was in the Discrimination Law Review and, indeed, many of the responses we have received have suggested that the Discrimination Law Review as it stands does not go far enough. Following that response, can you tell us what areas of policy you are reconsidering and whether, indeed, you are planning to go very much further and make many more changes than were suggested in the review?

Ms Harman: The notion of a Single Equality Bill is basically as its name says, it is a consolidation exercise, a consolidation of lots of different bits which have gone over the latter half of the last century and this century. The initial concept was that it would be a consolidation exercise. If you have had 50 years or so of bits of legislation, it is important that you do pull it all together, so I think consolidation is not an unworthy thing to be doing. The idea that all we can do is consolidate rather than look to make further progress I am certainly questioning and that was certainly questioned in

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many of the responses we had. Basically people were saying, "Yeah, it's good to consolidate and we're glad to see you're consolidating, but aren't there a few more things that legislation can contribute to in terms of the path towards equality?" Therefore, there are a number of areas where people have made particular representations, and I would say those are to do with equal pay and the frustration that 40 years after the equal pay gap we are not making enough progress on narrowing the equal pay gap and what contribution could legislation make. Secondly, that if there is a public commitment to equality, are we mobilising procurement sufficiently to help us deliver on that objective, and might there be a legislative contribution in terms of public procurement. That is an issue which has been raised. The other has been the question of transparency on pay as to how, at your own workplace or through your trade union, you can combat pay inequality if you cannot see it. There have been a lot of proposals into us about transparency and pay inequality between men and women. There are other areas which have been put forward, but I would say those are the main ones on gender.

Q211 Chairman: Are they ones you are expecting to make movement on?

Ms Harman: They are the ones where representations have been made and, as you will know, there are a number of different government departments involved in that and there might be discussions about that going on. I do not want to be cryptic, but I have not got policy agreement which I can put forward to you, otherwise I would.

Q212 Chairman: We can say that you have indicated these are areas which are being looked at very seriously?

Ms Harman: If you have got a consultation and the response to the consultation tells you that you could do more than what you were planning to do, the whole point about consultation is to recognise that, and if you see there is a general will to do something and there are good arguments for doing it, you should. That is what has led people to think, is it a bad thing that we are not having a draft Bill, does that represent a weakening of our commitment to equality? Actually, it represents a potential commitment to strengthening it because if we were going to change the policy, we would not be able to draft the Bill in time to have it ready and drafted by February.

Q213 Mrs Curtis-Thomas: You will be aware that the GLA and the ODA have in place some particularly novel contractual requirements with regard to women. These contractual requirements do not only relate to the pay issues around the employment of women but also provide women with an opportunity, in fact, to participate in training programmes, skill development programmes and, also, to procure work. What opportunity do you think there is or what ambition do you have with regard to public departments, with specific reference

to the large spending departments, reflecting the good practices that the ODA have in their contracts and their procurement?

Ms Harman: They have made a very good step forward on that and, as you will know, the Treasury, I think it was, motivated the establishment of the National Employment Panel's Business Commission on Race Equality in the Workplace. They are looking at the role of public procurement in relation to equality in relation to ethnicity, but when they come forward with their findings there is no reason why there should not be a read-across from the proposals they put forward in relation to ethnicity to gender as well.¹ People do find it hard to understand when there is so much power by way of spending, in getting goods and services, that it is not mobilised to the public policy objective. I think that is very important indeed, and I await the National Employment Panel's work which is going to be very important when it comes out. Looking at what has already been done by the ODA and the GLA, I think we have got progress to make on procurement.

Q214 Mrs Curtis-Thomas: I would have liked a bit more of an assertive response to that which tried to embrace different government departments because the Government is the biggest procurer in the UK today. My experience of procurement, particularly in areas which are male orientated, so where you have very little presence of women, is that there is spectacularly no reference to the inclusion of women or consideration of women within those contracts. The discussions we have had with the ODA have said, "Yes, these requirements are within our contracts but currently they are not weighted when that contract is considered". The duty is there but compliance with the duty is not weighted when it comes to awarding a contract. Half a step forward is better than no step at all, and that is great, but, in fact, with government departments we have not even made half a step forward. That is an explicit requirement to ensure that you have an equal opportunities policy with regard to women, and there is tangible evidence there, is there not, but there is not a duty to recruit women, or people from ethnically diverse backgrounds, explicitly listed within the contract. I would rather hope that as Minister for Women you would be saying to our colleagues across government departments, "I would like to see this put in as a minimum because it is only a half-way step", because once we have made that step we then have to make that a consideration when awarding contracts. Is that something you have possibly considered? If it is not something you have considered this far, is it something you might be persuaded to consider and what sort of evidence do you need in order to do that?

Ms Harman: Obviously if you do want to make progress you have to use all the levers which are there at your disposal. This is a huge lever which has almost been outside the limits of what it is expected Government ought to be thinking about, that you look not just at the competence of somebody to

¹ Footnote by Witness: NB. The report was published in October 2007.

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perform the contract, you look not just at the cost in terms of the price of the contract but you look also at how you can achieve other Government objectives at the same time. This is very much an issue under consideration. Then the question will be, how is this carried out just by action short of legislation and what sort of role would legislation have to play in it? Obviously there are things which can be done without legislation in the public sector if they are not prohibited, but then there are some things which perhaps are prohibited that might need to be made lawful.

Q215 Mrs Curtis-Thomas: Minister, you will be aware that the Mayor's Bill had within it a specific clause which mandated the Mayor to execute an agenda equality programme. It is actually within that Bill, which is why he has been able to deliver gender equality in his activities. Therefore, I would suggest it has, in fact, provided the outcome which we would all seek and maybe without legislation we will not make a lot of progress with respect to government departments.

Ms Harman: Sometimes something is expressly prohibited and, therefore, you need legislation to remove the prohibition. Sometimes the law is not clear and, therefore, people who do not want to do anything say it is not okay and you sometimes need a legal change to clarify the situation. Sometimes law is not needed, it is just that people are not doing it. There are three positions on that. Whether or not the Mayor could have done it without that legislative encouragement is an open question. Obviously it makes it clearer that he should, but possibly he could have done it without it anyway.

Q216 Mrs Curtis-Thomas: Presumably we would be doing it as well under that basis but, of course, we are not and he is.

Ms Harman: We are not at the moment.

Q217 Mrs Curtis-Thomas: Perhaps we need that sort of incentive then.

Ms Harman: I do not think anybody should ever take risks and act outside the law, but sometimes if there is even any possibility at all that something might be subject to legal challenge, however unmeritorious the legal challenge, the sense that, therefore, you fall back in front of it and you cannot therefore do something, there are two ways of dealing with that. One is just going on ahead with it and saying, "See you in court because we think we're right and you're wrong", and the other is to change the law to clarify it.

Q218 Mrs Curtis-Thomas: Yes, but companies will say, "If you don't legislate, we're not required to do it, and if we do it and our competitors don't, that makes us relatively uncompetitive in comparison with them", and that is why it has not been done.

Ms Harman: If we are talking about the public sector, the public sector does not—

Q219 Mrs Curtis-Thomas: We are talking about procurement.

Ms Harman: Yes, but it is about the public sector procuring—

Mrs Curtis-Thomas: From the private sector, exactly, and they will say, "If you don't legislate we won't do it because we lose out relative to our competition", and that is why they do not do it. Thank you.

Q220 Chairman: In capacities outwith this particular inquiry this Committee keeps getting contradictory messages back when we visit Brussels and when we have people before us on what you can and cannot do, so if you are able to get any clarity on it that would be greatly welcomed.

Ms Harman: To finish your point, Claire, if they were asked to do it by the public sector procurer and they did not do it, then they would not get the contract.

Q221 Mrs Curtis-Thomas: But they are not required to do it at the moment.

Ms Harman: But if you make it a requirement of the tendering process by a particular public sector procurer, if the public sector procurer says, "I am only going to contract with people who promise to do X, Y and Z or who offer to do A, B and C", then it is not down to the private sector person who is tendering because they will not get their foot in the door because they will not have complied with the tender requirements.

Mrs Curtis-Thomas: Minister, with respect, there is a cost associated to that and sometimes the cost is prohibitive, and not only the cost but the lack of services or lack of facilities which women can provide, which means that you may put that clause into a contract but it is almost impossible for the contractor to deliver it. At that point they say, "Thanks ever so much but we can't do this", and as an intelligent procurer you will go, "No, okay, I understand that. Thanks very much. We'll go with what we have". That is the reality of procurement for the ODA and the GLA, that they would like to do it but there is insufficient supply in the market to satisfy the demand. Until we have a legislative programme put in place which sends a bigger signal across the marketplace that we require these services, we require specific gender services, you will not get them, there simply is not enough impetus in the market to pull it forward.

Q222 Chairman: We look forward with great interest to seeing your future deliberations on it. Can I go back quickly to what Janice was saying about the Public Service Agreement number 15, of which I have a copy. The Women and Equality Unit put forward the previous Gender Equality Public Service Agreement in 2002, revamped in 2004. What happened to it? Did it have any effect?

Ms Shersby: It is still being worked on and there has been progress made. It was a very differently constructed Public Service Agreement. I think it had about 19 different indicators across a whole range of activities. Some of those indicators have shown progress, others have not shown as much progress as we would want, and at the end of the period we will

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report on its progress. We are still working on it, but the new PSA is more focused on a limited number of indicators and one of these focuses specifically on the gender pay gap.

Q223 Chairman: It does supersede that presumably because that is the guidance against which the Comprehensive Spending Review and all of that has been set and it also crosses all of the areas of inequality. Does that mean we lose our previous 19 objectives? We had one great thing which we did as much as we could but did not finish and now that goes down the swanny because we have got something which has taken over from it?

Ms Shersby: No. The Gender PSA was for the existing Spending Review period, the Equalities PSA is for the new performance period. It will not supersede it precisely, it will follow it.

Q224 Chairman: As we know, one of our difficulties is all the targets and objectives we are trying to set are mostly very long-term, we are talking about things which are difficult to shift. Do you consider there is a difficulty in chopping and changing every three years with a different set of objectives, a different set of targets and, what is more, now having to subsume it within a broader PSA covering the other areas of inequality?

Ms Shersby: There are two things to say. One relates to the Equalities PSA. In choosing the gender pay gap as one of its indicators, as we have discussed, it will require us to focus on a whole range of different areas in order to make movement on that one indicator. What we have tried to do in the new PSA is to choose good indicators, indicators which in order to influence will require us to take action with a range of departments and partners across a range of measures rather than looking at a whole range of 19 different indicators. The second thing to say is, perhaps, this new Equalities PSA will sit alongside action in other departments on equality embedded within their own PSAs. For example, in education there will be activity in relation to ethnic minority children in education. We have not had to take everything into our own PSA, there is some activity on equality right across Government in other PSAs as well.

Q225 Miss Kirkbride: The *Towards a Fairer Future* report and the steering group which came out of it was expected to develop the gender equality check by early summer 2007 with the roll-out intended for now. Has it?

Ms Field: Yes, we have developed a tool. I chaired a steering group which had membership from the CBI, TUC, all of the people basically who the Women and Work Commission recommended should be involved in it. We have developed a tool to be piloted and I hope it is going to be piloted on the Business Link website next month. It is specifically for small and medium-sized enterprises, basically companies that do not have their own large HR departments to carry out these sorts of checks. It is quite a simple, straightforward tool. It is in three phases. There is a business case for why you should do this, then there

is a series of questions—they take about ten or 15 minutes to work through, so hopefully that would not put too many employers off—and then there is guidance for what you might do if you find there is a problem. We are going to pilot this with the help of the CBI and the British Chamber of Commerce for about three months and hopefully tweak it to make sure it is really fit for purpose and then it will go out live on the Business Link website.

Q226 Miss Kirkbride: That is your first idea to come up with as to how to increase pay transparency with a view to other ideas or do you have other ideas you are working on?

Ms Field: As the Minister said, that is something which is still under discussion as far as the Equality Bill is concerned, but we want to start making some progress with the equality check tool before then.

Q227 Miss Kirkbride: Can the Minister give us some idea of her own thinking on whether or not private companies should have compulsory pay audits for gender?

Ms Harman: I think transparency is important because that generates the ability for people to reflect in their own workplace as to whether or not the system is working fairly, so that is certainly the case.

Q228 Miss Kirkbride: Can we be clear on what transparency means because obviously there is going to be a question of confidentiality of salaries. Are we talking about transparency in pay? What transparency are you offering there, that the average pay for women in this workplace is X and for men it is Y, or are we just saying that payrolls should be available for inspection by employees?

Ms Harman: Obviously there is a question of personal privacy and, therefore, that might affect very small firms if what you did was look at what the average pay for a man is and what the average pay for a woman is in a particular firm, but when it is not a very small place then I think one bit of information which is not currently available on request is the question of what is the average pay for men and what is the average pay for women in a particular enterprise or organisation. That is one end of the scale, which is just the average pay for a man and the average pay for a woman in a particular organisation. Then there is the other end of the scale, which is very comprehensive job evaluations and a complete review of all the elements of every bit of work that is done in any particular job and a kind of revamped job evaluation scheme.

Q229 Miss Kirkbride: Are you personally in favour of compulsory pay audits in the private sector?

Ms Harman: I do think it is important that there is more openness, I would say that.

Q230 Miss Kirkbride: Openness rather than compulsion?

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Ms Harman: You can have compulsion to openness.

Q231 Miss Kirkbride: Yes, but they do not mean the same thing though, do they?

Ms Harman: Yes, they do.

Q232 Miss Kirkbride: One gives you information but it does not all means, whereas the other could.

Ms Harman: The question is what produces the end. Does giving people information that they can then take forward in their own workplace, because it opens up something which is previously not available publicly, the best tool, or is the best tool having somebody in completely reviewing the whole thing and then saying, “Actually, we’ve done a job evaluation and, by the way, everybody is completely fairly evaluated”, which could still leave you with a big pay gap.

Q233 Miss Kirkbride: Obviously it begs further questions, but I think they will be covered in other questions as to what tools you will give people to enforce more equal pay if they know they are not being paid equally, and we will come on to that later.

Ms Harman: As I say, this discussion comes when we are in the middle of considering the consultation responses and have not published our response to those consultations, which will be by way of what we think will need to be legislated. That is the stage at which this has come. I am not planning to be opaque about it, but the Government has not taken a position yet which I can then report to you. You asking me what my personal view is is a very tempting suggestion, but obviously what really matters is what is the Government’s position and what is the Government going to do by way of legislation or by way of not legislating and that is obviously what we are focusing on.

Miss Kirkbride: Minister, I am sure you have a considerable influence!

Q234 Chairman: Can we pick up on discrimination law, but you may or may not be able to answer any of these questions. Most of the witnesses we have had have thought that equal pay legislation is failing. We have got this massive number of equal pay cases and a number of examples of ways of dealing with it have been brought forward. At the moment, do you have any views at all on some of the suggestions, like having hypothetical comparators, if you have got occupational segregation you cannot compare yourself; representative actions, those two? Are you able to say anything on your thinking on those at the moment? Are some of those proposals which have been put forward for toughening up legislation issues you are looking at?

Ms Harman: We are looking at them because there has been a weight of representations on them with a lot of strong argument behind them, but I am unable to say whether or not the Government is going to take them forward. The consultation process has evoked responses on both those points.

Q235 Chairman: You also just said you were talking to John Healey about the local government situation, which is difficult, can you tell us any more about whether you are in a position to be able to assist with unravelling it?

Ms Harman: As you will know, with the Treasury, John Healey has just issued an extra £500 million of equal pay capitalisation to 46 authorities available in order to help those local authorities that have not yet settled their equal pay back-claims, but I think we need to get more information from local government as to exactly what the amount which yet remains to be settled is. I know John Healey, together with my deputy, Barbara Follett, is looking forward to meeting the Local Government Association to make sure we have proper up-to-date information about how many claims are outstanding, how many authorities have yet to settle, the extent of the gap currently remains after the £500 million is made available and what sort of progress we are going to make. I think we are expecting to have a much clearer idea when that information is there. Obviously this is individual local authority’s responsibility but the Government is very committed to ensuring the situation is sorted out and we do not have unsettled back-claims and unions feeling unable to negotiate because the situation is not settled.

Chairman: I know you are in a rush, but if I can ask Roger to very quickly touch on the equality duties; that is a very important aspect.

Q236 Roger Berry: Can I start off with the new public sector gender equality duty. What is being done to monitor government departments in relation to that duty?

Ms Field: The EOC did some initial work looking at the gender equality schemes which have been drawn up. I have to say, they were not that impressed with some of them, although they did hold some of them up as examples of good practice.

Q237 Roger Berry: Which are the ones they were not impressed with?

Ms Field: A few of the government departments, I think. I will not name any.

Ms Harman: Go on!

Ms Field: They did name the London Development Agency as being an example of good practice, which I think is good because obviously the RDAs have got a role to play in this.

Q238 Roger Berry: Cutting to the chase, historically some government departments have been very good and some have been notoriously bad. Historically, the MoD has dragged its feet on gender, disability and orientation. It has always been at the back of the field on every single equalities issue. Can we have confidence that given this new public sector gender equality duty—okay, it has only been there for six months but it is important it is there—there will be serious monitoring of all government departments to ensure they take it seriously?

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Ms Harman: I think the answer to that is yes and the key thing is there is not a requirement for a policy but there is a requirement for some outcome. What we do not want to do is simply have been generating massive exercises in policy formulation. What we need to do is make sure there is a bottom line of outcome which is monitored and progress against that is monitored. I think that is a question of being very clear and quite simplified in it, so that it is not all lost in a thicket of every single complexity, which then means that no progress is made about anything. That has bedevilled progress in this area in quite a lot of respects. It is an opportunity for people who are not really committed to it, and I do not mean it malevolently, but just to get bogged down in discussions of policies and that then gives the objective a bad name.

Q239 Roger Berry: The Green Paper, the Discrimination Law Review, was suggesting a single public sector equality duty which, as we all know, was criticised by a number of strands in the equalities debate. Can we assume that one of the things which is being looked at again is whether it is sensible to subsume the gender equality duty, the race equality duty, the disability equality duty and so forth into one single equality duty? Is that being reviewed because it might be difficult to measure performance if there is just one single public sector equality duty?

Ms Harman: The last thing we want is to create any sort of sense that the proposals for legislation represented in some strands a weakening of duties and obligations. That being the case, and people being relatively clear about what the existing strands and duties stand for, then it seems to me there is no point, for the sake of it, putting everything into one single duty if we can keep a clear focus on the individual strands and keep those duties. I do not think there is any point for the sake of it. Although there are some very cross-cutting issues, there are also some issues which are not cross-cutting and are particular to disability or particular to race or particular to gender. The answer to your question is we have taken on board those proposals which have come forward from the consultation that say people are unhappy with putting it all into one in case it involves a sense of weakening of some of them within that.²

Q240 Roger Berry: Thank you very much.

Ms Harman: I sound like one of those policy documents, but you get the point anyway!

Roger Berry: Yes.

Q241 Miss Kirkbride: The thing which has come out most from our inquiry is that the biggest issue in the

gender pay gap is access to quality part-time work and if we can crack that one, we can really make a difference. I wonder whether you have alighted on any ideas or proposals which could bring that forward in a constructive way.

Ms Harman: That is an issue for the public sector as an employer. Bear in mind the public sector is a very big employer and, therefore, has within its own hands a big question of availability of jobs at all levels being part-time but, also, availability of flexibility, so there is not part-time versus full-time but there is ability for people to choose the hours which suit their family responsibilities but enables them to carry out their work, unless the employer could show that it really is not possible. There is scope within the public sector as an employer, but there is also the question of the legislation. As you will know, we have introduced the right to request flexible work, and I think there is a big recognition that perhaps more could be done by employers to allow employees to work flexibly in a way that does not disadvantage the employer or the work which is done in the enterprise, but does help women and men balance their family responsibilities, not just for children but also increasingly for older relatives. I think this is going to be a very, very important agenda for the future. People have woken up to the issue that people at work are somebody's parents, somebody's mother or somebody's father, but everybody needs to wake up to the fact that people at work are also somebody's son or daughter and they are getting older and they are not living in residential care or not living in sheltered accommodation or not living with their family, they are living on their own and, nonetheless, they need family support. That is something I would like to signal which we feel we need to look further at, both in terms of the rights of employees to be able to take the initiative to create that balance for themselves but also in terms of the support services that are available in the community which back people up at work. For people with children, it is their right to work flexibly and it is the after-school clubs and holiday play schemes and childcare. We need the same movement on the agenda, not just in relation to older children but also older relatives and people with disabilities.

Q242 Chairman: Thank you very much and thank you for coming. I hope we have not put back your progress from getting back to good health. It has been such a quick canter through the issues and we should have spent three times as long on every single one of them and many more, but thank you very much. As your parting shot, given that the equal pay gap is so intractable, is it a hopeless cause or are you optimistic that we are going to crack it?

Ms Harman: No, I do not think it is at all intractable. It is certainly not that the pay gap is on tablets of stone and there is nothing we can do about it, quite the opposite. It is just that it comes at a difficult time for me to be able to say that this is what the Government's position is because the Government's

² Footnote by Witness: GEO are looking again at the structure of the duty in the light of the consultation, to ensure that bringing the duties together into a single duty does not result in weakening existing duties.

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position is as what you knew it was hitherto until such time as it is changed. I certainly do think, is it one of those things where we just have to wring our hands and say, "We can't do anything more about it and let's engage in lots of processes, but be agnostic

as to whether or not the processes are working", well, the answer to that is absolutely not. We have got to focus on the outcome and I am sure we can.
Chairman: Thank you very much, indeed, and thank you for coming.

Written evidence

Memorandum submitted by ACCA

ACCA is pleased to provide a written submission to the inquiry into the implementation of the report of the Women and Work Commission.

ACCA undertakes research and work on a number of issues identified in the report, *Shaping a Fairer Future*. However, the report misses a key aspect of occupational segregation in terms of the low number of women who choose to set up their own business. ACCA calls on the Trade and Industry Inquiry to examine the role of enterprise as a way for women to break the occupational and pay gap and puts forward a number of recommendations as to how government can boost the number of women setting up in business.

THE ROLE OF WOMEN'S ENTERPRISE IN PROMOTING GENDER EQUALITY

As the introduction to *Shaping a fairer future* points out, there is still a pay and opportunity gap for women, with women earning some 13% less than men and generally being crowded into lower-paid occupations. The report addresses a number of the causes for this problem and makes positive recommendations in these areas. However, the report misses a huge area which could potentially change the working landscape for women—entrepreneurship.

Women setting up their own businesses can be viewed as a means for women to take control in terms of salary and pension, take control of their working structure—it is the ultimate flexible working—and there are significant opportunities for development with no glass ceiling; the business has the potential to be as large or small as the owner makes it. Therefore, the Government should also address female entrepreneurship and look for ways to promote the number of women setting up businesses, as part of the overall goal to shape a fairer future for women in society.

If women were to set up businesses at the same rate as men in the UK, there would be an extra 150,000 businesses per year. Promoting female entrepreneurship has already been identified by the UK Government as a focus of activity, given the fact that women starting up in business will tend to provide a more immediate contribution to the economy: around one in five women go into self-employment from unemployment compared with around one in 15 men. The Global Entrepreneurship Monitor (GEM) in 2002 commented that “Expanding the involvement of women in entrepreneurship is critical for long-term economic growth”.

However, there is a shortfall in the number of women who set up their own business. Women are half as likely to be involved in start-up activity as men. Independent start-up activity amongst women is 3.1% of the female adult population but is 6% amongst men, while the equivalent figures for job related start-ups are 1.3% and 2.6% (GEM, 2004). The reasons for this have been widely researched and ACCA's own research *Access to Finance: women's enterprise and the role of the accountant* 2005 shows that women start a business with a third of the finance as compared with men, are more likely to start their business from home, more likely to start their business on a part-time basis and more likely to be responsible for caring responsibilities—all of which act as a barrier for women starting up businesses. Indeed, some of the barriers women face in employment are translated into self-employment.

ACCA RECOMMENDATIONS TO PROMOTE WOMEN'S ENTERPRISE

The work Government is undertaking to promote gender equality should be extended to enterprise. Government should work with banks, and other business advisers, such as accountants, to address some of the challenges in terms of access to finance and attitudes facing women who want to set up in business.

Government should also consider making small changes to the tax system which would support women starting up in business, appreciating the fact that they start their business with a third of the money as compared with men. ACCA calls for exemptions from business rates for those running their businesses from home. ACCA research shows that 63% of women run business from home compared with 17% of men and this would in some way address the finance gap. Government should also consider tax relief on childcare; whilst other aspects of running a business, such as a Secretary, is eligible for tax relief, childcare has been neglected and this should be addressed.

ACCA'S WORK ON GENDER EQUALITY

ACCA is the largest and fastest growing international accountancy body, with over 110,000 members and 260,000 students in 170 countries. In the UK we have 50,000 members (ACCA qualified accountants) and over 60,000 students.

ACCA has one of the highest number of female members among professional accountancy bodies. Its policy of encouraging women stems from its core values of opportunity and access. In 1905, five years after its establishment, ACCA became the first professional body to open its doors to female accountants and in 1980, we became the first international accountancy body to elect a female President. Our rapid expansion

in the 1990's was underpinned by the growth of our female membership, which was nearly six times higher in 2002 compared to 1991. Over 36,000 ACCA members worldwide—almost 40% of the total—are female and these figures look set to increase as 51% of the student base is female.

Accordingly, ACCA has been engaged in a number of activities on gender equality, with a particular focus on women's enterprise. ACCA has a number of "Women's Societies" which organise a range of events for ACCA members, students and interested parties. We staged a seminar on *Women in self-employment: new opportunities, old challenges* in December 2002 which involved a number of key academics and practitioners and used the findings to make recommendations to government. In addition, ACCA contributed to the DTI's Strategic Framework for Women's Enterprise, collaborates with PROWESS—the UK wide advocacy network and campaigning body for Women's enterprise and published research in October 2005 *Access to Finance: Women's Enterprise and the role of the accountant* which examined the extent to which gender effects the ability to access finance, the extent to which this is "supply" or "demand" led and the accountants role in the process.

July 2007

Memorandum submitted by Amicus

INTRODUCTION

1.1. Amicus is the UK's second largest trade union with 1.2 million members across the private and public sectors. Our members work in a range of industries including manufacturing, financial services, print, media, construction, not for profit sectors, local government, education and the NHS.

1.2 We welcome that the Trade and Industry Inquiry is examining the extent to which the Women and Work Report's suggestions meet the concerns of those that gave evidence to the Committee previously and what public bodies, employers and trade unions are doing to implement the recommendations of the Report.

2. EXECUTIVE SUMMARY

2.1 Amicus welcomes the Women and Work Commission Report, particularly in terms of recommendations on procurement, training and up-dating women's skills. However, the Report is weak on recommendations to improve legislation; the low value attached to women's work; and levers that are required to close the gender pay gap in the private and not-for-profits sectors.

2.2 In particular, we are disappointed that the Report did not recommend compulsory equal pay audits for all sectors. Equal pay audits are an important tool in identifying and addressing, both pay discrimination and tackling occupational segregation.

2.3 Equal pay and sex discrimination legislation needs to be strengthened and the Report could have included more recommendations for the Discrimination Law Review to consider in the implementation of the Single Equality Act.

2.4 It is essential to have trained union equality representatives who are backed by full statutory rights. Without statutory backing many equality representatives will not be given the time by employers to carry out their role effectively.

2.5 More could have been included in the report to tackle the low value placed on women's work.

2.6 Two of our industrial sectors, the Finance and the IT and Electronics sectors, have launched Charters to address women's pay and opportunities.

2.7 All of our sectors have discussed, or will be discussing the Women and Work Commission Report, with the view to studying the recommendations and raising the issue with employers.

2.8 We welcome the £5 million additional funding for the Union Modernisation Fund to be used to train equality representatives.

3. WOMEN AND WORK COMMISSION REPORT RECOMMENDATIONS

3.1 Amicus welcomed the Women and Work Commission Report, particularly in terms of recommendations on procurement, training and up-dating women's skills. However, the Report is weak on recommendations to improve legislation; the low value attached to women's work; and levers that are required to close the gender pay gap in the private and not-for-profit sectors.

3.2 The equal pay act, sex discrimination act and flexible working regulations need to be strengthened to compel all employers to take action to address occupational segregation and the gender pay gap.

3.3 In particular, Amicus was disappointed that the Report did not recommend compulsory equal pay audits for all sectors. The Women and Work Commission was given clear evidence that the voluntary approach was not working by trade unions and research commissioned by the EOC. Many employers in the private and not-for-profit sectors will not carry out equal pay audits unless they are compelled to by law. Equal pay audits are an important tool in identifying and addressing, both pay discrimination and occupational segregation within organisations. They ensure that pay systems are both fair and transparent and are key to tackling unfair pay differentials that are often as a result of the under-valuing of women's work and skills.

3.4 Equal pay and sex discrimination legislation needs to be strengthened and the Report could have included more recommendations for the Discrimination Law Review to consider in the implementation of the Single Equality Act. There should be a positive duty to promote equality across all strands and sectors; a requirement that all organisations take action on equality and publicise this in their annual reports; that trade unions should be able to take class actions on behalf of groups of members; that organisations should have to take action as a result of tribunal cases in both policy implementation and practice; and that there is a right to be reinstated by the employer to the same job on the same terms and conditions. All of these changes would take the onus off the individual to bring an employment tribunal claim if they are discriminated against and shift the focus to taking action and collective bargaining in the workplace to alleviate discrimination taking place in the first place.

3.5 It is welcomed that the Commission recommended that the flexible working regulations should be extended to larger groups of workers and that the Government will be extending the regulations to carers in 2007. However, Amicus's position is that the flexible working regulations should be extended to all workers and that there should be a right to challenge an employer's refusal to work flexibly in an employment tribunal. This would allow more employees to work flexibly and play a key role in changing the long-working hours' culture.

3.6 The £5 million additional funding for the Union Modernisation Fund for capacity building to support the training and development for equality representatives in the public and private sector is welcomed. However, it is essential to have trained union equality representatives who are backed by full statutory rights. Without statutory backing many equality representatives will not be granted the time needed by employers to carry out their role. Equality representatives would be fully trained and have the knowledge to promote equality in the workplace and negotiate with employers to take action on equality issues, including equal pay. They can play a key role in achieving a change in practice and culture in the workplace. Amicus has already demonstrated the importance of equality representatives with our Amicus Disability Champions Project. We now have nearly 200 trained Disability Champions promoting and negotiating on disability issues in the workplace.

3.7 More could have been included in the recommendations to tackle the low value placed on women's work, eg caring, retail and catering. We are supportive of the need for the increase in the number of women working in the higher paid occupations traditionally done by men which would go some way to closing the gender pay gap. However, this is not enough because firstly, there is evidence that if women move into traditional male roles then the occupation becomes devalued. This happened in clerical work and more recently in personnel and HR. Secondly, women entering non-traditional jobs may suffer bullying, harassment and isolation if there is no change in culture in the workplace. Finally, even if women were to enter higher-paid occupations in great numbers someone still has to carry out the lower paid jobs. Amicus recommends that along with improvements to legislation, that the minimum wage should be increased to address this issue. This would improve the income of many low-paid workers and be of benefit to both the Government and the economy with higher tax revenue and the increased spending power of workers.

3.8 There are some excellent recommendations in the report for action to be taken by the Public sector including equal pay audits, procurement and action to improve the opportunities for part-time workers. However, the report states that "private sector companies should consider the implications of the report for how they operate in order to make the most difference to most women" and is left to take action on a voluntary basis. As stated previously many employers in the private and not-for-profit sector will not take action on equal pay unless they are compelled to by law. Many employers in these sectors do not take action because they do not think they have a problem with equal pay. Those that think they have a problem choose to ignore it as it would cost their organisation money and resources to address it. Amicus would reiterate that the strengthening of legislation is key if progress is to be made in closing the gender pay gap.

4. AMICUS ACTION ON THE IMPLEMENTATION OF THE WOMEN AND WORK COMMISSION REPORT

4.1 Two of our industrial sectors, the Finance and the IT and Electronics Sectors, have launched Charters to address women's pay and opportunities. These were launched at our Sector Conferences and call on employers to sign a Charter to take action on equal pay in partnership with Amicus. Copies of the Charters are attached for your information.

4.2 All our sectors have discussed, or will be discussing the Women and Work Commission Report, with the view to studying the recommendations and raising the issue with employers. Action that will be taken will vary from sector to sector. For instance, the construction and engineering industries will need to

concentrate on attracting more women apprentices, employees, training and skills to tackle the under-representation of women in their industries. In the finance sector women make up 50% of the workforce, but are concentrated in the lower graded jobs, so skills are not such a big issue. In this sector action needs to be taken in the workplace on the long hours' culture, discrimination and equality training for staff.

4.3 It is our aim that all negotiating representatives should also be trained on equality in order that equality is central to collective bargaining in Amicus. This will bring about real change in policy, practice and culture in the workplace which will improve equality at work and the working lives for our members.

4.4 Our union learning representatives and centres are already playing an important role in improving the skills of our members. The learning agenda is at the heart of Amicus's work with both members and employers. We also work with the Sector Skills Councils to ensure that our members are properly represented in this area, including the importance of equality. There are excellent recommendations in the Report for women to up-date their skills which will help us in both negotiating and training on skills for women. It is important that trade unions are fully involved by the Government, Sector Skills Councils, Regional Development Authorities and employers in the learning and skills agenda for women and all strands of equality. We are currently drafting a document on equality and skills to aid our work in this area.

19 June 2006

Memorandum submitted by ASDA Stores Ltd.

1. INTRODUCTION

ASDA welcomes the opportunity to submit written evidence to the Trade and Industry Sub-Committee Inquiry into Implementation of the report of the Women and Work Commission. We actively support the work of the Commission and would welcome the opportunity to provide oral evidence to the Committee.

2. BACKGROUND

ASDA currently employs around 165,000 colleagues. Forty per cent of our management and senior management are female and we are strong advocates for promoting quality of life through effective work-life balance measures. We have around 20 flexible working options, ranging from carers' leave and job sharing through to career breaks, to suit all of our colleagues' needs. We have the highest staff retention in retailing and we are convinced that our innovative employment policies are why we have been voted consistently as one of the best places to work in Britain and Europe.

We have received the Castle Award in recognition of our efforts to promote equal pay and opportunities in the workplace. We are also the UK's biggest employer of the over 50s, with more than one fifth our colleagues working in our stores, depots and offices.

We work closely with the Work Foundation on the development of policies around work-life balance and quality of life.

3. ASDA AND THE WOMEN AND WORK COMMISSION

ASDA welcomed the establishment of the Women and Work Commission and its focus on the factors influencing the gender pay gap and how these can best be addressed.

We have been keen from the outset to play an active role in the work of the Commission and one of our Retail Managing Directors, Sally Hopson, was a member of the Commission. Sally has worked for ASDA for 11 years, joining as a store manager and moving through operations roles to Customer Service Director and People Director, before returning to an operations role as Retail Managing Director for both the North Division and the East Division. She is also a member of the Board of Directors of Students in Free Enterprise and the CBI Employment Policy Committee.

Clearly, employers have an integral role to play in the implementation of the Women and Work Commission's recommendations. ASDA is extremely well placed to help drive those proposals forward and we are already helping to deliver the Commission's objectives through our initiatives on developing part-time managers and promoting careers advice. Further details of both projects are set out below.

4. PART-TIME FEMALE MANAGERS

Through our own internal research, we found that we have a disproportionate male to female ratio in management. Our ultimate objective is to ensure that the male to female ratio matches the ratio in our overall colleague base.

The initial focus of the project is to secure a boost in the proportion of female internal candidates seeking to move from hourly paid work into management through our *Stepping Stones* programme. However, we found that the perception that a manager's contract is a 45 hour per week contract is a major stumbling block for women wishing to balance a career with family friendly hours. Our policy has never been that you have to work full-time to be manager so we need to create positive role models and opportunities for women to work part-time in management.

In order to combat this obstacle, we have created opportunities for women to job-share, thus allowing them to meet family commitments whilst developing their careers at the same time. We have also found that vacancies that traditionally are difficult to fill, for example night shift positions, are particularly suitable for some women, for example single mums, and create further opportunities for them to move into management roles.

The Women and Work Commission report highlighted examples of job-sharing at ASDA and they found that job sharing has several benefits:

- individuals are more committed and therefore more productive;
- there is a positive impact on staff retention, with greater opportunities to progress; and
- job sharers' skills are often complementary and two minds can be better than one.

5. CAREERS ADVICE

The overarching objective of this project is to promote better awareness amongst young people and their parents about the importance of good careers advice.

The project seeks to encourage young people to make a career choice, whilst at the same time ensuring parents are equipped to help their children make the right choices. The aim is to ensure that children recognise that they do have choices and do not have to be segmented into following a path that may not offer many opportunities. The project is targeted specifically at providing advice to school-leavers, A level students and graduates.

We recognise that not all parents are engaged or focused on the subject of their children's careers, especially as it can be difficult for some parents to attend school meetings or briefings due to work commitments. We have designed a two-hour workshop that offers guidance and advice to parents and which employers can offer to their staff once or twice a year in an informal setting, for example a social evening. The workshop will help parents to encourage girls to consider options that move away from more traditional choices.

On the basis that we have in the region of 120,000 parents within our own colleague base, we plan to pilot the initiative within ASDA and workshops are scheduled to be held at our Bradford and Wembley stores this autumn. We intend to roll out ASDA-specific workshops amongst our stores in 2007.

Although the internal workshops will be tailored specifically to ASDA, our view is that they provide a template for other employers and we will be liaising with both Connexions and the Careers Service on how they can be used more widely.

21 June 2006

Memorandum submitted by the CBI

1. The CBI welcomes this opportunity to provide evidence to the Committee's inquiry into the implementation of the recommendations of the Women and Work Commission.

2. The Commission examined the causes of the remaining gender pay gap for women. It recognises that much progress has been made since the introduction of the Equal Pay Act 30 years ago. More women are in employment and occupy a greater number of senior positions. Girls are outperforming boys at school and their aspirations are high. The gender pay gap has more than halved from 37% in 1970 to 13.5% today. However, the Commission recognises that despite these important changes, a pay and opportunity gap for women remains. It makes 40 practical recommendations to close the pay gap.

3. The CBI was closely involved in the work of the Commission. Our evidence to the Commission stressed that much progress has already been made by the business community to tackle the causes of the gender pay gap for women. The UK has a female employment rate of 70%—higher than in most EU states—and employers are using a variety of approaches to deliver further progress. In particular, they are seeking to encourage women into non-traditional roles and higher paying sectors.

4. Occupational and vertical segregation are being tackled by employers at the highest level. The numbers of women in senior positions is increasing—only 8% of all managers were women in 1990 but in 2003 nearly one third were female. Employers recognise the advantages that can be gained from increasing the number of women at board level and there are currently a number of schemes such as Women Directors on Boards that are dedicated to achieving this.

5. Employers in the UK also have a good record of providing flexible employment opportunities that suit the needs of women with caring responsibilities. Their willingness to embrace flexible forms of work have contributed to the high participation rates of women in the labour market. The right to request flexible working introduced in 2003, with CBI support, is working well—90% of requests have been granted.

6. While acknowledging that progress has been made, employers are not complacent. The Commission's final report was well received with employers—they are committed to tackling the remaining causes of the gender pay gap. Business is playing its role, but we acknowledge that more needs to be done by all stakeholders. Improved careers advice, better work experience and placements, improved education and gender stereotypes education, culture, media and sport are key themes. The report also rightly emphasises the Government's key role in supporting good and affordable childcare so that women are free to develop their career potential.

7. This paper sets out how employers and the CBI are responding to those Commission recommendations which are relevant to employers.

Recommendation 1

1. *The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments publish strategic documents, in reaction to the analysis in this report, which describe a systemic change in the way education is delivered in order to reduce stereotypical choices, improve take-up of vocational skills training, and improve employment outcomes for young women. The document should set out the goals for a national World of Work Programme, meshing with existing initiatives, but providing a new framework for vocational skills and work experience, through primary, secondary and tertiary education. It should include:*

- *a curriculum for vocational skills that provides a joined-up framework for practical learning;*
- *clarification of what students can expect in terms of entitlements to study for vocational qualifications, what the different qualifications and standards mean and how they relate to each other;*
- *the promotion of Young Apprenticeships to 14–16 year olds in occupations not traditionally taken up by their gender;*
- *employer visits to schools and “taster” days for primary school pupils;*
- *work experience placements for pupils pre-14 in an occupation not traditionally taken up by their gender;*
- *careers education co-ordinators in schools to organise the provision of group visits, “taster days” and work experience.*

EMPLOYERS ARE CONTRIBUTING TO A JOINED-UP FRAMEWORK FOR PRACTICAL LEARNING THROUGH SECTOR SKILLS COUNCILS

2. Employers are actively working to ensure more women are encouraged to enter traditionally male-dominated careers in order to address present and future skills gaps and skills shortages and that young women recognise the pay consequences of joining certain sectors or careers.

3. The 14–19 educational reform programme seeks to raise the standing of vocational education and the introduction of Specialised Diplomas from September 2008 is an important initiative. Employers have been involved in developing the content of the Diplomas to ensure that they deliver skills employers want. With the greater emphasis on work related learning, there is a real opportunity inspire young people to consider non-stereotypical subjects and careers.

4. In addition three key SSCs are working on projects, with active employer involvement, designed play a key role in increasing the proportion of women in their industries. These activities are a key part of the Sector Skills Agreements in these sectors:

- e-skills are facilitating projects designed to increase the number of women in IT through the development of women's networks and schools workshops, such as the Computer Clubs for Girls initiative. This project is being rolled-out nationally, following successful piloting in the South East. The clubs target 10–14 year-old girls, offering e-learning which complements the national curriculum. Survey results show that around two-thirds of participants are more likely to be interested in an IT career than girls who have not been involved in the scheme.
- ConstructionSkills has addressed the need for more women to enter the industry through targeted events during National Construction Week, apprenticeship bursaries for women, their “Positive Image” campaign, and highlighting and promoting case studies of women in construction.

- SEMTA, the SSC for science, engineering and manufacturing technologies, organises projects such as Insight and WiSE (Women into Science and Engineering) in order to promote science and engineering as suitable careers to young women, parents, teachers, careers advisers and the media.

EMPLOYERS OFFER APPRENTICESHIPS IN NON-TRADITIONAL OCCUPATIONS

5. Many employers are doing a great deal to attract more women into their apprenticeship schemes in sectors where they are under-represented and lessons should be learnt from their good practice.¹ For example, the construction sector is looking for solutions to fill apprenticeship positions at a time when women represent only 1% of total starts.² Companies in engineering are also developing innovative ways of attracting girls and the CBI's report *Raising skills, delivering prosperity* published last autumn, provides good practice case studies on work experience and apprenticeships among CBI member companies to provide role models for employers looking to move forward.

6. Of course, employers wishing to recruit and retain a more diverse apprenticeship workforce encounter a number of barriers, the majority of which are attitudinal and social—as the Apprenticeship Task Force report *Good Practice in Promoting Diversity in Apprenticeships* made clear. Some employers have found that changing job descriptions and recruitment techniques for a variety of technological vacancies in sectors such as computing and engineering has produced big increases in the number of female candidates applying for them. BT rewrote their advertisements for Apprenticeships as “Career Starts” to remove the emphasis on what they call “poles and holes”. By focusing on the way they advertise positions to potential applicants, BT addressed a hidden problem, that of “self-deselection” by women. BT found that women are more likely to rule themselves out of certain jobs than men, and that re-thinking job titles and job descriptions was effective in encouraging women to apply for jobs that were traditionally the preserve of men. This kind of seemingly minor adjustment had a significant impact on the application rates of females to certain jobs and training schemes. It is also a change which can easily be spread through the promotion of good practice among employers in the private and public sectors.

Case Study: Equalitec

Equalitec looks particularly at the issues surrounding returning to the workplace after a career break or period of unemployment, developing and testing schemes to address these issues. Promoting IT as an option for women is also important because it provides an opportunity for women whose background may be in SET (science, engineering and technology) but who may have taken time out of the labour market. Equalitec offers practical means to renew or re-orient a career in IT and technology by providing training modules, work placements, work shadowing, and mentoring circles.

EMPLOYERS ARE PLAYING A MAJOR ROLE THROUGH EDUCATION-BUSINESS PARTNERSHIPS

7. Occupational segregation (the concentration of women in lower paid sectors such as retail, health and childcare) is a major cause of the pay gap. Addressing it will require educators and employers to work together to improve the quality of careers advice and work experience. Old stereotypes can be broken by work experience placements in occupations not traditionally taken up by young women, “taster days” for pupils in primary school and the promotion of apprenticeships in occupations normally dominated by men.

8. Business has been involved with schools and universities for many years and CBI members have previously said that they recognise they have a role to play in assisting schools in developing positive attitudes to work among school children. Preliminary analysis of the 2005 CBI Employment Trends Survey (ETS) data indicates that almost three-quarters (71%) of employers provide work experience for school students and around 59% for university students. There are clear business benefits to be gained from links with education. Not only does work experience provide employers with an opportunity to gauge the future recruitment pool, come into contact with potential employees, and influence the skills and attitude of young people, but experience of the world of work can also increase staff motivation and development, as well as raising the visibility and reputation of a company in its local community.

9. While many employers have valuable links with education establishments, many also perceive significant barriers to developing these. Research from City & Guilds found a quarter of employers surveyed saying they had not found a way to make work placement schemes effective. Most of the employers surveyed want a better dialogue with the schools and colleges they support. The ETS 2005 shows that employers would like more support with costs and with creating business-education partnerships, and better guidance on child protection and health and safety requirements. Employers believe that an effective national infrastructure to co-ordinate and support partnerships would encourage business to become further involved with education, as would good practice case studies.

¹ *Good Practice in Promoting Diversity in Apprenticeships*, Apprenticeship Task Force, 2004.

² *Gender and Innovation: Promoting Science, Engineering and Technology for Women*, Warwick Institute for Employment Research at University of Warwick/DTI, 2004.

10. The CBI has been stepping up its work to build on effective education-business partnerships to ensure that all young people get a taste of the world of work before making their career choice. Of course activities involving schools go beyond work experience/placements, but the CBI is now focusing resources on work experience as CBI members feel that students stand to gain valuable employability skills from successful work experience.

11. The CBI is conducting research on how to make work experience a more productive experience for both student and employer. Properly structured and focused work experience can help develop employability skills in young people and give them the confidence to use them in the workplace. It can help foster a positive attitude to work and a greater business awareness. Importantly, quality work experience has the potential to enthuse young people about particular careers—and has a real role to play in redressing the gender imbalance in particular professions.

12. A central element of the project will be a series of in-depth case studies highlighting examples of good practice in companies' practical experience of delivering work experience for young people.

Case study: HSBC

HSBC supports an enormous range of projects and initiatives. In Wales, the bank provides substantial funding for programmes where lessons are delivered through fun initiatives. For example, its work with Young Enterprise gives students valuable business experience by enabling them to run their own companies while still in full-time education.

HSBC's support for education comes both from HSBC Bank plc and the HSBC Education Trust, which focuses on supporting primary and secondary education for disadvantaged pupils. The company is a founding partner of "e-skills4industry", which provides young people with access to jobs they might otherwise assume to be beyond their reach. Annually, the company invites all secondary schools to take part in the *Student Investor* programme. They receive a pack of classroom activities and the chance to take part in the Portfolio Challenge, whereby teams of pupils create and manage online portfolios with an initial fantasy investment of £100,000.

The HSBC School Branch initiative gives pupils the opportunity to run their own branch within schools. A network of HSBC employees provides technical and educational support but the pupils themselves make the decisions and operate the system.

HSBC actively encourages its employees to become school governors by offering a training scheme and a 24-hour support and advice service. The company also provides work placements for heads and senior teachers and supports the Business in the Community *Partners in Leadership* scheme.

Case study: The Esh Group

This Durham-based construction company with over 850 employees aims to make work experience placement more than just a "dipping of the toes" into the world of work through its *Fit for Employment* Scheme, which recently won the Business in the Community Award for Excellence for Innovation on top of several other awards. The programme was designed three years ago to improve the recruitment and retention of young people in the construction industry, as well as raise academic attainment. The group aims to make the placement a win-win situation that will give something lasting to the young people by focusing on generic skills. From the employer perspective, the scheme dramatically increases staff motivation and contributes to staff development as employees supervise the students. Finally, there is also a significantly higher retention of apprentices because of the initial motivation stage.

120 youngsters from socially and economically deprived areas are given the opportunity each year to join the construction experience programme with the Esh group. What makes it unique is that 20 full-time jobs are on offer to those within the cohort who meet the benchmarks and show the desire to work in the group. The placements are structured in three phases.

Phase 1

Over 10 weeks in the summer term of year 10, students in groups of 12 experience a week each, where all aspects of the workplace environment are explained and they examine their own abilities in problem solving, leadership and teamworking. The students visit different parts of the workplace and develop an understanding of the job opportunities within construction. At the conclusion of this phase those students that decide that they would like to work in this sector are required to write a formal letter of application to attend the second week. Those who feel they would not like to work in construction are also required to write—giving their reasons for not continuing, which must be positive (ie to stay in full-time education).

Phase 2

The focus of the second week (during the spring term of year 11) is on making career choices within construction. This includes a computer model of a construction project—in this case, a house. The actual project has already been completed by the company, but the students have no information on how the project was put into practice. Every student is assigned a different task (for instance electrician, bricklayer, quantity surveyor, interior designer, landscaper, etc) but they must work as a team. Once they have finished this project, the company takes them out to see the show-house that an Esh Group company has actually built. The students then present their work to the board members. The application of key skills is an important ingredient. Those who now believe that they have a future in construction apply and undergo a formal interview for the specific role they hope to obtain.

Phase 3

Those who are successful now have the opportunity to work for two weeks in a part of the business of their choosing. Dependent upon their achieving satisfactory grades at GCSE, 20 of the students are then offered full-time posts with apprenticeships.

Results

13. Not only do 20 young people per year find full time employment within the Esh Group, many more are motivated to find work elsewhere within the construction sector as well as in other sectors. The percentage of young people from the full cohort entering the “Not in Employment, Education or Training” (NEET) has been dramatically reduced. GCSE attainment has shown a significant improvement resulting in an increased number deciding to stay on in full-time education. Every young person has benefited from the experience, irrespective of whether or not they have been successful in gaining a job with the Esh Group, and the Connexions Service support the remaining cohort in finding their future career opportunities. The school, the students, the families, the community and the company have all benefited from this innovative scheme.

CBI IS TAKING ACTION ON GENDER NOT ONLY AT THE DOMESTIC, BUT ALSO AT EU LEVEL

14. The EU Commission has recently published a *Roadmap for equality between men and women 2006–10*. Proposals include helping set up a new European institute for gender equality, reviewing all existing EU gender equality laws, increasing awareness of gender inequality, ensuring gender equality is considered in all policies and pressing for better statistics. The roadmap points to future Commission work involving a Communication on demography. This is thought to include the issue of reconciliation of family and work life such as parental leave and a Communication on the pay gap in 2007.

15. The first annual evaluation of the Framework of Actions on gender equality, developed by the social partners at EU level, took place in February 2006. The CBI met with employers’ organisations to evaluate progress that has been made in promoting gender equality in the workplace. The meeting took place one year after the voluntary Framework of Actions on gender equality, agreed by UNICE and ETUC. The Framework identified priorities for action, including supporting work-life balance, addressing gender roles and tackling the gender pay gap. The CBI outlined the work UK employers have undertaken in these areas at the evaluation meeting and will contribute to the progress report in June.

Recommendation 3

16. *The Sector Skills Councils should work with employers on providing and promoting Apprenticeships for women in industries where there are skills shortages. The report also recommended that the development of a comprehensive plan to tackle the segregation of jobs, into those mostly done by one gender or the other, should be part of every Sector Skills Agreement.*

17. Employers are involved with the SSCs to ensure vocational education is relevant, practical, and therefore an attractive option to young people. Many companies have already opened their apprenticeship programmes to those over 25 years old and others are considering doing so. Anecdotal evidence from CBI members indicates that lifting the age brackets of apprenticeship programmes has resulted in more members of minority groups and women taking up apprenticeships.

Case Study: Women into Science and Technology

Women into Science and Technology (WiSE) is funded by a combination of government grants and business support. In WiSE’s case, the main supporters are SEMTA, the Sector Skills Council for Science, Engineering and Manufacturing Technologies, EEF (the manufacturers’ organisation), the Royal Academy of Engineering and the ETB (Engineering Technology Board). WiSE produces a range of booklets to inform girls on career choices in science, engineering and

technology, as well as a useful *Directory of Initiatives*, updated annually, which gives details of awards, courses, visits and best practice that are designed to encourage girls and women to consider careers in science, engineering and technology.³

WiSE's directory is useful as improving the retention and returners' rate in science, engineering and technology subjects is particularly difficult due to the rapid technological changes that can occur while women are away from the labour market.

Recommendation 5

18. *The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that teacher training emphasises the need to challenge gender stereotypes, both in delivery of careers education and in subject teaching, and that it allows for a work placement for all trainee teachers, including observing workers in non-traditional occupations.*

19. The CBI supports this recommendation—employers have a role to play by getting involved with schools to tackle gender stereotypes, but the main responsibility lies with the education system and careers advice. CBI members believe that teacher placements in business would contribute to their knowledge of business and careers, a knowledge which is often lacking. Organisations such as Head Teachers in Industry, of which Digby Jones, CBI Director-General is President, organise such teacher placements in industry and vice versa for this very purpose.

Recommendation 6

20. *The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that all young people have access to careers information, advice and guidance. National standards should confirm that it challenges gender stereotypes, gives young people a real understanding of the pay, rewards and challenges of occupations, particularly those not traditionally taken up by their gender.*

21. CBI members support this recommendation and believe it is key to tackling gender occupational segregation. The CBI is continuing to lobby for clear and unbiased information, advice and guidance for young people to enable them to make informed choices when it comes to their futures. Quality careers advice will encourage young people to consider all the options available to them and not merely rely on preconception of “women’s work” or “men’s work”.

22. A culture-shift is taken place, with more young people interested in non-traditional careers, a choice welcomed by employers: some 80% of girls and 55% of boys said that they would or might be interested in learning to do a non-traditional job:

- three-quarters (76%) of girls and six in 10 boys (59%) said that they would like to try work normally done by the opposite sex before making a final job choice;
- a quarter of boys said caring work sounded interesting or very interesting and 12% of girls were interested in construction;
- many employers also want to take on a more diverse range of recruits;
- seven in 10 employers surveyed thought atypical recruits could bring positive benefits to their business; and
- eight in 10 said a better gender mix would create a better range of skills and talents.

EMPLOYERS ARE WORKING TO MAKE NON-TRADITIONAL CAREERS ATTRACTIVE TO WOMEN

23. Obtaining a clear idea of the perceived problems which deter women from entering a particular profession is vital. In the construction sector, the Royal Institute of Chartered Surveyors (RICS) and the Royal Institute of British Architects (RIBA) have been working to better understand and resolve problems relating to the low number of women in each profession. RICS has undertaken a major review and has acted on this in a number of ways. A benchmarking tool allows employers to check their policies and assess whether they are gender neutral and female-friendly.

24. The RIBA work has resulted in action in the key areas of careers, mentors and returners:

- *careers*—RIBA works closely with careers advisers and each of their regional offices is charged with sending architects in to schools to speak to children about career choices;
- *returners*—RIBA is developing an on-line returners course that will allow returners (eg from maternity leave) to update their ICT skills and learn about new developments in architecture and legislation;
- *mentoring*—a mentor system is being developed which connects female architects to networks of current architects and facilitates their return to the profession.

³ *Directory of Initiatives 2004*, WiSE, London, 2004.

Case Study: The Royal Institute of British Architects

The Royal Institute of British Architects (RIBA) has developed and implemented a co-ordinated strategy to address the under-representation of women in architecture, a problem largely due to poor retention rates across the profession. This strategy was informed by the report *Why do women leave architecture?* commissioned by the RIBA and undertaken by academics at the University of the West of England in 2003.⁴ The research and the conclusions drawn from it demonstrate both the complex structural and institutional factors that contribute to the gender pay gap and the effective work that is being done to tackle it.

While 38% of architecture students are female, just 13% of professional architects are women.⁵ The reasons cited for this were long working hours, inflexible schedules, stressful working conditions and lack of returner training. The report's recommendations addressed these concerns directly, calling for a range of actions including:

- better dissemination of employment legislation and good practice;
- on-line returner retraining;
- mentoring and advisory/helpline support; and
- embedding of gender equality in both the curriculum and practices of architecture schools.

The architectural profession has responded with a range of programmes that offer practical help to women returners and those who wish to balance their career with family responsibilities. As well as making their promotional literature more diverse in the range of environments and people shown, the RIBA has developed practical schemes. Their new Employment Policy has two aims, first to educate architects on their statutory obligations such as the right to request flexible working for parents of young children and second to share best practice of firms where women are able to maintain a work-life balance while developing professionally.

Case Study: The Royal Institute of Chartered Surveyors

The *Raising the Ratio* committee has been set up by the Royal Institute of Chartered Surveyors (RICS) to “look at ideas and practical ways to increase the number of women entering and remaining in the surveying profession”.⁶ The committee has so far conducted the biggest ever internal audit of attitudes within the property and construction sectors, as well as hosting a major conference on its findings and possible next steps. The RICS is committed to developing the “business case” for greater gender equality and has produced a benchmarking tool for RICS members.

The *Raising the ratio* survey was sent to over 10,000 qualified surveyors and had a response rate of almost one third. It provided the RICS with detailed data on salary, work-life balance, colleague attitudes, management and other issues pertinent to the question of why there are not more women in surveying. The research was undertaken by academics at Kingston University with the stated aim of increasing the RICS's understanding of work-life balance and other issues which affected the recruitment and retention rate of women as a basis for informed action. Their report concluded that, “initiatives to promote change from within the profession could be extremely effective in improving this (*the representation of women within chartered surveying*) and with it the prospects for attracting the most talented people from the widest pool of labour in the future.”⁷

25. Nevertheless, CBI members recognise more needs to be done. Too many girls receive poor careers advice—and do not realise the pay consequences of dropping subjects such as Science and Mathematics in favour of English and History or choosing vocational courses in childcare rather than engineering or construction. Taking an Engineering degree boost earnings for women by 31%, three times more than those who study arts subjects. Employers already work with schools and careers services to encourage boys and girls to consider no job “off limits”—but further progress is essential if the pay gap is to be closed.

26. CBI members have expressed concern that young people are ill informed about their future career options. The CBI's Employment Trends Survey shows 56% of employers are dissatisfied with school leavers' knowledge about their job or career. This is a poor reflection on the current standard of careers advice. Employers expect young people to be able to make informed choices about the range of education, employment and training options available to them.

27. Careers advice must improve if young people are achieve their full potential. The CBI's response to the green paper *Youth Matters*, in November, argued that:

- benchmarks for Information Advice and Guidance (IAG) could help drive up standards;
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⁴ *Why do women leave architecture?*, de Graft-Johnson, A, Manley, S and Greed, C, University of the West of England, 2003.

⁵ *Architects' Employment and Earnings 2002* Mirza and Nacey Research, RIBA Journal, 2002 (quoted in *Why do women leave architecture?* p 1).

⁶ *Raising the ratio: the surveying profession as a career. Survey results summary*, Ellison, L, Kingston University, Royal Institute of Chartered Surveyors (RICS), 2003. p 1.

⁷ *Raising the ratio: the surveying profession as a career. A report from the RICS Raising the Ratio Committee*, Ellison, L, Kingston University, RICS, 2003. p 22.

- advice must be high quality and accountable against a set of key benchmarks; and
- diversity of provision is needed to secure the best quality of services for young people.

IAG BENCHMARKS COULD HELP DRIVE UP STANDARDS

28. A set of benchmarks could assist in raising quality standards by making clear the responsibilities of schools, colleges and advisers and the information they should be providing to young people. Despite there being a statutory duty for the provision of careers services and the establishment of Connexions in 2001, quality and consistency of advice has remained patchy and is not providing all young people with the advice they need. Government must ensure quality standards are adhered to and advisers are fully qualified to provide the essential information young people need to fulfil their potential.

29. The OECD has been involved in major reviews of national career guidance policies and has produced a set of benchmarks against which national careers services can be benchmarked. These benchmarks focus on providing advice at particular key transition points, development of career management skills, investigation and experience of learning and work opportunities, access to labour market information and access to individual guidance from qualified practitioners independent of particular institutions. Government should consider making these the basis of future standard guidelines against which careers guidance should be measured.

ADVICE MUST BE HIGH QUALITY AND ACCOUNTABLE AGAINST A SET OF KEY BENCHMARKS

30. The CBI has proposed four key benchmarks, inspired by the OECD guidelines which the careers service should have at their core and be held accountable to:

- (i) *Guaranteed guidance at 11, 14 and 16*—All young people should receive one-to-one careers advice from qualified practitioners. At significant transition points such as 11, 14 and 16 where the decisions young people make regarding subject choices and whether to continue in education are critical. Advice at these transition points is essential and should be compulsory for all young people, with parents closely involved in the process and advice well integrated into the curriculum. Employers believe good careers advice is crucial and should not be lost within personal and general advice services for young people. Young people should receive a minimum entitlement specifically for careers advice.
- (ii) *Experienced and knowledgeable advisers*—IAG must be offered by independent, experienced and knowledgeable careers advisers with experience of the labour market and the world of work. This is crucial to provide in-depth, specialised advice on the choices facing young people. One of the reasons Connexions has failed to deliver high quality careers advice was that too many advisers were unable to offer the specialised and dedicated service required. Research by the National Audit Office suggests that around two-thirds of staff in schools providing careers advice do not have the relevant qualifications.⁸ This situation must improve.
- (iii) *Understanding the world of work*—Young people must be given information on the world of work and the current skills and employment needs of the labour market. This is essential if young people are to assess the implications of their decisions later in life. Members have reported that they have approached schools to offer to talk about careers and local job opportunities. However, such approaches are often met with resistance. Education-business links are crucial in making young people aware of the world of work and should be encouraged. There are a range of pathways into industry, combining education, employment and training which should be emphasised. One member company has sought to address this by allowing teachers to participate in some internal training days. This helps inform teachers of the world of work and the numerous opportunities available within industry.

Recent examples from Scotland and Wales suggest the best way to improve links between education and the labour market is through an all-age careers service. This should be given further consideration for England. At the very least, linkages with adult employment and training services such as JobCentre Plus must be improved so smooth transitions are made from education into employment and that guidance continues after school or college. This could help to ensure young people do not fall between the responsibilities of different services at age 19. This will also give young people a link to post-16 and 19 employment and training options.

- (iv) *Ensuring impartiality*—IAG must present young people with the full information about the career choices open to them, whether in education, employment or training. IAG on vocational routes is often poor quality and not communicated well to young people. This often results in poor completion rates and lack of understanding of routes of progression into further study or employment. There is a worrying bias against vocational subjects with young people encouraged to take “A” levels and go on to university. This is particularly the case in schools with sixth forms which promote academic options above other post-16 routes of progression.⁹ This often means

⁸ End to End Review of Careers Education and Guidance, DFES 2005.

⁹ Connor and Little, *Vocational Ladders or Crazy Paving?*, 2005.

young people are deterred from choosing a vocational course that may be more appropriate to their talents. If parity of esteem for vocational routes of progression is to become a reality, advice must cover a full range of options, without bias.

Advice should present a full range of careers to both young men and women and point out the implications of choosing certain careers. The CBI's evidence to the Women and Work Commission pointed out that 97% of those studying for apprenticeships in childcare were women whereas the number of female engineering and construction apprentices were 3% and 1% respectively. At graduate level, female engineering and technology graduates numbered just 14%. The careers service has a key role in challenging misconceptions of young people and providing good quality IAG on the options available to them.

DIVERSITY OF PROVISION IS NEEDED TO SECURE THE BEST QUALITY OF SERVICES FOR YOUNG PEOPLE

31. The CBI supports the government's proposal to "involve a wide range of organisations from the voluntary, community and private sectors in order to increase choice and secure the best outcomes" for young people. CBI members have much to contribute to the government's agenda—both in terms of imaginative solutions and cost-effective services. The CBI's view is not that the private sector has all the answers or should always be the main provider. Rather it is that as the new framework for children's and young people's services takes shape, the government should give voluntary and business organisations the opportunity to contribute to the emerging agenda and use their innovative ideas and expertise to deliver the outcomes the government seeks.

32. A market where the public, private and voluntary sectors can compete, on a level playing field, to deliver services can lead to an increase in standards. For example Central London Connexions was subject to competitive tendering and received the only grade 1 OFSTED rating for careers advice. Private sector outsourced LEAs have improved exam results at a faster rate than the national average. The transfer of services or employees from one sector to another can be a driver for improved productivity, as in the case of private prisons.

33. To ensure that local authorities commission services fairly, the government should issue clear national guidance. There is a lack of clarity in how a "high-performing" Connexions service will be judged and at what point local authorities could commission new arrangements. There has yet to be a firm indication of what new local arrangements involving schools, colleges and children's trusts may look like. The CBI is concerned that new arrangements may benefit existing providers or be provided "in-house" within schools and colleges. It needs to be made clearer how schools and colleges will be expected to buy-in services and implement quality standards. Given the evidence that where responsibility for IAG lies with schools and colleges, advice is often not impartial or provided by knowledgeable advisers, we must avoid the situation where returning responsibility to schools and colleges fails to deliver the high quality advice young people need. Schools and colleges should only opt out of local authority partnerships when there is clear evidence that present services are inadequate and they can demonstrate how they will provide improved impartial and independent guidance.

34. The CBI supports the principles contained in the draft Five Year Vision for Joint Planning and Commissioning of Children's Services, namely: the planning and commissioning function should be independent of decision making from service providers; Commissioners must follow national and EU procurement laws; and decisions must be transparent and fair. To ensure that national guidance is adhered to and implemented at a local level, the government could consider using the Change Advisors based in the Government Offices of the Regions who should be able to require evidence from local authorities that their plans for the provision of services demonstrate that they are following national guidance. The CBI welcomes the focus on accountability to agreed future standards for schools, colleges and providers and proposes these should be rigorously enforced. There is already a statutory requirement for schools to provide advice from Year 7 and current evidence shows quality and consistency is patchy.

35. One solution the government could consider is to extend the lead partner model currently used for Adult IAG services. This model limits the lead partner to providing a maximum of 39% of service provision and compels them to seek partnership with other providers from the public, voluntary and private sectors and to engage in capacity building. The government should consider trialing these arrangements where established public private partnerships have delivered successful outcomes for example outsourced LEAs such as Walsall.

36. Employers are currently waiting to hear from the DfES on how they wish to proceed following the consultation. Employers will then determine how they can work with Government to ensure young people are able to fulfil their potential, including in non-traditional roles.

37. Recommendation 9

38. *Careers literature and on-line careers resources that challenge gender stereotypes should be targeted at parents and carers, who should also be invited to attend the employer visits to schools and “taster days”.*

39. The CBI also supports this recommendation: careers literature and on-line careers resources should challenge gender stereotypes should be targeted at parents and carers, who should also be invited to attend the employer visits to schools and “taster days”. Employers welcome not only pupils, but also teachers and parents to activities, and many are in contact with the parent(s) of young people on work experience placements.

40. Recommendation 11

41. *The DTI should establish a UK-wide Quality Part-Time Work Change Initiative of £5 million to support new initiatives aimed at achieving a culture change, so that more senior jobs—particularly in the skilled occupations and the professions—are more open to part-time and flexible working. This should start from junior management level upwards, and include the roles considered “stepping stones” to senior management. Eligible projects might be:*

- identifying senior role models, working part time or job sharing, who will champion the spread of best practice among managers;
- web-based job matching of those wanting to work part time with those offering quality jobs on a part-time or job share basis;
- job share services to put potential job share partners in touch and aimed at high quality occupations;
- specialist consultancy services to embed quality part-time work;
- e-networks for senior and professional women; and
- other initiatives to spread best practice and achieve culture change.

42. Employers are taking practical steps to help women break through the “glass ceiling”, so that there are more women in senior positions. Schemes such as “Women Directors on Boards” use mentoring to encourage women to aim for the top level in their careers. And employers have a good record of providing flexible working opportunities that suit the needs of women with caring responsibilities. Ninety percent of employers now offer at least one form of flexible working.

43. Occupational segregation and the glass ceiling are both influenced by the work and career choices that women make. Research into the career choices made by “high flying” professional men and women suggests that men prioritise promotional prospects and salary while female executives are more likely to prioritise quality of life factors such as family and personal needs. And women returning to the labour market after a period of absence (typically to start a family) often look for employment close to their homes as this allows them to balance their work with childcare or other family-related responsibilities. Jobs in residential areas tend to be in the retail, education and health sectors which are lower paid than the average.

44. Employers in the UK also have a good record of providing flexible employment opportunities. These can be of particular benefit to women with caring responsibilities. Ninety per cent of employers now offer at least one form of flexible working, with part-time work, flexitime and job-sharing the most popular. Employers’ willingness to embrace flexible forms of work have contributed to the high participation rates of women in the labour market. The right to request flexible working introduced in 2003 with CBI support is working well—90% of requests have been granted and at the same time it is clear that employers have the right to say “no” if they cannot accommodate a request.

45. The numbers of women in senior positions is increasing—only 8% of all managers were women in 1990 but in 2003 nearly one third (30%) of managers were female. Eleven per cent of all directors were women in 2003, a large rise from the 2% figure in 1990.¹⁰

46. Employers recognise the advantages that can be gained from increasing the number of women at board level and there are currently a number of schemes that are dedicated to achieving this. The driver for these schemes is often the market itself, particularly in “client-facing” sectors where customers are looking for providers of professional services to reflect their own or their customers’ profile.

47. Innovative schemes which have combined mentoring programmes with top-level backing for greater female involvement in business at the highest level are delivering results. The Department of Trade and Industry (DTI)-commissioned *2003 Female FTSE Index*, a study by academics at Cranfield University found that, for the first time, more than 100 directorships on FTSE 100 boards were filled by women, representing a 20% increase on the previous year and a “milestone” for female business leaders.¹¹ This is

¹⁰ *National Management Salary Survey*, Chartered Management Institute/Remuneration Economics, 2003.

¹¹ *The 2003 Female FTSE Index*, Singh, V, and Vinnicombe, S, Cranfield, 2003.

part of an increased appetite for more diverse boards that has been spurred on by the Tyson and Higgs reports, both of which looked at the role of non-executive directors and both of which recommended that more diverse boards would be of benefit to companies.¹²

48. Research clearly demonstrates that although being female is not in itself an obstacle to being appointed as a non-executive director (NED), other issues can pose particular difficulties for female candidates. Getting more women noticed by board appointees and headhunters requires commitment from companies who may not realise that they are implicitly limiting their talent pool by relying on “safe” candidates. When there is a high supply of strong candidates from a traditional, male-dominated business background, there is not always the incentive to look beyond this field.

49. The work of Moloney Search, a recruitment agency specialising in board-level appointments, has been informed by a survey of 1000 “high-flying women” aged 35–45 which identified the following barriers to female appointments to boards:

- not being on anyone’s “radar screen” (cited by 52% of respondents);
- haven’t yet held a NED (15%);
- not yet being at Group Board level (14%);
- not having broad enough experience (9%);
- being too young (8%); and
- being female (2%).

The will to increase the number of women in senior business roles is there and some women are willing candidates, but many companies do not know where to begin when seeking a diverse range of candidates.

Case Study: Moloney Search

Moloney Search set up “Diverse Board Appointments” in July 2004 to meet the growing demand for a diverse range of candidates at board level. They specialise in tracking the careers of talented women and ensuring that they are considered for board-level appointments later in their career. Their clients, companies looking for shortlists of people who will add value to the corporate governance of the organisation, know that Moloney Search will provide them with a range of candidates which includes talented women and goes beyond the “safe” list of established names that, although full of well-qualified people, may tend towards a self-perpetuating and somewhat closed pool of talent. The creation of Diverse Board Appointments demonstrates that demand exists from companies to increase the number of women at senior levels.

50. The *Women Directors on Boards* (WDoB) scheme, which was set up in October 2004 by a consortium of FTSE 100 companies, relies on mentoring and the effective use of positive role models as two of the most effective ways of encouraging people from under-represented groups in any walk of life to consider careers for which they are well-qualified. WDoB has had considerable success in raising awareness of the effectiveness of mentoring and the doors it can open for female business people.

Case Study: Women Directors on Boards

The Women Directors on Boards (WDoB) scheme provides women in the “marzipan layer” (the level just below board level) with mentors, each of whom is the Chair or CEO of a FTSE 100 company.¹³ The WDoB programme is run by a consortium that includes representatives from Cranfield University and leading firms such as PriceWaterhouseCoopers and Shell. WDoB addresses the two key areas of supply and demand. On the demand side, Chairs from FTSE 100 companies have been signed up to the scheme and put in touch with a female mentee from an equivalent company. To develop a good supply of high-achieving women who wish to become executive or non-executive directors, WDoB has held networking events for the mentees and is developing a strategy that will develop the scheme in the long term. The success of the scheme has so far led to interest from companies in the Netherlands, France and the United States.

51. CBI will be working with DTI to identify role models and champion best practice. In the meantime, CBI will be publishing a guide on flexible working including a legal summary and good practice case studies. The report, *Striking a Work-Life Balance*, identifies some key lessons learnt from the case studies’ experiences and promotes all forms of flexible working including:

- flexible time, covering all sorts of non-standard hours arrangements—flexi-time, part-time, term-time, job sharing, compressed hours and annualised hours and many other arrangements;
- flexible location, covering working from home, working on the move and working from telecentres and satellite offices; and

¹² cf *The role and effectiveness of non-executive directors*, Higgs, D, London, January 2003 and *The recruitment and development of non-executive directors*, Tyson, L, London, June 2003.

¹³ cf www.womendirectorsonboards.co.uk

- flexible contracts, covering practices such as outsourcing, use of agency workers, temporary or fixed term and casual labour.

52. All the case studies of companies, large and small and in different sectors, show that flexible working embraces a wide variety of employment policies. In practice, these are combined in differing ways at different companies to meet particular demands. The challenge for all companies is to provide as much flexibility as possible without losing operational efficiency.

Case Study: NEC Group

The NEC Group organises exhibitions, conferences, concerts, sporting championships and entertainment events at five venues. These are the NEC and the NEC Arena, located just south of Birmingham, as well as the ICC, the NIA and the Symphony Hall in Birmingham city centre. The company employs approximately 1,000 permanent and fixed-term staff, and can use up to 3,000 additional casual workers over a 12-month period to cover peak times.

Changing business demands suit a flexible working policy

For the NEC Group, the peaks and troughs in demand for its exhibition and other events are a regular and important feature of the business. A flexible workforce is therefore essential to ensure that the NEC Group can meet business demands. Many of its flexible working practices are driven by the employer rather than the employee. Other considerations also come into play as NEC Group wants to be considered an employer of choice and sees flexible working, and facilitating flexible working, as a means of recruiting and retaining key skills.

Flexible working benefits permanent and fixed-term staff

There are 10 types of working pattern. This includes annualised hours for operational departments, reflecting the need for flexible working hours to meet the large peaks in demand. Flexible working patterns also include part-time working, job sharing and some home working. These work patterns are largely driven by employee demand. How these work patterns and requests to work them operate is contained in the company's work-life balance policy. This covers maternity leave, paternity leave, parental leave, dependant's leave, adoption leave, flexible working, home working and the provision of childcare facilities.

Company policy permits home working for some but not all of the time, reflecting the view that some parts of the job may be successfully completed at home. NEC does not require employees to attend their normal place of work for all of their contractual working day or week. Home working also requires the prior authorisation of the applicant's manager.

The provision of childcare facilities is seen by the company as underpinning its work-life balance policy. The nursery is run in conjunction with an external supplier and provides 35 places, with 20 reserved for NEC Group employees. Places are allocated on a first come, first served basis, with employees paying a lower rate than other users of the nursery.

The NEC Group is now seeking to combine these flexible practices and policies with further development of its health and well being policies for its staff, such as improved private healthcare arrangements, health surveillance, healthy eating and a healthy lifestyle.

A more balanced workforce, a better work-life balance

The work-life balance policy (reflecting in part the statutory requirements) has led to an increase in the number of employees, mainly women, working part-time. The return rate from maternity leave has also increased, particularly in senior positions, and this has provided useful role models for many women in the NEC Group. Allowing women to return part-time after maternity leave has meant they can retain their position on the career ladder—and that their experience and enthusiasm is not lost to the company. The extensive use of flexible working gives HR a crucial role in providing specialist advice, but the NEC Group believes that requests by employees for flexible working should never be considered in isolation—the impact on the business and client companies must also be taken into account.

Recommendation 16

53. *The right to request flexible working should be extended over time to cover a wider group of employees.*

54. The CBI has worked with government on the flexible working agenda and the rights of parents of young children to request flexible working has been a success. CBI members support flexible working practices where they are compatible with business needs and the right to request has been successful to date in helping employees to balance their work and family lives without imposing undue burdens on employers.

55. Three years after the right was introduced, employers have accepted the vast majority of requests. The CBI Employment Trends Survey 2005 indicates that requests were fully accepted in three-quarters of cases (55% formally and 20% informally) and a compromise reached in a further 15% of cases. Just one in ten requests was refused. These acceptance rates are virtually unchanged since 2004, when 77% of requests were fully accepted, 16% resulted in a compromise and 8% declined.

56. Crucially, the success of the right is due to the way it balances employers' and employees' needs. Employers are willing to give requests due consideration and to accommodate flexible working where practical, but they must be able to decide whether accepting a request would damage the business or impose excessive burdens on other employees. The fact that employees may only make one request per year, and that any change is permanent, means that employees must give sufficient thought to their request and the impact it will have on their work. In light of the success of this new right, CBI members welcome the Government's commitment not to change the structure of the right.

57. Employers are, however, now more likely to report a negative impact of the right to request flexible working. Just because the right has been successful for parents with young children does not necessarily mean that this success will be mirrored when eligibility is extended to further groups of employees, given that employers are likely to be faced with significantly different types of requests.

58. The CBI Employment Trends Survey indicated that, in 2004, a year after the introduction of the right, most firms (62%) reported that it was having no impact on their organisation. In 2005, this had fallen to 52%. The proportion reporting a negative impact has risen from 11% to 26%, while the number reporting a positive impact has fallen from 25% to 21%. These figures suggest it is becoming more difficult for employers to accommodate requests to work flexibly and show that the Government must be cautious in extending the right to new groups of employees. The increased negative impact may also indicate that employers were able to accommodate requests more easily when there were fewer people working flexibly. For some companies, there is a limit to the amount of flexibility they can offer meaning that the requests employers receive in the future may be more difficult to accept. But the fact that acceptance rates are so high shows that employers are still willing to accommodate requests, even if they prove challenging.

59. Given the success of the right to request to date, employers accept a gradual extension of the right to those with caring responsibilities. As was made clear in our recent response to the DTI's consultation on the draft flexible working amendment regulations, CBI members feel very strongly that the Government should only extend it to one group of employees at a time. This will avoid a large and sudden increase in the number of requests which may lead to capacity difficulties and allow employers time to get used to accommodating the needs of carers which are likely to be very different to those with children under six.

60. Extending the right to further groups of employees, beyond parents of young children and carers, in the future would be acceptable and welcomed by the CBI if this approach proves successful.

Case study: BUPA

BUPA's vision is to take care of the lives in the company's hands. BUPA is committed to ensuring that all its stakeholders are respected and treated responsibly. Implicit in this is that everyone at BUPA is valued equally and appreciated for the unique contribution they make to the business.

Work/Life Balance and flexible working

Work/Life Balance and flexible working arrangements are a high priority for BUPA UK Membership. The traditional nine to five rigid working pattern is becoming less relevant to employees within the demands of a 24 hour culture. Work/Life Balance and flexible working arrangements help the business to provide a practical demonstration of the BUPA Vision by enabling employees to balance their work life with their home life commitments.

Work/life balance in BUPA is about people gaining control of when and where they work, helping them to improve general wellbeing. It is about finding a balance between personal needs, responsibilities and desires, and the needs and responsibilities of work—to the mutual benefit of both individual and employer. This programme exceeds flexible working legislation requirements. It offers a suite of flexible working options which respond to individual circumstances, including part time, job sharing, compressed hours, homeworking, term time working, flexitime and flexible hours.

BUPA UK Membership won a Personnel Today Award in 2001 for its approach to flexible working. It is cited as a differentiator in attracting people to work for the business, particularly in BUPA's call centre environments, and BUPA has seen ongoing improvement in employee satisfaction scores over the last few years. The company won a place in the 2005 Sunday Times Top 100 Best Companies and feedback included data and comments from staff specifically about their appreciation of the work-life balance opportunities available to them.

Recommendation 17

61. *Employers should ensure that their managers, at all levels, are regularly and continually trained on diversity and flexibility issues.*

62. The CBI encourages its members to take action on diversity, there are clear business benefits. There are many ways of achieving equality and diversity, diversity training, mentoring programmes and involvement with schools. Companies are able to judge which approach is most appropriate, taking into account factors such as the location and size of the company. While the CBI generally encourages its members to provide diversity training where this is judged appropriate, decisions as to what type of training, if any, should be provided are taken by individual employers. However, anecdotal evidence indicates that diversity training is becoming a widespread phenomenon across the private sector.

Recommendation 20

63. *Acas and the Northern Ireland Labour Relations Agency should be funded to develop a training package to support flexible working and that this package be delivered free to small firms.*

64. The CBI is exploring with SME members whether a training package is the appropriate way of responding to this issue. Evidence suggests that new firms are reluctant to take on their first employee. While the number of businesses in the UK has risen over recent years, the number of small employers has remained relatively constant. Ways must be explored that enable firms to take on their first employee—whether that is a part-time/flexible worker or not.

Recommendation 22

65. *A £20 million package to pilot measures designed to enable women to change direction, and progress in their jobs and careers, through raising their skill levels. It should be led by the Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments and the Department for Work and Pensions.*

- *Women who are not in work who already have a Level 2 qualification should be entitled to free skills coaching, under the New Deal for Skills, and additional help to gain employment and training in an area of skills shortage.*
- *Train to Gain, through the network of skills brokers, should be particularly focused on employers and sectors employing the greatest numbers of low-skilled women, particularly those from ethnic minorities.*
- *Women should have access to a high-quality careers information, advice and guidance service which tackles gender stereotypes under the New Deal for Skills and Train to Gain, which provides support in work and may include additional training.*
- *Free Level 3 training (free for the individual, match-funded by the employer) under Train to Gain should be piloted with employers from the five “c” sectors, particularly those employing part-time workers.*
- *Further pilots for Adult Apprenticeships or Train to Gain in areas of skills shortage should be introduced and focused on women returners.*

66. Employers welcome this recommendation. If training to lead to employment, it is imperative that newly acquired skills are in demand in the labour market. Training must be accompanied by high quality, non-biased careers advice, for which the CBI has been lobbying for a long time (see Recommendation 6 for further information).

67. The most effective strategies to close the skills gap and thus raise participation rates among disadvantaged groups such as women, older workers and ethnic minorities are those that work with the grain of employer need. The CBI supported the National Employer Training Pilots (NETPs) which provided free work related training in the workplace in a flexible manner. The National Employment Training Programme “Train to Gain” was rolled out in April and builds on the success of the NETPs.

68. The initial programme delivered real success in raising the basic and intermediate skills of low-skilled employees—women have been particular beneficiaries of this initiative—but also ethnic minorities. To date, around 100,000 learners have been involved in the pilots and the evaluation reports indicate that the majority of participants are women. The typical learner is a middle-aged woman who left school by 16 and is working full-time in a low-skill occupation such as a care assistant or machine operator. Improving the skills and therefore the career prospects of these women is vital to reducing the large number of low earning women and the gender pay gap. Ethnic minority adults have also been particular beneficiaries of the National Employer Training Pilots—12% of employees who have received training are from ethnic minority groups.

69. CBI members welcomed the piloting of the Train to Gain approach to level 3 training. The focus of Train to Gain on the hard-to-reach is welcome. The extra funding of £10 million in each of the next two years for Level 3 training, particularly focused on ethnic minority women, is a welcome step.

70. Employers also support the Adult Apprenticeship pilots. Making the most of employees and attracting new workers is vital to the competitiveness of UK firms. At the CBI Age Conference in June, spreading good practice on age diversity, many employers reported that they have already opened their apprenticeship schemes to older worker or were considering doing so.

Recommendation 23

71. *The Skills Alliance Delivery Group, which has an overview of skills activity including that related to the London 2012 Olympic Games, should ensure that reducing the gender segregation of jobs is part of plans for tackling skills shortages in the relevant sectors, such as construction.*

72. The Equal Opportunities Commission completed a two-year investigation in March 2005 looking at why women and men continue to work in traditional jobs and why young people choose Apprenticeships and other vocational training in traditional sectors. The Investigation focused on five sectors where there are currently skills shortages and an imbalance in the concentration of women and men; Construction, Childcare, Engineering, Plumbing, ICT. The investigation found that Britain is failing to provide real opportunity and choice for young people entering training and work, with girls from lower socio-economic groups losing out the most. The SSCs in the relevant sectors are rightly focusing on this key issue.

73. There is a view to taking this forward and producing a document on the business case for tackling occupational segregation. This will also fulfil our role as social partners on the EU-level.

Recommendation 24

74. *The Department for Education and Skills, DTI, Department for Work and Pensions and relevant Scotland, Wales and Northern Ireland departments should develop programmes, linking with Train to Gain and the Sector Skills Councils, identifying best practice on career development and working with partner employers to create career paths. The programme should consider how best to:*

- *recruit and retain women into nontraditional jobs; and*
- *develop career paths for those working part time.*

75. The SSCs could play a useful role with respect to career development and career paths. The CBI understands from the SSDA that they are currently developing detailed labour market analyses on a sectoral basis. The SSDA has received £10 million to reengage women into sectors in which they are under-represented sectors, sectors which are also suffering from skills gaps. Various SSCs are pioneering innovative ways to do this.

Recommendation 26

76. *All organisations promoting entrepreneurship to women should promote, as a key benefit, the work-life balance and flexible working possibilities of running your own business.*

77. Employers are involved promoting entrepreneurship and enterprise skills at all levels—both at school and in the workplace. Increasingly girls are outperforming boys throughout education. The increasing emphasis on work related learning in the curriculum is offering employers opportunities to inspire young women. Events like “Enterprise Week”, run by Enterprise Insight which the CBI co-founded, have proved successful in engaging and inspiring people across the age spectrum—both in the classroom and the workplace.

Case study: Shell

Shell’s *LiveWIRE* service offers free, tailored advice to 16–30 year olds who are considering starting their own business. It offers an opportunity to network with other entrepreneurs and discuss issues with online mentors. Support like this can help breakdown the barriers that young people, and especially women, feel stand between them and running their own business.

78. The government has set itself a target to “reduce the gap between male and female self-employment rates”. To achieve this it has taken numerous steps, including developing a *Strategic Framework for Women’s Enterprise*. It has also set up a Task Force on Women’s Enterprise, working with the Regional Development Agencies, who have made a commitment to developing women’s enterprise within their regional economic strategies.

79. As the CBI report *Boosting Enterprise Across the Population*, published in May, set out, there is some evidence that female entrepreneurship levels have increased over the past few years: 4% of women are now self-employed compared to 3.6% in 2000. The Global Entrepreneurship Monitor also shows that over the next three years 6.4% of women expect to start a business. This has increased from 5.1% two years ago. However, it is still apparent that nearly twice as many men than women expect to start a business.

80. It is also important to put this into perspective. While female self-employment has increased, it has increased at a much slower rate than the male self-employment rate. In fact the percentage of self-employed people who are female has actually fallen from 27.8% in 2000 to 26.6%. The gap between male and female self-employment has therefore widened.

81. While promoting the benefits of work life balance and flexible working are important, driving up female entrepreneurship levels requires the dismantling of other key barriers and the development of high quality support. A 2005 study by Association for Chartered and Certified Accountants, *Access to finance: women's enterprise and the role of the accountant*, showed that self-employed women at start-up spend less time engaged in activity related to acquiring finance, start businesses with lower investment and are more likely to use credit card debt as a source of start-up capital. The government must work to ensure that potential female entrepreneurs have access to proper information on different types of finance.

82. The problem is not just that fewer women and ethnic minorities start-up a business, but that a significant number of these businesses fail or do not grow significantly. Global Entrepreneurship Monitor 2005 shows that not only do women entrepreneurs have a lower turnover in their first year of trading, they forecast much lower growth for the next three years than men.

83. While it is therefore right to encourage more start-ups, it is important that these new businesses are encouraged to thrive and grow. The evidence clearly shows that those entrepreneurs who are supported by their peers are more successful. A number of Business Links have recognised this, and are developing women's networks for example. However, much more in this area could be done, particularly in developing mentoring schemes, particularly by the Regional Development Agencies.

Recommendation 30

84. *Private sector companies should consider the implications of this report for how they operate in order to make the most difference to the most women. A cross-government UK-wide package of measures should support awareness raising and capacity building to enable organisations to adopt solutions most relevant to them, which will have the most impact on women's pay and opportunity, including:*

- *promotion of best practice via business links and the business.gov website;*
- *£1 million funding for Investors in People (IiP). This should be used to support the adoption of the IiP Standard by small firms focusing on those growing rapidly, and to market to all firms—particularly in the five "c" sectors—the IiP Profile, in order to spread best practice on equality and diversity, fair pay and reward, and training;*
- *supporting employee involvement in workplace equality development via £5 million additional funding for the Union Modernisation Fund for capacity building to support training and development for equality reps in the private and public sectors; and*
- *support for the development and marketing of equality checks.*

85. The CBI is playing its part in raising awareness among employers of gender diversity issues and spreading good practice. The CBI runs an Equality and Diversity Forum three times a year. CBI members on the forum provide a steer to CBI lobbying and exchange good practice. The recommendations of the WAWC were discussed with the Forum, as well as with other relevant committees. Awareness was also raised through e-bulletins and regular publications.

86. The CBI also organises and participates in events aimed at spreading good practice. For instance, the CBI Director-General, Sir Digby Jones, spoke in February at the Ford Diversity Conference. The Conference included a well-received session on increasing the representation of women in male-dominated industries. Sir Digby stressed in his speech that it is through enabling employers to learn from each other and raising understanding of what has worked that we can further improve the work that has already been achieved on this crucial issue.

87. The CBI believes the Small Firms Initiative (SFI) should be extended. This programme had developed in response to CBI lobbying and offered financial support to help smaller businesses assess their training needs and link training with their overall business strategy. SFI was aimed at very small firms (five to 49 employees) and ran from 2002–06, offering up to £1,250 worth of advice and support in the form of an initial skills needs analysis, business development plan and brokered training arrangement. The evaluation showed that almost half (46%) of the firms reported improved productivity, that the culture of the organisations was changed in favour of training and communication—linked firmly to business strategy. All this was accomplished with very little "deadweight"—only 6% of the firms would have gone ahead with IiP involvement anyway. The CBI recommends the expansion of this initiative—and other schemes to encourage more small firms to access the benefits of the IiP framework and standard.

88. However, while the CBI supports the IiP standard, care must not be taken to flood the market with standards and checks. This would be confusing to employers and could undermine the effectiveness of existing standards and checks. Employers prefer few standards, which are clear and add value.

Recommendation 31

89. *DTI, through partners such as Opportunity Now, should build a set of exemplar companies willing to pilot projects such as:*

- *a new offer to schools to give girls work experience, in particular in non-traditional jobs;*
- *setting up a new women's network in senior or traditionally male jobs within the company;*
- *actively promoting quality part-time jobs;*
- *a recruitment round which supports women returners' development needs including confidence building and other support mechanisms;*
- *developing career pathways for women working in lower-paid jobs;*
- *providing paid time off, support and facilities to a network of equality reps; and*
- *undertaking an equal pay review.*

90. The CBI supports the work of Opportunity Now and has been in discussions with them on how best to take forward our joint commitment to best practice exchange. On equal pay reviews CBI evidence indicates that employers are well on the way to achieving the target that was set for the number of voluntary pay reviews. The CBI Employment Trends Survey 2005 shows that 44% of large organisations have or are planning to conduct an equal pay review—well on the way to meeting the government's target of 45% by 2008. Many employers already undertake equal pay reviews and still more are active in tackling the causes of the pay gap but choose not to undertake a formal equal pay review but to, for example, set up networks for women in senior positions.

91. Employers typically undertake a review where they believe they have a problem or where it is part of a good practice review of gender issues. Typically, where firms did find a pay gap, this was because there were more men than women in senior positions within the company.

Recommendation 35

92. *The Equal Opportunities Commission or Commission for Equality and Human Rights, with support from DTI, the Office of Government Commerce, the Scottish Executive Procurement Directorate and other interested stakeholders, should develop practical, equalities-led procurement advice which actively encourages public sector procuring authorities to promote good practice in diversity and equal pay matters among contractors so that it becomes the norm.*

- *Public authorities should ensure that their contractors promote gender equality in line with the public sector Gender Duty, and equal pay in line with current legislation. This intention should be flagged up in contract documents to ensure that it is built into contractors' plans and bids.*
- *Government should appoint a ministerial champion of procurement as a means of spreading best practice in diversity and equal pay matters.*
- *Private sector companies who engage in substantial procurement should also use procurement to spread best practice.*

93. The CBI supports this recommendation—public procurement, if effectively used, could be a lever for further achieving equality and diversity in the private sector. This offers a real alternative to the imposition of further regulatory burdens. Working in partnership with business through demonstration of a clear business case is an effective strategy for ensuring business buy-in to the continuing drive to promote equality.

94. As the race duty is the only one in force at the moment, the CBI has been focussing mainly on racial equality in public procurement. Lessons should be learned from this experience to ensure the forthcoming gender and disability duties are more effective. The CBI and the Commission for Racial Equality (CRE) jointly chaired a stakeholder meeting in November 2005 to identify ways to achieve this goal, following on from a joint publication in 2003, *Public procurement and race equality: Briefing for suppliers*. This brief has sought to provide clarity for private sector employers on how they can work within a public procurement framework and work in partnership with public and private employers to develop good practice on equality of opportunity where possible. Firms undertaking work for the public sector should enter into an “early and ongoing dialogue with public authorities” in order to reach a common understanding of what might be achievable in all areas. The CBI is now exploring ways to increase the use of procurement to increase diversity in partnership with the CRE.

95. The public sector has considerable spending power—NAO statistics for 2003 show that government has an annual expenditure of £109 billion, including £42 billion spent by local authorities alone. The recent National Employment Panel publication *Enterprising People, Enterprising Places* suggested that there is “little systematic use of public purchasing power to promote good practice in race equality or supplier diversity for ethnic minorities”. The CBI believes that procurement could be a highly effective tool for encouraging equality as long as “value for money” remains the basis for awarding contracts.

96. The new CBI report *Working together: Embedding good employment in public services* urges public service employers to support the recent WWC recommendations in supporting equality through procurement. Public bodies working in partnership with employers through demonstration of a clear

business case for diversity is an effective strategy for ensuring more business buy-in to the continuing drive to promote equality. The CBI's contribution to the WWC stressed that if any obligations around equal pay were to be imposed on contractors they must be sufficiently precise to be fully understood and that the actual award of the contract must remain on the basis of value for money

97. There remains significant room for improvement in the application of public sector equality criterion to competitive tendering processes by public sector procurement officials. Furthermore, while larger companies may be able to include rigorous equality criteria in their procurement, this will be difficult for SMEs, who make up 99.9% of employers in the UK and are unlikely to have specialised HR departments.

98. Government will need to take steps to improve the capabilities of procurement officials if they are to make the sophisticated qualitative judgements needed to consider qualitative criteria effectively. Equality criteria should be a vehicle for improving outcomes and fostering innovation, not a tick-box process. CBI members have reported that inconsistent application of procurement criteria is creating confusion among private sector contractors bidding for public sector contracts. For example, contractors are unsure as to whether and how "race equality" criteria will be factored into the tendering process and some local authorities adopt a "lowest cost" mentality when awarding contracts. Companies that have gone to great lengths to make equality a central part of their bid then lose out on the basis of cost alone. The CBI believes that greater clarity is needed for public bodies on the use of procurement to promote equal opportunities for without a level playing field, businesses will not be compelled to enter the bidding process.¹⁴

99. The Race Relations (Amendment) Act, which gave public authorities a duty to promote race equality in carrying out all their functions, has indirectly affected thousands of private sector employers as a result of the public procurement process. The increase in public-private partnerships and private finance initiatives has presented both challenges and opportunities for all employers. It is vital that business is able to contribute to the promotion of equality of opportunity but it needs to be clear about the equality requirements that are to be factored into a bid. The new EU Consolidated Public Procurement Directive, which came into force in UK law in April 2006, makes clear that capacity and ability to meet social criteria can be considered at selection stage. However actual award of contracts must be based on value for money.

100. The CBI has also been working closely with the Discrimination Law Review (DLR) team. Public procurement was discussed by the Discrimination Law Review Business Group, consisting of CBI members and DLR staff, in October and January. Following on from these meetings and the recommendations of the WWC report, the CBI organised a successful meeting in May to allow the DLR team to learn from good practice in procurement in the private sector. The CBI is planning a conference in the autumn which will address how clients and contractors can work together to take account of the impact of equality and diversity considerations on service design.

Case study: BT

BT is committed to creating a diverse supply chain. The company created a strategy for Supplier Diversity in 2004 and is implementing changes in policy and practice in supply chain diversity.

BT believes that over the last two years the business case for Supplier Diversity has become significantly more persuasive. Local Government and central government ITT have become more detailed; the Supplier Diversity East Midlands initiative has received significant private and public sector support; the evolution of arguments about sustainable development are becoming more sophisticated (local labour force contracting); the development of the European Supplier Diversity initiative supported by large multinationals and the investment banking sector; the Institute of Purchasing and Supply has begun work on this area; the National Employment Panel initiative with JobCentre Plus is about to report on ways forward on Supplier Diversity—the working through of the RRA public duty is having an effect on procurement and we expect it to increase with the extension of the public duty across the disability and gender strands. Diversity Works for London is also developing thought leadership in this area whilst the Haringey Council has developed on the ground expertise. By 2003 BT had agreed with 55 of its suppliers that they would work towards the Sourcing with Human Dignity standard. In 2004 BT removed a minimum contract value condition of £250,000 so that more companies are now bidding for BT contracts, thereby working to Sourcing with Human Dignity standards.

During 2004 BT worked with 10 leading businesses and the Migration Policy Group to develop a European wide Supplier Diversity Initiative, of which the first phase will be piloted in the new financial year. Over the next two years BT will raise the standards its own programme and provide leadership to the European Supplier Diversity Initiative. BT wishes to develop a debate and discussion among stakeholders about supplier diversity and the reality of diversifying the supply

¹⁴ CBI/TUC (2003) *Public procurement and race equality: Briefing for suppliers*.

chain and is holding a number of showcases to this end. The first one of which was held in March 2005 and sought to engage a wide range of stakeholders and suppliers in starting to think about the future and supplier diversity in its various guises.

BT believes it is still early days for many large companies in terms of understanding the market potential of supplier diversity and feels the company's job, as change agents at the centre, is to develop and enhance the debate and come to a creative and agreed way forward.

Recommendation 36

101. *Current guidance to the equal pay questionnaire should be altered to make it clear that the Data Protection Act does not prevent the provision of pay information, in order to encourage employers to respond without the need for the employee to apply to a tribunal.*

102. The CBI believes that this recommendation would result in a helpful clarification. Many employers see the business case for taking action on equality and diversity within their organisations, but confusion about legal requirements and fear of breaking the law hampers their efforts. Clarity, in combination with guidance and assistance from the future Commission for Equality and Human Rights, play a key role in further achieving equality and diversity in the private sector.

Recommendation 37

103. *The Discrimination Law Review should consider more fully the issues of whether or not to extend the hypothetical comparator to equal pay claims, and of generic or representative equal pay claims.*

104. The CBI is not convinced that equal pay legislation should be extended in the way suggested by this recommendation, and awaits a further exploration of the advantages and disadvantages of such an approach by the Discrimination Law Review.

June 2006

Supplementary memorandum submitted by the CBI

EXAMPLES OF PRIVATE SECTOR COMPANIES AND THEIR CLIENTS PUTTING EQUALITY AND DIVERSITY AT THE HEART OF THE PROCUREMENT PROCESS AND THROUGHOUT SERVICE DELIVERY

Interserve and Slough Borough Council

- Engaging with public sector clients on a range of initiatives to ensure that services delivered closely reflect the diverse needs of the local population.
- Focusing on understanding the importance of promoting equality and diversity in the delivery of back office services but also when employees are interacting with customers face-to-face.

Interserve currently delivers housing repairs and maintenance services to Slough Borough Council. Almost 42% of the population are non-White British (2001 Census). The largest black and ethnic minority community in Slough is Indian, accounting for 14% of the population and over 13% of the population identify their religion as Islam. These proportions are significantly above the national average.

With 24% black and ethnic minority staff, Interserve's workforce reflects the diversity of the community with a range of languages and cultural backgrounds present in the team. The nature of the work is such that staff need to be able to work in the community and understand cultural differences and barriers to communication when repairing or maintaining a property.

Interserve—in partnership with Slough Borough Council—acknowledges that the services it provides to customers must take into account equality issues that may arise in the way in which services are delivered including:

- access to services:
 - language barriers in terms of calling helpdesks and the difficulties some customers may have in effective communication of their needs/requirements; and
 - technology barriers that people may have in terms of understanding how to use specific types of technology;
- prioritisation of work—to ensure that work targets are set objectively and do not discriminate against specific customer types or services;
- treatment of people—particularly in the front end service delivery areas where employees are interacting with service users on a daily basis; and
- feedback—both in terms of complaints, praise and suggestions for service improvement.

Serco and Docklands Light Railway

- Effectively engaging service users to identify how to improve service delivery to meet a diverse set of needs.

In partnership with Serco, Docklands Light Railway (DLR) runs through five distinctly different boroughs comprising 190,000 households, high rates of unemployment and crime, 102 languages spoken in just one borough, and low income families living in high density housing.

To work in unison with the boroughs and its residents, Serco Docklands and DLR undertook a research project to identify the “barriers to using the DLR” in the local communities it serves. 724 families who are non-users of the DLR provided 1,600 interviews. These revealed that many residents felt socially excluded for a number of reasons—all of which were a combination of physical and psychological barriers. Residents were asked what would make them use the DLR more. The top six suggestions were: cheaper fares, security, information about job opportunities, better walking routes to stations, better station environment and more information about places to visit.

Serco and DLR sought to address these issues by:

- putting in place live CCTV on board trains and introducing patrol officers on the platforms and in the trains;
- introducing a DLR-only travel ticket for local residents allowing short, flexible journeys—sales for this ticket alone represent 45%;
- putting in place DLR Ticket Vending Machine training—the groups were all made up of women wanting the training in Bengali and Somali;
- introducing a new cleaning agent;
- investing £1.5 million to launch a Community Skills and Recruitment centre in conjunction with the Pecan Community charity; publishing a guide listing free courses reachable by DLR to help improve local residents’ skills in computing, childcare and languages as identified by a simple survey to community centres to investigate needs; recruiting passenger service agents for the London City Airport extension via a local campaign using press adverts published in Bengali; and
- publishing a Docklands Time-Out guide.

Accord and a range of public sector authorities

- Partnership approach built around sharing strategic diversity objectives with the public sector client.
- Good employment standards, particularly on diversity and equality, are at the heart of contracting with public authorities.
- Client and external stakeholder focus groups allow public sector bodies to understand how best they can work with their private sector partners to promote equality.

Established in 1999, Accord provides street cleaning and refuse collection, housing maintenance, highways and transport, facilities management and consultancy services. The company employs nearly 4,000 employees—most joined by transferring under TUPE.

Accord is the first company to have volunteered for a pilot project with the CRE to identify how the private sector could voluntarily assume responsibilities to promote equality, akin to the legal duties increasingly being placed on the public sector.

This pilot project involves mainstreaming and promoting equality and diversity in service delivery. By working together, Accord and its public sector clients have helped each other to understand the benefits that integrating equality and diversity in the planning stage can bring to improving service delivery. This has led to refuse crews helping disabled people to put out their bins, housing maintenance teams respecting the cultures of tenants when working in their homes and university bus drivers helping women to feel more safe during their journey.

Working in partnership has also meant thinking proactively about how all employees at Accord can help public sector partners fulfil their duties by:

- nominating diversity champions across the company, from the management board to each local business unit, to sit on a diversity working group;
- conducting an employee survey on matters ranging from workforce composition data to family-friendly working practice. Specially selected diversity champions encouraged participation by all staff and participants were entered into a prize draw with a first prize of £1,000;
- establishing employee focus groups to understand and influence what happens on the ground; and
- establishing client and external stakeholder focus groups to explore the range of practical steps that could be taken and challenge all partners to implement.

Memorandum submitted by David Lammy MP, Department for Innovation, Universities and Skills

I said that I would write to you on a number of issues arising during my evidence session on 9 October. I should also like to take this opportunity to clarify some points raised during the evidence session. These follow below and references to the question number in the official transcript are given for ease of reference.

SECTOR PATHWAYS AND SECTOR SKILLS COUNCILS

Q 177/179. *Number of Sector Pathway Projects:* Nine Sector Skills Councils are taking forward Women and Work Sector Pathway projects. These are: Asset Skills, Automotive Skills, Construction Skills, Energy & Utility Skills, Improve, Lantra, Senta, Skillfast UK, Skills for Logistics.

Q 178. *Matched Funding:* Of the £10 million government funding allocated to Women and Work Sector Pathways Initiative for the two year period, £8.1 million has been committed, matched by employer investment of £9.4 million. This is a split of 46% government funding, 54% employer investment.

Of the £9.4 million employer investment, £6.1 million (65%) is cash investment. For each output on average employers are contributing £875 in cash.

Q 180. *Automotive Skills:* Automotive Skills is the Sector Skills Council for the retail motor industry and covers a range of activities including maintenance repair and new and used car sales. Only 25% of its business is based on technical areas. The SSC covers the following sub-activities: New vehicle sales; used vehicle sales; routine maintenance & repair; MOT inspections; accident/body repair; restoration/rebuilding; fast fit (tyres, exhausts, batteries, etc); post factory fitting and accessories sales; roadside rescue/recovery; contract hire/operational leasing; “daily” rental; and valeting/preparation.

The Automotive Sector Pathways Initiative is targeting the remaining 75% by focusing on the retail side of the Automotive Sector. Evidence from the National Employer survey 2005 showed that the automotive retail sector as a whole has a significant under representation from women and from women in management roles.

The project will:

- offer opportunities to women new to the sector to develop the relevant skills they will need to operate in the sector;
- develop opportunities for women already employed in the sector to enhance their current skills, gain opportunities for promotion into supervisory and managerial roles and/or other positive benefits related to their employment; and
- put in place support structures designed to ensure the retention of women in the industry.

The project original targets were to:

- upskill 200 women within the industry who undertake roles dealing with customer service both internally and externally, to develop the skills and knowledge they need to undertake and excel in their current roles as well as progress within the industry;
- support 150 women to acquire and develop skills leading to effective Supervisory and/or Management through a development programme linked to their own specific needs; and
- recruit 150 women new recruits into the automotive industry to gain the skills and knowledge needed to operate successfully and progress.

This project is doing well. To date 190 women have signed an Individual Training Plan, exceeding the profiled target by 40 (27% on profile).

The project manager has the full backing of her new Chief Executive, Sarah Sillars, who has personally promoted the project since assuming this role earlier this year. As a result they are now engaged with employers such as Hartwells, BMW, Honda, Autoglass and Landrover Jaguar to name but a few. Each of these employers is delivering on a firm commitment to the project and looking to increase the number of women benefiting from this project by 500. Some of these employers have also dedicated their own resource to manage the internal process and support women in their employment.

Q 184. *Government Skills*: Government Skills did not put in an expression of interest to take part in this Initiative. As the last SSC to be licensed, it may have been that they were not at the stage in their Sector Skills Agreement to do so. However, the Sector Pathways Initiative is about re-balancing gender representation, and Civil Service statistics show that 54% of the workforce is female.

APPRENTICESHIPS

Q 153–160. *Clarification and numbers on adult apprenticeships*: The LSC is funding up to 8,000 adult apprenticeships at a cost of £16.7 million in 2007–08 for priority groups including women or people from ethnic minorities seeking to enter an atypical career, and adults working in sectors identified as local or regional skills priorities.

The LSC roll out of apprenticeships for adults is being designed to address diversity issues, with three priority groups:

- those without employment; including those on incapacity benefit, who are seeking to train or retrain in order to enter long term employment;
- individuals who are seeking to enter an atypical career ie women and/or ethnic minorities; and
- adults working within sectors that have been identified as local, regional or national priorities, who have existing skills or knowledge gaps and who lack formal qualifications for those skills, including those who wish to complete an apprenticeship having achieved their NVQ 2 or 3 through Train to Gain.

Q 169–170. *Sector breakdown of apprenticeship completions by sector and gender*:

The table below reproduces figures from the sector breakdown of apprenticeship completions by sector for 2006–07.¹⁵ These figures show separate success rate figures for Advanced Apprenticeships (level 3) and Apprenticeships (level 2).

APPRENTICESHIP SUCCESS RATES BY AREA OF LEARNING, GENDER AND PROGRAMME TYPE, 2006–07

<i>Sector subject area</i>	<i>Gender</i>	<i>Advanced Apprenticeship</i>	<i>Apprenticeship (at level 2)</i>
Agriculture, Horticulture and Animal Care	Female	63%	68%
	Male	57%	60%
	All	61%	64%
Arts, Media and Publishing	Female	65%	50%
	Male	50%	50%
	All	51%	50%
Business, Administration and Law	Female	72%	70%
	Male	69%	64%
	All	71%	68%
Construction, Planning and the Built Environment	Female	61%	49%
	Male	62%	59%
	All	62%	59%
Education and Training	Female	75%	53%
	Male	50%	0%
	All	72%	47%
Engineering and Manufacturing Technologies	Female	67%	61%
	Male	73%	65%
	All	73%	64%
Health, Public Services and Care	Female	57%	60%
	Male	48%	68%
	All	56%	61%
Information and Communication Technology	Female	65%	72%
	Male	68%	74%
	All	68%	74%
Leisure, Travel and Tourism	Female	60%	65%
	Male	39%	62%
	All	48%	63%
Preparation for Life and Work	Female	55%	–

¹⁵ This is published by the LSC via <http://readingroom.lsc.gov.uk/lsc/National/nat-wblsuccessrates-da-P1to12-200607-v1.xls>.

<i>Sector subject area</i>	<i>Gender</i>	<i>Advanced Apprenticeship</i>	<i>Apprenticeship (at level 2)</i>
	Male	55%	–
	All	55%	–
Retail and Commercial Enterprise	Female	55%	61%
	Male	49%	57%
	All	53%	60%
Science and Mathematics	Female	100%	50%
	Male	88%	100%
	All	93%	75%
Total	Female	62%	64%
	Male	65%	61%
	All	64%	62%

Combining LSC level 2 and level 3 Apprenticeship data indicates that the total overall Apprenticeship success rate is 63% (with no difference between female and male learners).

Combining LSC level 2 and level 3 Apprenticeship data also indicates the following success rates for a selection of sectors, including the typically male-dominated Construction and Engineering and typically female-dominated Health and Care sectors.

APPRENTICESHIP SUCCESS RATES BY AREA OF LEARNING, GENDER AND PROGRAMME TYPE, 2006–07

<i>Sector subject area</i>	<i>Gender</i>	<i>All Apprenticeships (level 2 and level 3)</i>
Arts, Media and Publishing	Female	58%
	Male	50%
	All	51%
Business, Administration and Law	Female	71%
	Male	67%
	All	70%
Construction, Planning and the Built Environment	Female	55%
	Male	61%
	All	61%
Engineering and Manufacturing Technologies	Female	64%
	Male	69%
	All	69%
Health, Public Services and Care	Female	59%
	Male	58%
	All	59%
Retail and Commercial Enterprise	Female	58%
	Male	53%
	All	57%
Total	Female	63%
	Male	63%
	All	63%

Q 174 and 176. *Ofsted good practice:*

There has been some informal dialogue between Ofsted and the Women and Equalities Unit about case studies. We are now exploring with Ofsted how to extend this into a more formal analysis.

Finally, I am enclosing a copy of the DfES Skills Strategy Equality Impact Assessment and its Statistical Supplement for information.

22 October 2007

Memorandum submitted by the Equality and Human Rights Commission

**BERR SUB-COMMITTEE INQUIRY INTO PROGRESS ON THE WOMEN AND WORK
COMMISSION RECOMMENDATIONS:
ORAL EVIDENCE SESSION WITH HARRIET HARMAN, MONDAY 29 OCTOBER**

STRATEGIC LEADERSHIP

Although there is a flurry of activity by the government to fulfil the Women and Work Commission (WWC) recommendations, our main concern is that there has been a lack of strategic direction and leadership. The complex and inter-connected causes of the pay gap mean that various departments and bodies must take action to ensure success, and a co-ordinated lead is key to this. Currently there is no analysis of what impact the various initiatives will actually have on the pay gap; and no clear indication of how this piecemeal approach will achieve the intended “catalytic effect”.

We think it would be helpful for the Committee to explore:

- How the Secretary of State for Equalities intends to lead on the WWC action plan.
- How will the newly established Government Equalities Office (GEO) work to ensure that momentum is not lost.
- What mechanisms the GEO will put in place to ensure progress and delivery of the Government’s action plan.
- What success will look like.

EHRC RECOMMENDATIONS

We have identified various examples of tools that can be used by the GEO; as well as what leadership from the Secretary of State and GEO should look like in order to have a major impact on the pay gap:

Implementation of the Gender equality duty

Implementation of the Gender Equality Duty (GED) is vital to closing the gender pay gap. We think that the Secretary of State should work with ministerial colleagues to ensure that their departments’ GED schemes and plans tackle the causes of the gender pay gap in line with their statutory obligations. Effective implementation of the GED across Government will also ensure that the GEO achieve their Public Service Agreement 15 which includes reducing the gender pay gap.

- The delivery strategy explains that the GEO must work with delivery departments on key policy actions; and with government departments, local authorities, government offices and EHRC on its approach for helping public bodies comply with their duties.

Department for Communities and Local Governments (DCLG)

- GEO to ensure that the DCLG draw Regional Development Authorities’ attention to their outstanding responsibilities for complying with the statutory GED requirements regarding the national pay gap.
- Explore with DCLG how RDAs can use their knowledge of local business and labour markets to link up local women, particularly ethnic minority women.

Department for Innovation, Universities and Skills (DIUS)

- GEO to ensure that DIUS co-ordinate strategic action to tackle the pay gap within its remit and to draw the attention of the Learning and Skills Council (LSC) and the Higher Education Funding Council for England (HEFCE) to their outstanding responsibilities for complying with their statutory GED requirements.
- Work with DIUS to improve provision of Apprenticeships. More needs to be done to ensure equality of pay, opportunity and training across the board, as well as encouraging young women to enrol in male-dominated occupations. It is imperative that we open up choices and opportunity if there is to be significant headway in breaking down occupational segregation. One particular concern is the continuing negative impact of the exemption from the minimum wage of apprentices under 19. Therefore, consideration should be given to the introduction of a minimum wage for apprentices.
- Ensure that the DIUS provides ongoing financial support and roll-out of the various skills initiatives, such as Train to Gain, and Women and Work Sector Pathways initiative.

- The development of the adult careers service must focus on the opening up of non-traditional and managerial roles for women, particularly black and ethnic minority women who face even greater occupational segregation.

Department for Children, Schools and Families

- Work with DCSF to push the necessity of good quality work experience to enable girls and boys to access non-traditional work placements. Work experience placements have a significant impact on career choices, particularly for children from low socio-economic backgrounds, and there has been little progress in this area to date.

Department for Business, Enterprise and Regulatory Reform (BERR)

- GEO to ensure that BERR continues to work with employers, raising awareness of the case for expanding flexible working. Explore support that could be made for business, particularly SMEs to help them manage transforming the workplace, for example, a Transformation Fund to open up new flexibilities to workers at all levels. Consult on the case for extending the right to request flexible working to all employees.

Department for Work and Pensions (DWP)

- Work with DWP to improve support for women returning to work after a career break. Could the announced expansion of the New Deal for lone parents to include couple parents in the current pilot areas throughout London also be piloted for women who have been out of the labour market for five years?
- DWP's green paper "In work, better off" mentions the need to address the barriers facing ethnic minority women in particular. Ensure that these barriers, which include the needs for accessible, affordable and flexible childcare, employer discrimination, financial disincentives for second earners, are a main focus in the employment strategy.

Department of Health (DH)

- Encourage DH to focus on improving the pay and progression of those working in low-paid, low-skilled jobs in the social care sector, many of whom are women. The five point plan for social care contained some useful measures (including the skills academy and the new Social care Board) but remain unclear as to how this will feed through to pay. There is also no mention of recruitment and retention. Ensure that this is included in the DH's obligations under the GED.

25 October 2007

Memorandum submitted by the Equal Opportunities Commission

INTRODUCTION

1. The Equal Opportunities Commission (the EOC) is a statutory body whose duties are to work towards the elimination of sex discrimination and to promote equality of opportunity between men and women generally. The EOC welcomes the opportunity to submit evidence to the Trade and Industry Committee's Inquiry into the implementation of the report of the Women and Work Commission (the WWC) *Shaping a Fairer Future*.

2. The pay gap is a major issue with a number of complex, inter-related causes and action to tackle it cannot be achieved without the buy in of key stakeholders. The EOC therefore very much welcomes the ambitious and wide-ranging recommendations of the WWC report and the fact that consensus amongst those involved has been achieved in so many key areas. We would like to pay tribute to the key role of Baroness Prosser in achieving this consensus in this important report. The leadership shown by the Prime Minister, Chancellor and Minister for Women in launching the report is also extremely welcome and we look forward to the new Minister for Women's action plan for taking it forward.

3. The Chair of the EOC was a member of the WWC and was therefore closely involved in drawing up the report; and we will be working in partnership with Government to help take some of the action plan forward.

4. In this submission we will look first at the productivity gap and then comment briefly on each of the main areas in the WWC report: maximising potential; combining work and family life; lifelong opportunities for women in training and work and workplace practices.

THE PRODUCTIVITY GAP

5. We welcome in particular *Shaping a Fairer Future's* recognition of the fact that closing the gender pay gap would add as much as £23 billion to the UK economy. These findings are confirmed by a number of our recent completed and ongoing general formal investigations, as set out below.

OCCUPATIONAL SEGREGATION AND SKILL SHORTAGES

6. Our investigation into occupational segregation, completed in March 2005, discovered a clear correlation between the employment sectors where women were under-represented and skill shortages, showing that occupational segregation was causing employers to miss out on a huge potential pool of labour with which to plug their skills gaps. Despite many young people being interested in non-traditional work experience, training and work, and many employers recognising that recruiting more women could address skills shortages and bring business benefits, the Investigation showed that Britain was failing to open up real opportunity and choice for girls and boys entering work via vocational routeways. The current “education to training to work” system was particularly failing girls from lower socio-economic groups—the young women most in need of support—by channeling them into generally lower paid training and jobs than young men and not opening up wider and better paid opportunities.

PART-TIME WORKERS WORKING BELOW THEIR POTENTIAL

7. Our Investigation into Part-time and Flexible Working found that the way in which Britain's flexible and part-time working arrangements are structured results in their failing to meet the needs of working women and men, leaving 5.6 million people (four out of five of Britain's seven million part-time workers) working in jobs that do not use their potential. Our Investigation found that over 3.5 million of these workers had actually used higher qualifications or skills or had had more supervision/management of staff in previous jobs, while a further two million believed they could “easily work at a higher level.”¹⁶

PAKISTANI, BANGLADESHI AND BLACK CARIBBEAN WOMEN

8. One of our current investigations *Moving On Up?* is examining the experiences both of Pakistani and Bangladeshi women who wish to work outside the home, and of Black Caribbean women, who are under-represented at senior and professional levels in the labour market. Our Investigation shows that the younger generation of ethnic minority women are increasingly well qualified, well educated, and want to work. In terms of achievement at GCSE level, ethnic minority girls are catching up or even overtaking ethnic minority and white boys and they are more likely to carry on into higher education. Given that a recent Skills Review for the Government identified a need to increase the proportion of the workforce qualified to NVQ level 4 and above from 27% to 38% by—2020, ethnic minority girls as a group look set to meet this challenge—if we give them the opportunity to get jobs that match their qualifications.

9. But despite their higher qualifications in employment and skills ethnic minority women are being held back. Higher qualifications make little difference to the pay gaps suffered by women from all ethnic groups relative to white men—even though they do make a difference to most groups of ethnic minority men. Ethnic minority women are even more concentrated in a narrow range of jobs than women as a whole and they are less likely to be managers or senior officials compared to white women, or to their male counterparts. EOC research shows that young ethnic minority women are three to four times more likely than white women to say they have often taken a job at a lower level than their qualifications, because that is all they could find. And Pakistani and Bangladeshi women are also much less likely to return to work after they have had children.

10. Future demographic and labour market changes mean that ethnic minorities will make up an increasing share of the future working population, particularly in key cities. Ethnic minority women are central to Britain's success economically and socially, but if they are to realise their full potential action is needed to open up greater opportunity at critical life points. We hope that this objective will form a key part of the WWC action plan.

MAXIMISING POTENTIAL

11. All the recommendations here are welcome. *Shaping a Fairer Future* rightly gives prominence to the importance of tackling occupational segregation; and we are working with the Women and Equality Unit to help ensure its recommendations are taken forward, building on our earlier investigation.

¹⁶ Britain's Hidden Brain Drain—Final Report, The EOC's investigation into flexible and part-time and working, EOC 2005.

 OCCUPATIONAL SEGREGATION

12. We welcome the extent to which the WWC has endorsed the findings and recommendations of our Investigation into Occupational Segregation. We called for a National Strategy on occupational segregation linked to economic and skills strategies to give effect to the objectives of challenging stereotyping and opening up choices and we made specific recommendations for actions to deliver change. Since we last reported on the Investigation to the Committee, we have been working closely with the WES and we are able to report significant progress on key GFI/WWC recommendations.

13. At our One Year On Conference recently, Bill Rammell, Minister of State for Lifelong Learning, Further and Higher Education described a range of DfES pilots to challenge segregation including non-traditional tasters for young people making vocational choices at 14, new models of careers advice, information and guidance on wider choices, non-traditional work experience placements, project-based apprenticeships to secure on-site experience for women, adult apprenticeships targeting women in shortage sectors and development of national equality and diversity impact measures for gender segregation on apprenticeships. He also reported the results of the WES survey of apprenticeship pay rates that showed clearly the pay advantages for those working in male-dominated sectors including engineering, construction and ICT. For example, the survey revealed a £40 or 26% per week pay gap between male and female apprentices and that Level 2 early years care and education apprentices earned the lowest rates across all levels and sectors, averaging only £78 per week compared with level 2 construction apprentices at £136 per week. The Minister endorsed the importance of making this information available to young people making choices. The EOC and TUC have called for this survey to be repeated in 12 months time to monitor the impact of the new £80 per week requirement.

14. The wide range of supportive speakers at the Investigation One Year On conference—Stella Manzie for the Women and Work Commission, Shirley Cramer, Chair of the E&D Committee at the LSC; John Cridland CBI and Brendan Barber TUC, CITB and Summitskills, young apprentices and employers - sent clear signals that the case for change set by the EOC and WWC is now accepted across government and key stakeholders and that some actions are already underway. We are particularly pleased to be able to report that the new agenda has informed all policy white/green papers since the report of our investigation: Skills Strategy, 14–19 and Youth Matters Green Paper. Here too, we continue to work with the WEU and relevant officials to ensure that WWC and EOC recommendations are implemented. We would like to see the action plan set out clear mechanisms for ensuring that the positive momentum on policy and practice changes continues.

COMBINING WORK AND FAMILY LIFE

15. Again, all the recommendations here are welcome. We particularly welcome the proposal for a Quality Part-Time Work Change Initiative, and other proposals aimed at achieving a culture change, so that more senior jobs in the skilled occupations and the professions are more open to part-time and flexible working. This is critical to closing the pay gap. We will be helping to take these recommendations forward, with the Women and Equality Unit, through our current Investigation into the Transformation of Work.

16. We are pleased that the WWC report recognises the importance of the recommendation from our investigation into part-time and flexible working, Britain's Hidden Brain Drain, on training managers and supporting small businesses. Training is vital to give managers the right knowledge and skills and help them develop positive attitudes towards managing flexible working. Middle managers are often the "gatekeepers" of work-life balance in an organisation.¹⁷ The inability of some line managers effectively to manage flexible workers, and/or their negative attitudes to flexible working generally, are major barriers to the effective implementation of flexible working policies.¹⁸ In our survey of HR professionals, virtually everyone said managers need to be trained for flexible working to work effectively, but only one in eight said their own organisation provided sufficient training in how to manage flexible working.¹⁹ Small businesses would also benefit from support on costs. We welcome the WWC recommendations on the development of a training package to support flexible working, the examination of fiscal incentives for small firms, additional funding for IiP, and for trade union equality reps and hope to see the focus on managers sustained in the action plan.

PART-TIME AND FLEXIBLE WORKING NOT JUST FOR WOMEN WITH YOUNG CHILDREN

17. It is important that initiatives to open up higher paid part-time work are not just targeted at women, as this may serve to reinforce the perceptions that only women should carry out a caring role and that only women need to work flexibly. Increasingly, women and men are sharing caring roles, thereby making it easier for women to achieve their full economic potential. Access to flexible working is important to men too. Nearly half of the increase in part-time working over the last 20 years has come from men—a million

¹⁷ 2Nelson, A, Nemeck, K, Solvik, P and Ramsden, C (2004) *The evaluation of the Work-Life Balance Challenge Fund*. London: DTI Employment Relations Research Series No 32.

¹⁸ Nelson *ibid*.

¹⁹ IFF Research (2005) *Flexible working practices*. Report prepared for the EOC and People Management.

extra male part-timers.²⁰ In the past two years one in eight fathers of under-six year olds has made a formal request to work flexibly.²¹ Increasingly men and women are working part-time at different times in their lives, not just for the more “traditional” reasons linked to parenting and caring responsibilities, but also as students and before and after state pension age. For someone with a disability, flexible working can be the sort of “reasonable adjustment” needed both to support their recruitment or their retention in work. Flexible and part-time working is the future: a pattern of working that most of us will want to access at different times of our lives.

18. By 2020, two-fifths of the population will be over 50²² and our Investigation into Part-time and Flexible Working showed that there may be as many as a million over 50s who would return to work if the conditions were right ie they could work flexibly.²³ More people are going to be working longer and retiring later, while many others will want to work reduced hours before and after the statutory retirement age. More people will have caring responsibilities for older relatives and may choose flexible working to make this possible. Caring, whether for an infant or for an elderly dependant, is no longer the sole preserve of women—19% of men in the 45–64 year old age group are carers.²⁴ The Government has recently consulted on extending the right in the Employment Act 2002 to request flexible working beyond mothers and fathers of children under six or disabled children under 18, and we warmly welcome its extension in the Work and Families Act to carers.

EXTENDING THE RIGHT TO REQUEST

19. In our Investigation into Part-time and Flexible Working, in our submission to the WWC and in our submission to the Government on the Work and Families Consultation, we argued that the right to request flexible working should be extended to all employees; and the WWC also argues that it should be extended to a wider group of employees. The best practice employers we have consulted have found that it is best to open up opportunities to work flexibly to everyone, not just to parents or carers. Employers have found that so long as flexible working applies only to certain groups, the benefits to the organization are constrained by the inability to manage the issue in the round. The available evidence suggests that experience of the right to ask has also been generally positive for both employers and employees. The DTI’s Second Work-Life Balance Study, for example, found a high level of support for work-life balance amongst employers. The majority agreed that everyone should be able to balance their work and home lives in the way they want (65%). Generally speaking, support for the basic principles and concepts of work-life balance was supported by actions—employers that indicated the strongest levels of support tended to provide a wider range of practices and entitlements that helped their employees with their work-life balance.²⁵

20. Moreover, findings from the 2004 Workplace Employment Relations Survey (WEBS) show that the most commonly available arrangement for flexible working (available in 70% of workplaces) was the ability to reduce working hours and that the majority of workplaces providing reduced working hours did not put any restrictions on who was eligible to use this arrangement.

21. Our investigation into part-time and flexible working found that there was a shortage of supply of higher paid part-time opportunities, coupled with 3.6 million part-timers working in a lower level job than they had held in the past. Extending the right to ask to all employees could be a powerful way of achieving change and would increase the number of people who could start to work part-time or flexibly in the same job—ie not having to trade down. Given the Government’s plans to extend state retirement age, action to extend the right to ask to all age groups could also be very important.

THE TRANSFORMATION OF WORK

22. All of the evidence quoted above confirms that people’s expectations of work are changing. Younger people want to explore a number of possible options before they commit to full-time work and both men and women want to be able to take time out of their careers at various points in their lives without damaging their prospects.²⁶ To accommodate these changing demographics and the increasing demands for flexible working from employers working in a global/24/7 context, radical thinking about the nature of working time is needed so that part-time and flexible working is no longer seen as a deviation from the norm. In our latest Investigation, into the Transformation of Work, we are exploring and developing innovative models and solutions to better match the workplace of the future with the workforce of the future. We are looking at innovations such as opening up flexible working to share between different members of a household—for

²⁰ Office for National Statistics (2005a) *Labour Force Survey Historical Supplement*. London: ONS.

²¹ Holt, H and Grainger, H (2005) *Results of the second flexible working employee survey*. London: DTI Employment Relations Research Series No 39.

²² Government Actuary’s Department (2004) *Population by age last birthday in five-year age bands*.

²³ Loretto, W, Vickerstaff, S and White, P (2005) *Older workers and options for flexible work*. Manchester: EOC Working Paper Series No 31.

²⁴ EOC website.

²⁵ Woodland, Simmonds, Thornby, Fitzgerald and McGee, *The Second Work-Life Balance Study: Results from the Employer Survey*, national Centre for Social Research, DTI Employment Relations Series No 22.

²⁶ Williams, L and Jones, A (2005) *Changing Demographics*. London: The Work Foundation.

example, between mothers' working time and fathers' working time, or between adult siblings caring for an older parent. The kind of flexibility offered by, for example, BT, HSBC or McDonalds, empowers people to make decisions for themselves, while enabling companies to retain talent and tap into the skills of all their staff.

23. Working together with employers and others, and drawing on the expertise and innovative ideas of the best, we hope to find some new and creative ways of transforming work to create real flexibility and believable choices for individuals and employers. Turning conventional job design on its head enables organisations to bring in the skills that are needed, while enabling workers to make the best use of their talents.

LIFELONG OPPORTUNITIES FOR WOMEN IN TRAINING AND WORK

24. We particularly welcome the WWC's recommendations in this area, and we have been working with the WES and LSC to operationalise these. Research for the EOC shows that ESF funded projects, under current funding criteria, are playing a critical role in filling gaps in core provision for women by opening up training and work opportunities beyond level 2, and in non-traditional sectors and with innovative advice and guidance. We see the continuation of this role as a key task for the 2007–13 round of funding, as set out below. This is because the Government Skills Strategy targets public funds on those deemed most in need through lack of basic qualifications and focuses on advice, support and skills training at level 2. This excludes from mainstream training and skills programmes women who take time out or drop out to raise a family. Accessing routeways back into work through advice and guidance, updating old skills or retraining in sectors where women have traditionally been under-represented is a major challenge and, as yet, one unmet through mainstream government programmes. The National Strategic Reference Framework (NSRF—see also paragraph 38) for the next round of ESF funding, by taking account of the WWC recommendations, could provide a means of tackling that challenge and we hope to see this picked up in the action plan.

WORKPLACE PRACTICES

25. We note and welcome the recommendations in the WWC designed to encourage all employers, including private sector employers, to do more to promote gender equality; but we think there is scope to develop thinking further.

THE PUBLIC SECTOR—THE GENDER EQUALITY DUTY

26. In April 2007 public authorities will become subject to specific duties to eliminate sex discrimination and promote gender equality. This is an extremely welcome and significant step forward, which we are pleased to see reinforced by the WWC recommendation that public sector employers should be accountable to a Ministerial Committee. It is important that the specific duties should be action focused, and include requirements to collect relevant data and to carry out to impact assessments of new and current policies. The duties will also require public authorities to “consider the need to have objectives that address the causes of any differences between the pay of men and women resulting from their sex” and it is important that these are linked to national objectives by the Government so that co-ordinated action can be taken. For example, action on occupational segregation involves many different public sector players who cannot work in isolation.

27. The introduction of these duties will give added weight to the drivers already existing in the public sector—these include Government leadership (eg requiring all government departments to have carried out equal pay reviews); inspection regimes (eg Best Value Indicators in local government); centralized pay negotiations (eg Higher Education); and trade union pressure (eg the Civil Service). The higher degree of union organization within the public sector also makes the threat of legal action a greater risk, and thereby a stronger driver for change, for public than private sector employers. There is already a gap between the incidence of good equalities practice in the public and private sectors, and there is a danger that unless the private sector is subject to an approach similar to that soon to apply in the public sector, this gap may widen still further.

THE PRIVATE SECTOR

28. The pay gap between men and women working full-time in the private sector is nearly 10 percentage points bigger than it is for public sector workers. The EOC's latest survey monitoring the incidence of equal pay reviews shows that the least equal pay review activity is in the private sector. While 61 % of large public sector organisations have completed an equal pay review or have their first equal pay review in progress, just 39% have done so in the private sector.²⁷ Moreover, over half of large private sector organisations reported no past equal pay review activity and were not planning to carry out an equal pay review within the next twelve months; this compares with a third of large public sector organisations.

²⁷ Equal Pay Reviews Survey 2005, Adams, Carter and Schafer, IFF Research, EOC 2005 EOC Submission to the Trade and Industry Committee Inquiry/Women and Work Commission.

29. Equal pay reviews are a useful means of identifying not only pay discrimination, but also the other causes of the pay gap, including occupational segregation and lack of access to flexible working. Another way of addressing pay discrimination is using public procurement to promote good practice. The EOC therefore supports the recommendations made by the WWC to develop equalities-led procurement advice and use procurement as a means of spreading best practices in diversity and equal pay matters.

30. While the wish to be seen as an “employer of choice” is a key driver for change in the private sector, existing accountability mechanisms do not recognise gender equality as a matter to be reported upon, and the voluntary corporate social responsibility mechanisms tend to focus on environmental and community initiatives rather than employment. However, current and future demographics mean that there are considerable business benefits to be gained from closing the pay gap. As things stand at the moment women’s economic potential is not being fully realised and both the economy as a whole and individual businesses stand to gain from ensuring that women can reach their full potential. The demographic and productivity case for closing the gender pay gap needs to be more widely promulgated, and we hope that this will form part of the action plan.

THE DISCRIMINATION LAW REVIEW

31. We believe that there is a case for modernizing the existing, 30 year old sex discrimination laws to provide more effective regulation for both individuals and employers. In our submission to the Discrimination Law Review (the DLR) we are calling for an examination of the nature of the responsibilities to be placed on institutions and organisations, both private and public. Whilst there will always be a place for individual rights, experience so far suggests that legal action by individual women and men alone cannot redress the inequality that causes the gender pay gap. A more proactive approach, akin to that already being introduced in the public sector, is likely to be more effective in closing the pay gap and achieving changes that will benefit everyone, including employers themselves.

32. We are therefore asking the Government to consider that the private and voluntary sectors should adopt a similar pro-active approach to eliminating discrimination, and promoting equality to the new duty for the public sector. Far from adding to the regulatory burden, this would simplify and modernize the law and reduce the risk of tribunal cases. Our approach is one of better regulation, not more regulation, and our aim is to extend existing good practice so that it becomes common practice, leading to wider business benefits. Promoting equality is about prevention, rather than cure, and we want to reduce the need to rely on legal cases—there have been a quarter of a million Employment Tribunal cases of sex discrimination and 67,000 related to equal pay in the thirty years since the Sex Discrimination and Equal Pay Acts came into force, with record numbers filed over the last five years. We are also keen that the DLR’s examination of the issues should address what support organisations, particularly small employers, may need in closing the gender pay gap.

FUNDING THE WWC RECOMMENDATIONS—THE 2007 CSR

33. If the report *Shaping a Fairer Future* is to make change happen then the amount of funding made available for implementing the recommendations will need to be sufficient to the scale of the task. We suggest that both the 2007 Comprehensive Spending Review (the CSR) and the National Strategic Reference Framework (NSRF) for the next round of ESF funding provide strategic opportunities to target resources on the implementation of the WWC recommendations.

34. In laying the groundwork for the 2007 CSR the Government is taking forward a programme of work which includes: an examination of the key long-term trends and challenges that will shape the next decade, including demographic and socio-economic change; and detailed studies of key areas where cross-cutting, innovative policy responses are required to meet these long-term challenges—we consider that *Shaping a Fairer Future* amounts to just such a study and should be used to determine what further investments and reforms are needed to enable the UK to close the productivity gap.

35. In the public sector, closing the gender pay gap and implementing the recommendations in *Shaping a Fairer Future* need to be embedded in a strategic approach to the implementation of the Equality Act 2006. The Act amends the Sex Discrimination Act to place a duty on all public authorities, including government departments, to promote equality between men and women. We see the implementation of the Gender Equality Duty (the GED) as a priority for the CSR and consider that the action taken by government departments and agencies to fulfill their obligation under the GED should feature ideally in departmental PSAs, or at the very least, the gender PSA.

36. It follows that we see the CSR as the vehicle for the WWC’s recommendations on public sector pay. The WWC recommended that:

The public sector pay committee gateway should call all public services to account for how any proposed new pay systems addresses all the causes of the gender pay gap which give rise to costs in the longer term.

The public sector pay committee was set up to ensure greater centralised control and co-ordination over public sector pay deals—the Chancellor has set a target of keeping pay rises to an average of 2.25%. The pay committee will assess specific proposals for pay increases and changes in pay structures against the government’s pay objectives, and recommend to ministers whether they should be approved. It will assess departments’ pay and workforce strategies and report to the Chief Secretary to the Treasury. The aim is that “all significant pay decisions should be signed off” by the committee. There is an obvious tension between controlling levels of pay and implementing new pay systems that deliver equal pay, which are likely to add costs, hence the need for a strategic approach.

37. The WWC also recommended that:

HM Treasury should ask public sector employers to account for the progress on equal pay during the comprehensive spending review.

Progress towards the implementation of this recommendation could be tracked through the departmental PSAs.

FUNDING THE WWC RECOMMENDATIONS—THE NSRF

38. In the EOC’s response to the DTI consultation on the proposed National Strategic Reference Framework (NSRF) for the next round of ESF funding²⁸ we pointed out that the work done by the WWC and the recommendations on tackling skills shortages, taking a local approach to the matching of skills and jobs and introducing measures to assist women to return to the labour market, were highly relevant to the objectives of the NSRF. We asked that these should be part of the NSRF framework. We consider that gender equality should be embedded in the NSRF at national, regional and local levels, but we also think that the framework would provide a means for implementing those of the WWC recommendations that relate to delivery at a local level.

CONCLUSION

39. The WWC has taken a long hard look at women in the UK economy. *Shaping a Fairer Future* has found that entrenched occupational segregation both reinforces and perpetuates skills shortages, while a continuing gender pay gap underplays women’s contribution to UK productivity. Against this background it is vital that the Government builds upon the momentum generated by the report and acts upon the WWC recommendations. We look forward to playing our part in that and in helping to sustain the necessary action forward into the Commission for Equality and Human Rights, because the important work on the implementation of the WWC recommendations is likely to continue after the integration of the EOC in the CEHR.

40. We would be happy to amplify our thoughts in oral evidence to the Committee.

Supplementary memorandum submitted by the Equal Opportunities Commission

NOTE ON EQUAL PAY AND THE DISCRIMINATION LAW REVIEW

1. The Discrimination Law Review (the DLR) is the Government’s review of anti-discrimination laws. The review is working towards a Single Equality Bill, which the Government has committed to introducing during this Parliament.

2. The DLR is intended to address long-held concerns about inconsistencies in the current anti-discrimination legislative framework. The DLR is considering the fundamental principles of discrimination legislation and its underlying concepts. It will work to develop a simpler, fairer legal framework that fits the needs of 21st century Britain. It is also considering opportunities for creating a clearer and more streamlined legislative framework, which, having due regard to better regulation principles will be more “user friendly” for employers and employees alike, as well as for the service providers and service users.

3. The DLR will shortly be publishing and consulting on its proposals. In the meantime the EOC has been working with the DLR team and with the Commission for Racial Equality (the CRE) and the Disability Rights Commission (the DRC) on what we would like to see included in the Single Equality Act. The area of equal pay, however, is one in which the EOC has sole responsibility. The EOC is also consulting a wide range of stakeholders, including employers, service providers, unions, and the gender lobby.

4. As the experts in gender equality, the EOC wants to see legislation that is purposive; grounded in a set of agreed principles; sufficiently broad in scope to address discrimination in all its forms; and which enables institutions and organisations to move beyond compliance towards the achievement of real equality—in other words, to opt for prevention, rather than cure.

²⁸ EOC Response to DTI Consultation on the EU Structural Funds Programmes 2007–13.

5. The current legislation is based on individuals bringing individual legal action when they experience inequality. This, *on its own* hasn't gotten the job done. There will always be a place for individual rights but we think it's time for a debate that takes us beyond putting discrimination right *after* it's happened to *preventing* it happening in the first place. With the implementation of the Gender Equality Duty this is beginning to happen in the public sector, but the gender pay gap—the key indicator of inequality for women—is wider in the private sector than the public.

6. The EOC considers that the law should adopt a proactive approach to closing the gender pay gap. The precise way in which this would be done should be open to debate with employers but our suggestion is that it should include giving all employers, not just those in the public sector, the responsibility to consider, in a preventative, light touch way, whether they have a gender pay gap, perhaps through an equality check,

and if so to take such action as is needed, including, if necessary, a full pay review. 7. The fact that the equal pay legislation is no longer fit for purpose has been graphically illustrated by the situation in local government, where some 50,000–60,000 thousand equal pay claims have either been filed or are in the offing. A further 10,000 claims have been filed against NHS employers, and there is a possibility that claims may also arise in other parts of the public sector. While there are a several reasons for the upsurge in the number of complaints, we see the underlying problem as being the difficulty in reconciling the individual rights to equal pay, which are provided by both EU and domestic law, with the fact that pay tends to be delivered through workplace agreements.

8. In the context of the public sector such agreements will most likely have been negotiated by a recognised trade union, but even in the private sector it is still the case that pay tends to be decided for groups of employees, and that the kind of individualised solution obtainable through the Employment Tribunal has the potential to hinder the implementation of equal pay for a wider group of workers. These consequences were not foreseen—nor could they have been—at the time that the equal pay legislation was first introduced, but we hope that the DLR will take the opportunity to lead an in-depth consideration of how the tensions between individual rights and collective solutions can be resolved.

9. In the meantime, the EOC is asking the DLR to:

- Consider whether the existing equal pay provisions should be brought within a new unified equality act. This would be consistent with the need to simplify and modernize equality law.

The separation of pay and other discrimination claims militates against a solution-based approach that tackles access to jobs, promotion, working hours etc as part of the reason for unequal pay. The current distinction between equal pay and sex discrimination claims raises unnecessary complications and is out of step with the proposed harmonisation in European law, where there are moves to apply the same principles of law to pay and non-pay discrimination.

Article 3(1)(c) of the Equal Treatment Amendment Directive 2002/74/EC (ETAD), which came into force on 5 October 2005, applies the amended principle of equal treatment to employment and working conditions including pay as provided for in the Equal Pay Directive. The definition provides for less favourable treatment on grounds of sex than another is, has been, or would be, treated in a comparable situation. This approach is also adopted in the Recast Directive. Thus in European law there is provision for a hypothetical comparator (see below).

- Ensure that the Single Equality Act provides for the CEHR and other representative organisations to take representative action on behalf of a group of individuals.

Representative action allows one representative of a group of claimants to raise proceedings against a respondent on behalf of that entire group. While it is only the representative claimant who is party to the legal proceedings, all members of the group are bound by the outcome of the case.

Representative actions would be taken where there was an actual group of claimants entitled to individual remedy. It should not be confused with “own-name proceedings” (initiated by a statutory equality body), where no individual victim or victims are easily identifiable. Representative action should also not be confused with Test Cases (where one or more cases are picked out as being typical of the issues being litigated, but all the claimants are party to the proceedings—see below) or Formal Investigations (where a statutory equality body carries out an inquiry into alleged discriminatory practices—see below).

Representative actions should also be distinguished from class actions. In representative action, one representative body (rather than a grouping of individual claimants) commences litigation. In a class action (a US term) each claimant is required to raise proceedings, which are then “grouped” together.

- Amend equal pay law to allow claims for equal pay in circumstances where there is no actual comparator doing equal work, but where there is *prima facie* evidence of discrimination in the employer's pay practices.

Equal pay is currently the only equality jurisdiction to require identification of an actual comparator, but cases taken to the ECJ have shown that where there is evidence of indirect discriminatory pay practices it is not necessary to cite an actual comparator.

Amending the law in this way would bring it into line with what is required under EU laws; it would bring equal pay into line with other equality jurisdictions, and, most importantly would help to narrow the gender pay gap by enabling discriminatory pay practices to be challenged through the employment tribunal.

Examples of where such an amendment would be of benefit include: bonus payments being paid only to male dominated jobs above a certain grade;

contractual benefits—occupational sick pay, occupational pensions; private health insurance; being paid only to full time employees. All such payments contribute not only to the women's take home pay but also to the overall gender pay gap and their inequitable distribution needs to be addressed if the pay gap is to be closed.

If the woman can show *prima facie* evidence of pay discrimination, then we want the claim to be treated like any other discrimination claim ie it would be for the complainant to show evidence of a discriminatory practice applied equally to women and men and it would then be for the employer to seek to justify the inequity.

We think that the existing equal value apparatus, including the job evaluation provisions, is useful and should be retained for those situations in which a complainant has an identifiable comparator, but is not necessarily capable of challenging pay practices affecting groups of employees, such as pensions, bonus payments or the treatment of part time employees.

- Amend equal pay law to provide for circumstances in which employers could be protected against equal pay claims whilst they implement changes to their pay systems. Such protection would be contingent upon an equal pay review having been carried out and an action plan for the implementation of equal pay having been drawn up in consultation with the workforce.

This would benefit employers by enabling them to implement equal pay in a well-managed and orderly fashion and also to phase in the costs of implementation, but individuals would also benefit by obtaining pay equalisation without the attendant costs, delay and stress that bringing an individual claim entails.

We accept that implementing this particular amendment poses particular challenges, but we see it as essential to enabling organisations to make it to deliver equal pay systemically without their actions being frustrated by individual claims.

9. We consider that our proposals are congruent with the DLR's intention of developing a legal framework that fits the needs of 21st century Britain. If implemented, our recommendations would also help to shift the focus from what individuals can achieve through the Employment Tribunal or Court to what the organisation and the employer can do to tackle the gender pay gap.

Memorandum submitted by Fawcett

The Fawcett Society is concerned that the Women and Work Commission focused on social change methods to tackle occupational segregation without considering the impact of discrimination on women's employment and pay and the need for legislative change as an essential part of any package to address the pay gap. We are also alarmed that the Commission failed to consider the significant impact of men's employment and caring behaviour on gender employment and pay gaps.

A. DISCRIMINATION AND LEGISLATIVE REFORM

Fawcett is particularly concerned that the Women and Work Commission overlooked the role that discrimination plays in creating the employment and pay gaps between women and men, and the need for legislative reform. The Women and Equality Unit's own research concludes that the biggest single cause of the gender pay gap is discrimination rather than occupational segregation.²⁹ Discrimination cannot be tackled by cultural change alone. Even with the most concerted efforts, cultural change will take decades, and will do nothing to prevent unscrupulous employers from continuing to exploit women's low paid labour to make a profit. A cultural change approach must be twinned with legislative reform to tackle all the major causes of the gender pay gap. Crucially, responsibility should be shifted from individuals having to initiate legal action in order to obtain redress, to an obligation on employers to take proactive measures to prevent inequality.

²⁹ Walby, S & Olsen, W (2002) *The impact of women's position in the labour market on pay and implications for UK productivity*, Women and Equality Unit, DTI.

Earlier this year, Fawcett teamed up with the country's top employment lawyers and discrimination experts to take a tough-minded look at the options for reform to feed into the Discrimination Law Review. I enclose a copy of our analysis and recommendations for your information. We very much hope that these proposals will be reflected in the Women and Work Commission action plan. Key recommendations to come out of our discussions with the experts included:

1. *Simplify gender equality legislation*

Equality law experts report that gender equality legislation is now woefully out of date, and out of step with European Law. The "dual" system of sex discrimination legislation is unnecessarily complicate and confusing for both employers and employees. Legislation should be simplified by:

- (a) *Harmonisation*: Sex discrimination on both contractual and non-contractual grounds should be covered under the Single Equality Act. Requirements for comparators, time limits for bringing claims and the remedies for claimants should all be harmonised up.
- (b) *Comparators*: As recommended by the Women and Work Commission, the requirement for actual comparators in claims for equal pay should be removed.

2. *Ensure employers proactively promote gender equality*

Many employers either do not have an adequate understanding of, or choose to overlook the standards they are required to meet in order to comply with legislation preventing discrimination. Given gender employment and pay gaps remain wide there is clearly an urgent need for more proactive measures to end pay discrimination. Our specific recommendations include:

- (a) *Extension of public sector duty*: The duty should be extended to the private sector with respect to employment.
- (b) *Pay Audits*: *Equal pay audits should be mandatory for all public and private sector employers as part of a gender equality "health check" of an organisation. At the very least, tribunals should recommend that employers who lose equal pay claims must conduct an equal pay audit.*
- (c) *Procurement*: As recommended by the Women and Work Commission, government contracts and funding should only be awarded to organisations with good track records on gender equality.

3. *How to support individuals upholding the law*

The onus should be shifted from individuals being forced to take legal action to obtain redress to the positive promotion of gender equality by employers. But in the meantime individuals should be better supported in taking cases. At present cases are difficult and costly to bring, the law inadequate and remedies are inadequate and difficult to enforce. Our specific recommendations include:

- (a) *Group actions*: As recommended by the Women and Work Commission, tribunal rules should be amended to make it easier to bring group representative actions.
- (b) *Ban on dismissal of pregnant women*: 30,000 women are unlawfully dismissed from employment due to pregnancy in the UK each year (EOC, 2005). To clarify the law and improve their protection, there should be a prohibition on dismissing pregnant woman and new mothers.

B. MEN'S ROLE

Women's participation in the labour market is not only affected by their own caring responsibilities, but also men's labour market behaviour and their own partner's contribution in the home. Motherhood is often a trigger to women working part-time (with associated low wages), whereas men tend to increase, rather than decrease, their working hours when they have young children.³⁰ The resulting gender imbalance in the domestic sphere further limits women's participation in the labour market and means they are competing on unequal terms with men working long hours. If the Government is serious about closing the gender gaps in pay and employment it must consider how to level the playing field for women and men in the labour market. In particular:

- (i) How to reduce men's long working hours.
- (ii) How to encourage and support men to do more unpaid work in the home.

³⁰ Bellamy, K and Rake, K. (2005) *Money, Money, Money: Is it still a rich man's world?*, The Fawcett Society.

Memorandum submitted by the Greater London Authority

INTRODUCTION

1. The Mayor of London welcomes the opportunity to comment on the report from the Women and Work Commission. In February 2006 the Greater London Authority (GLA) submitted evidence to the Trade and Industry Select Committee arising from our continuing programme of work on women in London's economy. The GLA also sent a copy of our 2005 report on Women in London's Economy to the Women and Work Commission and held a meeting with representatives of the Commission. This report memorandum summarises the initial findings and further analysis of issues carried out since that date and comments on some of the recommendations of the Women and Work Commission.

2. We note that the Sub-Committee will examine, in particular:

- the extent to which the suggestions of the Women and Work Commission to address what the latter describes as “the pay and opportunity gap”, “meet the concerns of those who gave evidence to the Committee in the last Parliament”; and
- what the Government and other public bodies, employers and trade unions are doing to implement the recommendations of the Women and Work Commission.

Our comments take this focus of examination into account.

3. The Mayor's officers would be pleased to give oral evidence to the Sub-Committee to elaborate on these points and also to give an outline of action the GLA is taking to address these issues itself. A copy of the most recent report on Women in London's Economy, published in February 2006, and its summary, accompany this submission.

ISSUES ON WOMEN IN LONDON'S ECONOMY

4. Key findings of our 2005 report on Women in London's Economy included:

- London's labour market is highly divided by gender, with men and women broadly speaking working in sectors of the economy and different jobs. The outcome of this is not neutral, but rather reflect and entrench discrimination with women tending to work in lower paid sectors. Women are over-represented in health and social work by 68% and in education by 55%. In terms of jobs, women are concentrated in administration and secretarial roles by 62% and in sales and customer services by 40%.
- This occupational segregation by gender makes a significant contribution to the gender pay gap in London: the most common women's occupation in London pays £5.38 per hour but the most common man's job pays £17.30 per hour, three times as much.
- The gender pay gap for women working full-time in London is 25%, wider than the gap of 18% in Great Britain as a whole.
- Women are under-represented in management and senior occupations, and professional occupations, in all sectors except education, health and social work: while 12% of women in London work in managerial and senior occupations, 21% of men do so.
- Even in sectors with a concentration of women employees there are fewer women at top levels and women remain under-represented at the top.
- Men dominate senior positions in London's business sector—only 4.8% of executive directors of FTSE 100 companies in London are women.
- Discrimination is not simply a matter of occupational segregation—of men and women working in different jobs and sectors, unequal though that may be—or confined to specific grades or levels of employment: when women make it into senior positions in sectors where they have been unequally represented, their rewards are much lower than men's. For example, the average total directors' remuneration for women is less than half that of men's: for women it is £103,753, while for men it is £233,047.

5. Further analysis in our 2006 report found that:

- The gender pay gap is greater in London than at UK level. Comparing mid-point (median) earnings for women and men working full time, the gender pay gap is only slightly higher in London than the UK—15% compared to 14%. However, the average (mean) gender pay gap is 24% compared to a UK figure of 18%. This reflects the gross under-representation of women in highly paid jobs in London.
- The part time pay gap is greater in London than in the rest of the UK. Median earnings show that women working part time earned 51% of the full time rate for men, compared to 57% in the rest of the UK.
- There has been an increase in wage inequality for women in London over the last six years that has not been seen in the UK as a whole.

- In 2004 the highest paid 10% of male full time workers in London earned £36.66 an hour, while the lowest paid 10% of female full time workers earned £6.78 an hour and the lowest paid 10% of female part time workers earned a mere £4.85 an hour.
 - Women’s employment rates are lower in London than in the rest of the UK: only 62% of women in London are in work, but nearly 70% elsewhere. One significant reason is the much lower proportion of women working part time in London. For women with dependent children the barriers to part time work are particularly high: 27% are in part time work in London compared to 41% in the UK.
6. Qualitative research supported these findings by showing that:
- Gender segregation and subject choice in schools and colleges are intrinsically linked and that young women are receiving inadequate careers advice. Women remain a minority of entrants to A levels and degrees in many of the subject areas that employers in the five growth sectors seek.
 - Retaining skilled women workers with caring demands requires an improved combination of flexible working practices and affordable and flexible childcare.
 - While no organisations said that flexible working was harmful to productivity, there appeared to be untested assumptions that these arrangements would not work in certain jobs or sectors, and these needed to be subject to scrutiny, such as through pilot schemes to evaluate the objectivity or otherwise of such assumptions.
7. The report concluded that the new steps needed include:
- A national macro-economic policy that invests more in London—women are suffering particularly badly from the fact that participation in work as a whole is lower than in the rest of the UK and unemployment is also higher.
 - Educational and training provision that addresses gender segregation and equips women to have the best chance for the most rewarding jobs. In London, this would be aided by strategic direction by the Mayor of the Learning and Skills Councils.
 - Firmer measures on direct and indirect discrimination and occupational segregation. More companies need to base policy on better factual information, such as through monitoring and reporting on the experience of women employees, providing statistics on where women are located in their job and pay structure, and thereby understanding and developing the business case for equality.
 - Childcare and other care provision that is affordable, high quality and flexible. Government needs to invest more to meet London’s childcare needs and higher real costs. Employers can help by supporting the extension of flexible working policies much more thoroughly.
 - A robust and modernised framework of equality law with positive and comprehensive duties to equality available to women in whatever sector they work, public or private, greater rights to flexible working, more meaningful delivery mechanisms such as through positive action, better access to justice and enforcement such as through the possibility of representative, or “class”, actions, and a clearer duty on the public sector to ensure equality standards when procuring services.

CURRENT GLA ACTION

8. The GLA and the London Development Agency are currently seeking to engage with employers willing to share methods of gender pay reviews and we are currently finalising the issues for investigation for our 2007 Women in London’s Economy Report. These are likely to include further analysis of flexible working practices, the impact of discrimination and lessons from other international experiences in tackling inequality. We would be pleased to share our plans and progress with the Sub-Committee at a later date.

COMMENTS ON THE WOMEN AND WORK COMMISSION REPORT, “SHAPING A FAIRER FUTURE”

9. The Mayor welcomes many of the recommendations of the Women and Work Commission, although he considers some of them too tentative. For instance, recommendation 37 says that the “Discrimination Law Review should consider more fully the issues of whether or not to extend the hypothetical comparator to equal pay claims and of generic or representative equal pay claims.” The GLA considers it essential that the Discrimination Law Review tackles entrenched inequality by seriously considering the case for representative legal actions, rather than through individual redress, as at present.

10. The Mayor also considers it essential to provide rights to equality and equal pay for women wherever they work, by developing a private gender duty to complement the new public sector duty on gender. The Women and Work Commission did not take this view and also did not support mandatory equal pay reviews.

11. The Mayor considers that procurement powers should be used to promote equality and that this measure should be unequivocally included in the duty to promote equality. The Women and Work Commission's recommendation (number 35) falls short of making the use of procurement an absolute requirement of the public sector duty, but seeks to encourage it and promote good practice.

June 2006

Memorandum submitted by Orange

IMPROVED WORK-LIFE BALANCE: THE ROLE OF ICT

1. INTRODUCTION

The world of work is changing: new technology, new global pressures, more women working, fewer young people and an expansion of the older generation.

- Almost 19% of employees work in workplaces operating 24 hours a day, 7 days a week.
- One in eight employees work both Saturday and Sunday.
- Almost 11% of employees work 60 or more hours a week, typically in professional and managerial jobs.
- More than one in eight men with dependent children works 60 hours or more a week.
- 56% of women preferred greater flexibility in their working arrangements to longer maternity leave on their return to work following maternity leave.³¹

The UK Government and Opposition parties, government agencies, think tanks and many parliamentarians all talk about their support for improving the work-life balance.

- The Department of Trade and Industry (DTI) has legislated to improve work-life balance, through the Work and Families Act 2006 and other earlier legislative developments to improve rights at work.
- HM Treasury has used tax, tax credits, grants and other financial measures, such as support for childcare, to assist employees to improve their work-life balance.
- The Women and Equalities Unit, now part of the Department for Local Government and Communities, has particularly focused on work-life balance and flexible working for women in the workplace. This is now being taken forward in proposals in response to the Commission for Women.
- The Conservative Party, in its Aims and Values paper, *Built to Last*, aspires to enable people to strike a better balance between work and life through flexible working as part of its overall aim to enhance the environment and increase general well-being. Orange welcomes these various initiatives. However, in doing so, we argue that Information Communications Technology (ICT), such as mobile technology and broadband, is one of the most significant drivers for improved work-life balance. We're not saying it's the solution to all our problems. Technology can only achieve so much and it is important for people to "switch off". And we are not advocating "technology for technology's sake". Nevertheless, in many cases, the role and impact of ICT is over-looked and often taken for granted. To this extent, this paper seeks to raise awareness of ICT in improving work-life balance, and urges the Government (and others) to place it at the core of its strategies.

2. HOW CAN ICT HELP?

Flexibility has gradually improved over the last 10 years. A recent survey shows that employers taking part in flexible hours schemes have increased from 17% to 22%.³² According to the Work Foundation, 60% of employees now say their employer supports flexible working.³³ One of the big enablers is mobile computing and high speed communications. Technology unleashes new possibilities for organising work in ways that are more aligned with other priorities, from family life to civic duty. According to *The Mobile Life Report 2006*, 61% of employees who use a mobile device of some sort say that their quality of life has improved as a result.³⁴ However, the adoption of a technology strategy amongst UK companies to foster more flexible working conditions remains low. 41% of organisations provide their commuting office workers with no form of mobile device whatsoever.³⁵

³¹ The Second Work-Life Balance, DTI 2003.

³² Working in Britain Survey, LSE/PSI Survey 2002.

³³ *About Time for Change*, Work Foundation June 2003.

³⁴ *The Mobile Life Report 2006: How mobile phones change the way we live* www.mobilelife2006.co.uk

³⁵ Henley Centre HeadlightVision research conducted for Orange.

As a mobile communications business, Orange has helped to change the way people communicate and do business. For anyone who spends any time away from the workplace, being without a mobile handset is unimaginable. Mobile communications technology has made working “out of the office” or “homing” (working at home) common place. The average Blackberry user converts 54 minutes of downtime into productive time each day.³⁶

- Mobile handsets, smart phones and Personal Digital Assistants (PDAs), such as the Blackberry, allow us to talk, text, access location-specific information and access office facilities, such as e-mail, contacts, diary appointments and the corporate network, all whilst on the move and at a time and place convenient to the user.

Coventry University Enterprises: Flexible Working

Coventry University Enterprises Ltd (CUE Ltd), the commercial trading arm of Coventry University, provides a range of business and IT services to companies across the UK and Europe. In 2002 CUE Ltd introduced an initiative called “Location-Independent Working” (LIW) to trial employee flexible working. The initiative, which has received a DTI E-Commerce award, has led to the development of a formal written flexible working policy that covers areas such as hours of work, health and safety, insurance, travel arrangements, data security, training and equipment. Employees are encouraged to work “out of the office” between 40–60% of the time. Orange’s mobile technology plays an important part in enabling this flexibility in creating an easy to use mobile working environment. Since the initiative began 100% the participants have chosen to work flexibly. Flexible workers are equipped with the appropriate technology to do their jobs, including smart phones, laptops, PDAs, tablet PCs and thin client computers.

- Fast Internet access via a broadband connection in the home (72.6% of UK Internet connections are now broadband)³⁷ allow more people to access the office server from the comfort of their living room offering the freedom to work from home unrestricted. Faster connections enable us to access more advanced and beneficial services, such as video conferencing and training facilities.

Redbrick Enterprises Ltd: Boosting Productivity at Home

Redbrick Enterprises Ltd is a consultancy business run from a homely head office in Shrewsbury, Shropshire. The company has five home-based employees who utilise broadband connections to service clients across the UK. The employees communicate using instant messaging tools and keep in touch with client projects through online project management tool, Basecamp. Founder, Emma Jones, and her team have reaped the rewards of being home-based by saving up to one day per week through cutting out the daily commute and the increased productivity that comes with working at home. Time saved is spent with family & friends or, as Emma prefers, doing more work! Having recognised a dramatic increase in the number of businesses being started from a home base (around 75% of new start-ups are based at home) Redbrick has launched a website at www.enterprisenation.com that offers information and inspiration to home workers across the UK.

- And the Internet is now mobile. Faster Internet speeds over Third Generation (3G) mobile networks mean we can have quick access even when we’re not in a certain place, such as at a desk or at home. 3G “data cards” slotted into a laptop can give the user all the power of the fixed Internet at his or her fingertips when on the move. And wireless broadband connections are now available at an airport or on a train enabling us to work as effectively “out of the office” as when we’re behind a desk. Many 3G data cards can connect to 3G mobile networks, nearby wireless networks or 2G mobile networks to enable a seamless Internet connection.

BDO Stoy Hayward: Greater Freedom to Work and Play

Part of the world’s fifth largest accountancy network, BDO Stoy Hayward is investing £2 million to mobilise its workforce, improve its business performance as well as employees’ work-life balance. The commitment is in response to its latest annual employee survey, which showed that the majority of its employees want to adopt more mobile working practices. Using Orange’s high speed Third Generation (3G) network, 2500 employees can now access e-mail and the corporate network via laptop using a 3G data card or mobile device when off-site, traveling between meetings or working from home. It gives them the flexibility to work their own way, be more productive and have more time to dedicate to their private lives. Each employee has—to date—recovered an extra 40 minutes of working time per month.

³⁶ Ipsos research 2003.

³⁷ Office of National Statistics June 2006—this figure does not include mobile Internet connections.

It is not just the private sector that is deploying the use of ICT to improve productivity and enhance employees' work-life balance. In the public sector, organisations—such as local authorities—are using ICT to make cost savings, improve service delivery and enhance the work-life balance of employees. The Government recognises the benefits of ICT in public service delivery but a shift in thinking, driven by a central strategy as well as a change in private sector practices, is needed to boost work-life balance benefits in the public sector.

East Sussex County Council: Management by Output

One of the largest local authorities in the UK with an annual budget of £489 million and 15,000 employees, East Sussex is using a mobile working solution to provide staff with the opportunity to work flexibly and manage their work-life balance. Using PDAs and smart phones with the Orange network, the Council has adopted a shift in culture towards “management by output”. It has also introduced significant efficiency benefits allowing the Council to deliver local services more effectively.

But this is just the beginning. In the next few years, the way we work and communicate with each other will continue to change, opening up more options for employees, greater opportunities for flexible working and posing greater challenges for our employers. And this is reflected in many of the service providers, including Orange, now offering a wide range of communications services (often known as “triple play” or “quad play”), such as broadband, fixed telephony, “on demand” broadband TV and mobile communications. In the next few years:

- The take-up of broadband connectivity in the home will continue to grow and with it will come faster speeds enabling richer and enhanced services, such as interactive “on demand” television to complement existing digital TV, as well as improving the quality of video conferencing and other office facilities. In terms of penetration levels, the UK will challenge the likes of Canada and Japan as global leader as competitive pricing stimulates demand.
- The distinction between the various mediums we know so well—the television set, the radio, the Internet and the telephone/mobile—will continue to blur, both in the home and when on the move. Witness the already popular trend to make voice calls over the Internet (also known as “VoIP”), receive broadcast/streamed television on a mobile handset or listen to the radio via various digital television platforms.
- Advances in mobile communications technology (known as “3G+” or High Speed Downlink Packet Download Access (HSDPA)) will increase the speed of Internet access on the move, rivaling most existing fixed networks. This will greatly improve the quality of information that can be accessed whilst out and about and make working “out of the office” even more productive enabling greater work loads to be managed whilst on the move.

3. WHAT ACTION SHOULD GOVERNMENT TAKE?

Advances in ICT will drive these changes and Orange believes this should be recognised by the Government and others. We make several recommendations as to what action the Government should take to maximise the opportunities and to meet the challenges of improved work-life balance.

- (i) The Government should introduce a White Paper on Work-Life Balance. This should pull together initiatives across government and look to future policy. It should consider how improved work-life balance and flexible working will contribute to achieving key public policy objectives: supporting families, tackling poverty and exclusion, reducing congestion and enhancing the environment, and creating a productive knowledge economy. It should also set out future solutions, including how government will support the use and development of ICT strategies for improved work-life balance. The former Cabinet Minister, Rt. Hon Alan Milburn MP, first called for such a White Paper in 2004.
- (ii) The Government should embrace a new concept of work-life balance which recognises the benefits of ICT. In particular, we urge the Government to place ICT at the heart of its response to the Leitch Review of Skills.
- (iii) The Government should help promote a realistic work-life culture amongst employers by introducing a technology-based tax credit. This would be particularly designed to help small businesses to enjoy the multitude of benefits that flexible and mobile working can deliver.
- (iv) In support of this we advocate the introduction of a Skills Portfolio to help capture some of the learning, skills and aptitudes that are not reflected in traditional qualifications. This would include a “flexible working” skill set. This was recommended by think tank, Demos, in a report examining the relationship between young people and organisations.³⁸
- (v) There should be greater recognition by HM Treasury, Department of Trade and Industry and Department for Work and Pensions of the role of ICT in supporting work-life balance. In

³⁸ *Working Progress: How to reconnect young people and organizations* (June 2006)—Demos (funded by Orange).

particular, in implementing the Work and Families Act 2006 and other forthcoming initiatives. This should be linked to financial incentives and support for employers in the public and private sector to invest and utilise ICT to support flexible working.

- (vi) The Government should give further consideration to the role of ICT in responding to the recommendations of the Women and Work Commission. The recently published Action Plan should be integrated with strategies to support and promote the use of ICT, which will be critical to the success of proposals to improve flexible working arrangements for women.
- (vii) In its Comprehensive Spending Review 2007, the Government should set out proposals of how ICT strategies will be used to deliver improved work-life balance for public sector organisations and employees to improve efficiency and services.

Memorandum submitted by the TUC

The TUC produced a comprehensive submission to the Women and Work Commission's call for evidence in January 2005, which we attach here for information (not printed here). The TUC was disappointed that the Commission did not recommend introducing mandatory pay reviews but welcomed the recommendations when they were published in February 2006.

The TUC is of the view that if all the recommendations were funded and implemented properly, real equality between women and men could be achieved and significant steps could be taken to address occupational gender segregation.

Following the publication of the Women and Work Commission's recommendations the Chancellor used the 2006 Budget to announce substantial funding targeting women and the Government produced its Action Plan in response to the Commission's recommendations in September 2006.

The TUC has subsequently taken a number of steps to assist with the implementation of the particular recommendations of the Women and Work Commission that are set out here.

EQUALITY REPS

The TUC has long called for statutory recognition for union equality representatives, in order to assist employers with promoting diversity and tackling discrimination in the workplace. As a step towards this, we welcomed the Government's decision to provide support for a capacity building exercise via the Union Modernisation Fund in the first instance. The Trade and Industry Select Committee will be aware that the Women and Work Commission recommended that "a cross-government UK-wide package of measures should support awareness raising and capacity building" and that equality should be promoted through supporting employee involvement "via [a] £5 million additional funding for the Union Modernisation Fund for capacity building to support training and development for equality reps in the private and public sector".³⁹ In the event the Government agreed that Equality Representatives could be a "priority theme" for the second round of the Union Modernisation Fund (UMF) rather than being given additional funding. The TUC was disappointed that the funding was not ring-fenced, particularly as it is then unclear what the actual sum specifically for equality reps is likely to be.

Unions are currently submitting bids to the UMF for funding for equality reps capacity building. The TUC will be submitting a bid to the UMF for a project-coordinator and this post will provide assistance to affiliated unions to ensure that funding for equality reps capacity building covers a comprehensive range of sectors, sizes of union and strands (eg gender equality, age discrimination and lesbian, gay, bisexual and transgender equality). The co-ordinator will also help unions to develop the role of the equality reps and will evaluate their success, drawing up a comprehensive report for the DTI and the WWC.

EQUALITY CHECK

Alongside funding for capacity building for equality reps, the Women and Work Commission also recommended that the Government provide support for the development and marketing of equality checks. This would be a tool that employers could use to assess the risk of discrimination and/or unequal treatment across the causes of the gender pay gap ie unequal pay, sex discrimination, occupational segregation and the impact of family responsibilities.⁴⁰ The Government accepted this recommendation and has now established a steering group to oversee the implementation of what is now being referred to as the "Gender Equality Indicator".

³⁹ Recommendation 30, *Shaping a Fairer Future* pp xiv-xv.

⁴⁰ Recommendation 30, *Shaping a Fairer Future* p xv and p 84.

 UK WIDE QUALITY PART-TIME WORK CHANGE INITIATIVE

The Committee will be aware that women are far more likely than men to need to work part time at some point in their lives and most often when they have young children. The lack of part time work across a range of sectors and grades means that many women are forced to work in low paid, poorly valued jobs when they work part time, which has a significant impact on their lifetime working patterns and earnings.⁴¹ Furthermore, this trend in women's employment has led the Equal Opportunities Commission to find that 53% of women who work part time are employed below their potential.⁴² The TUC is of the view that this is an extremely serious issue and one that must be dealt with head-on through a number of avenues. The TUC was therefore disappointed that the Government only agreed to £500k funding to meet the Women and Work Commission's recommendation that the DTI set up a "UK-wide quality part-time work change initiative of £5 million to support new initiatives aimed at achieving culture change, so that more senior jobs are open to part-time and flexible working."⁴³ The TUC is in the process of setting up discussions with the CBI on how to take this recommendation forward.

SKILLS

The Women and Work Commission made a number of recommendations for piloting skills training for women. In his 2006 Budget, the Chancellor announced substantial funding for skills training specifically aimed at women who were currently out of the labour market, or who had low-skills and were in poorly paid part time work and black and minority ethnic women. The TUC welcomed the Chancellor's impressive response to the Commission's recommendations and since then the TUC has:

- Taken up a place (along with the Southern and Eastern Region TUC) on the Skills Alliance Delivery Group for the London 2012 Olympic Games, which aims to ensure that tackling gender segregation in jobs is part of plans for tackling skills shortages in relevant sectors.
- Been represented on the Women and Work Sector Pathways project group established by the DfES to oversee the spending of £5 million announced in the 2006 Budget which aims to provide the Sector Skills Development Agency with funding to support those Sector Skills Councils that face particular challenges in recruiting or retaining women in their sectors. The TUC has been facilitating trade union involvement in this project and has also been overseeing applications for funding from Sector Skills Councils in two rounds of bids for funding. These have now been dealt with and the TUC now sits on the Steering Group overseeing the implementation of these projects.

The Women and Work Commission also recommended that funding should be targeted at employers and sectors with high numbers of low paid women, especially black and minority ethnic women. In the 2006 Budget, the Chancellor announced £10 million a year for two years to fund a Level 3 skills "Train to Gain" pilot which would focus on women who are low skilled, are part time workers and black and minority ethnic. The TUC is currently in discussions with the DfES regarding the development of this work and will co-ordinate trade union involvement where appropriate.

January 2007

 Memorandum submitted by Pam Walton,

1. I have worked in the field of flexible working and work-life balance since 1978 when I was one of the founder members of the Job Share Project (which became New Ways to Work in 1981). I carried out the first research into job sharing in the UK, *Job Sharing: improving the quality and availability of part-time work* published by the Equal Opportunities Commission (EOC) in 1981. I am the author of *Job Sharing: a practical guide*, Kogan Page, 1990. I also carried out numerous research projects and wrote practical guides for employers, individuals and trade unionists on all aspects of working time arrangements during the period I worked for New Ways to Work (1981–2000). In 2001 I was co-author and researcher for a collection of 18 detailed case studies, *Flexi-Exec: Working flexibly at senior and managerial levels, New Ways to Work*, 2001 (Now available from Working Families).

2. Recommendation 11, that the DTI should establish a UK-wide Quality Part-Time Work Change Initiative is to be welcomed. Much of the evidence heard by the Women and Work Commission showed that women's choices are, to some extent, constrained by the nature of the jobs available on a part-time basis. Many of the respondents to the Women and Work Commission's call for evidence wanted more quality part-time work and flexible working at senior levels. Many women who gave evidence cited the lack of quality part-time work as being a major barrier to taking on senior roles. The numbers of women working part-time below their potential is also a key finding of the EOC's '*Hidden Brain Drain* (2005) and the *Gender and Employment in Local Labour Markets* study (Sheffield Hallam University, 2006)

⁴¹ More information can be found in *The Part Time Pay Penalty* A Manning and B Petronogolo, London School of Economics, November 2004.

⁴² *Working below potential: women and part time work* L Grant, S Yeandle, L Buckner, Equal Opportunities Commission, September 2005.

⁴³ Recommendation 11, *Shaping a Fairer Future*, p xi.

3. The Commission believes “that one of the main barriers is managers’ perceptions that some jobs—particularly management—cannot be done in this way.” My experience, gained over the last 25 years, leads me to conclude that there is evidence that a wide range of jobs are already being successfully carried out in this way, but one of the challenges now is to bring this evidence together as individual job-based case studies and make it accessible to individuals, employers and trade unions.

In order to share existing good practice, a web based data base could be established, with examples of a wide range of jobs which are already successfully carried on a reduced hours/job share basis. Whilst working for New Ways to Work (NWW) I provided expert evidence for ten Employment Tribunals (mainly for the EOC Legal Department)—on the feasibility of a range of jobs being carried out on a job share, part time and flexible hours basis (1997–2000). These jobs were largely at a senior and managerial level. I was able to give examples where similar jobs were already being carried out on a job share or part-time basis as at that time NWW kept a Job Share/Flexible Working Directory of such jobs. Real examples can provide case study evidence which helps employers who may be uncertain about how such arrangements can work successfully.

4. Working Families (formed by the merger of Parents at Work and New Ways to Work) have recently announced a new piece of work. <http://www.workingfamilies.org.uk/asp/employer—zone/e—bulletin/e—bulletin—quality—work—hours.asp>

By providing evidence and detailed case studies of jobs being successfully carried out on a reduced hours basis, demonstrating benefits for employees and employers, Working Families hopes to help others who are attempting to negotiate quality work with hours to suit.

5. Job Share services to put potential job share partners in touch, aimed at high quality occupations. Such services would need to be organised on a local basis through existing agencies. There would also be scope to help professional bodies and trade unions to establish job share matching services. New Ways to Work ran a computerised job share matching service for the London area during the 1980’s and the Careers Service in Sheffield also ran a register at that time.

6. A high profile UK-wide Quality Part-Time Work Change Initiative Campaign could be developed, with various stakeholders to promote existing good practice and role model examples. These could be publicised, through various channels, working with professional bodies and using professional journals. This could include the production of practical guides and material available through the web as well as other initiatives mentioned under recommendation 11.

September 2007

Memorandum submitted by the YWCA England and Wales

INTRODUCTION TO YWCA

1. YWCA England & Wales is the leading charity working with young women facing poverty, discrimination or abuse. We work with young women aged 11–30 including many who are not in education, employment or training (NEET) or who are struggling to find work or training that will lead to a financially secure future.

2. Through our work we provide support, information and the opportunity to learn. We deliver our work through over 140 programmes. These programmes reach out to young women with very complex problems, most of whom live in economically deprived areas in England and Wales. We also campaign with young women and carry out research on issues they feel are holding them back.

THE WOMEN AND WORK COMMISSION RECOMMENDATIONS

3. YWCA welcomes the recommendations of the Women and Work Commission. We are gravely concerned that the young women we work with often become trapped in a cycle of poverty which becomes life long. We are concerned about the low wages many young women receive when they take up gender stereotyped work, for example childcare, elder care or cleaning.

4. We are also concerned that young women are not getting the information and support they need to make informed choices about their future careers. In particular we are concerned that disadvantaged young women, especially those already living in poverty, need extra support to build their confidence, expand their social networks and broaden their knowledge of the options available to them. Such support although addressed in the Women and Work Commission recommendations is still not being delivered and young women are still missing out on vital support and information.

 IMPLEMENTATION OF THE WOMEN AND WORK COMMISSION: THE LEITCH REVIEW OF SKILLS

5. YWCA welcomes the Leitch review of skills (*Prosperity for all in the global economy*) published by the Treasury in December 2006, as it has the potential to improve the skills and subsequent work and income prospects for the young women we work with. YWCA understands that gender, youth and poverty have a powerful impact on young women's lives. We are concerned that the specific issues faced by young women, particularly those in poverty, have not been addressed by Leitch and we would like to highlight areas where we feel they need to be addressed. In particular, to address the gender pay gap in apprenticeships if that scheme is to be greatly expanded, as proposed by Leitch, so not to perpetuate the disadvantage and stereotypes experienced by young women.

6. Current government policy assumes that young people make their choice about work and careers from a myriad of options and that all young women have unrestricted choice. This is not the case. Making use of options requires a certain level of economic, cultural and social capital which disadvantaged young women do not always have.

YWCA CALLS FOR

1. Every young woman facing disadvantage to be offered women-only group work which builds their skills and resilience and helps them find out about work and the long-term financial implications of career choice.

2. National standards for information, advice and guidance to specifically include opportunities for young women to analyse and discuss gender stereotypes in work and the impact of choosing different types of jobs on pay and their future income.

3. Every young woman facing disadvantage to:

- be offered a wide choice of quality work experience placements including non-gender stereotypical placements;
- have work placements which offer young women the chance to try out different types of work, including examples of work that will take them beyond a low income; and
- have two work experience placements, one of which must be in a career sector that would lead to well paid employment.

4. Apprentices to receive the National Minimum Wage.

5. The Low Pay Commission and Apprenticeships Steering Group to conduct an inquiry into the impact of the National Minimum Wage exemption for apprenticeships on:

- the gender pay gap; and
- disadvantaged young women's entry and retention on apprenticeship schemes.

SOME EVIDENCE IN SUPPORT OF THE YWCA CALLS

Careers advice and education

7. As clearly stated in previous Trade and industry Select Committee evidence⁴⁴ and the Women and Work Commission report, young women need good quality careers advice. In reality young women are still receiving inadequate and gender stereotyped careers advice. Information, advice and guidance (IAG) must go further than offering a broad range of solutions; it must actively challenge gender stereotypes, support young women to understand the pay implications of the choices they make and it must build their skills and resilience so they can deal with barriers to work.

8. In YWCA's experience of working with young women facing poverty and multiple disadvantage, we have found that short advice sessions on work and careers are inadequate. Both gender and socio-economic status impact on a girl's choices about work. Girl's post-compulsory pathways have been shown to differ significantly according to socio-economic group and ethnicity, with white girls from lower socio-economic groups more likely to pursue gender-stereotypical future occupations.⁴⁵

9. Young women often have very low self-esteem and expectations of themselves. These need to be raised over time through group and one to one activities that target self-confidence as well as increasing knowledge. It is important that the young women challenge themselves and are not just told what to think. Many also face pressure from families and communities and must tackle this as well, if they are to enter non-stereotypical work that pays well.

⁴⁴ Trade and Industry Select Committee (2005) *Jobs for the girls: Occupational segregation and the gender pay gap*.

⁴⁵ Francis, Osgood *et al* (2005) *Gender equality in work experience placements for young people*, London metropolitan University/EOC.

Work experience

10. At a time of public debate for the increased age of formal education to 18 years of age, young women are still not being offered the opportunities to try out safe, non-traditional work experience. What is on offer is often gender stereotyped and limited. Those who do try out non-stereotypical work can face negative feedback from peers or colleagues.

11. Many young women in our projects are being offered little or no work experience opportunities. Many are still offered gender stereotyped opportunities in low income roles. Learning and Skills data shows that out of 10,256 placements covering mechanical, construction and engineering only 5% were taken up by young women. It is also the case that young women from lower socio-economic backgrounds are taking up stereotypically female and “working class” jobs.⁴⁶ These girls are then further disadvantaged because of the low pay they receive in traditionally “female” sectors like childcare, compared to traditionally male sectors like construction and plumbing.⁴⁷

12. Other young women have to find their own work experience placements, limiting their options to their family and community who are often living in poverty themselves.

Pay and apprenticeships

13. Although YWCA supports the drive to get young people in poverty into work, we remain concerned that work in itself has proved not to be a route out of poverty for many. Wages remain so low, particularly for younger people who receive less minimum wage and even less in apprenticeships, that they instead become trapped in a cycle of in-work poverty. Whilst it is now a requirement that employers pay apprentices £80 per week, this is not enough. Low pay affects female apprentices more.

14. The lowest paid trainees work in the hairdressing and early years care and education sectors⁴⁸ and take home £90 per week in pay. Within the hairdressing sector apprentices take home on average £90 per week in pay; 93% of these are women. Within the early years care and education sector, apprentices take home on average £95 per week; 97% are women.

15. Applying the Minimum Wage would increase disadvantaged young women’s ability to take up and stay on these schemes, reduce poverty and help tackle the gender pay gap between male and female apprentices.

16. The Leitch report recommends an expansion of the Apprenticeships scheme. Yet low wages for female apprenticeships prevent disadvantaged young women from entering them. Low pay may also result in young women dropping out of apprentices according to research. Only half of those on apprenticeships in England finish them. Research by the National Foundation of Educational⁴⁹ research found that a quarter (27 per cent) of trainees who had dropped out of their training stated “not getting enough money” as their main reason for not completing their apprenticeships.

17. However, even when working in the same sector, male and female apprentices earn different amounts. For example, in the Hospitality sector where there is a more equal split between the sexes, females earn 85% of what men earn.⁵⁰

18. Some young women will always be doing the cleaning, catering and childcare, and in fact many want to. Therefore revaluing their work through pay is essential for fairness but also to protect them from poverty. Revaluing traditionally women’s work may also help to re-balance gender stereotypes by encouraging more males into these areas.

18 January 2007

Questionnaire by Trade and Industry Committee to all Departments of State on implementation of the gender equality duty

1. What practical measures have you taken to implement the duty in relation to the employees of your Department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?

⁴⁶ *ibid.*

⁴⁷ EOC (2004) *Plugging Britain’s Skills gap: Challenging gender segregation in training and work*. Manchester. EOC.

⁴⁸ Ullman and Deakin (2005) *Apprenticeship Pay: A survey of earnings by sector* available at <http://www.dfes.gov.uk/research/data/uploadfiles/RR674.pdf>

⁴⁹ Spielhofer, T; Nelson, J; O’Donnell L and Sims, D (2006) *The role of Training Allowances in incentivising the behaviour of young people and employers* (June 2005 to March 2006) available at <http://www.nfer.org.uk/research-areas/pims-data/summaries/role-of-training-allowances.cfm>

⁵⁰ Ullman and Deakin (2005) *Apprenticeship Pay: A survey of earnings by sector* available at <http://www.dfes.gov.uk/research/data/uploadfiles/RR674.pdf>

2. Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?
3. Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?
4. Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?

Department for Business, Enterprise & Regulatory Reform response to questionnaire on implementation of the Gender Equality Duty

1. Department has considered practical measures to implement the duty in relation to employees of the Department.

An Equal Pay Audit has been undertaken and the Department is in the process of finalising the report of the Audit. There will be a number of actions to be taken forward in relation to employees of the Department and pay policy.

Regular workforce monitoring is undertaken. The representation of women within the Department as a whole and across both the various levels of seniority and business Groups in the former DTI and UKTI is reviewed on a monthly basis with the aim of identifying any employment trends and considering mitigating action should these give cause for concern.

The Department produces an annual staff survey which includes questions on potential perceived barriers to full participation or progression on the grounds of gender or otherwise, and on the value and success of policies such as flexible working. Participation in the staff survey is comparatively high. Results are analysed at Departmental and local level and action plans completed with the aim of showing real progress and action.

The Department is undergoing a restructuring exercise including a reduction in staff numbers and a change in the focus of the Department. A full Diversity Impact Assessment, covering the potential impact on women and on other protected groups, was completed and is monitored on an on-going basis.

The Department has a high level diversity strategy. In line with this, action has been taken to address the under-representation of women in the senior levels of the organisation. In common with other government departments, the Department is working towards the targets set out in the Cabinet Office 10 point plan on Diversity.

The relevant targets and current progress are as follows:

			1 April 2007		10 Point Plan Target		Gap between actual numbers and target
	10 Point Plan Target	DTI Target	No of Minority Staff	Number of Staff at Band	Current %	No of staff required to reach target	
SCS Women	37%	37%	53	177	30	65	12
SCS Women PB2	30%	35%	8	34	24	10	2
Band C Women		30%	427	1,165	37		

In the recent SCS promotion exercise, HMUs encouraged candidates from minority groups, including women, to apply. Diversity training was delivered by a specialist contractor to all SCS assessors and the competition was diversity proofed. As a result, the number of successful women candidates was higher than anticipated. Further diversity training is planned for all Key Leaders in the organisation supported by diversity awareness training for all staff.

2. In order to assess the relevance of all of our work streams to the Gender Equality Duty, the former DTI carried out an extensive screening exercise of all of its functions. The screening exercise covered each of the 8 Groups in the former DTI and the UKTI and Executive Agencies' individual business plans were screened as part of the same exercise. The results can be found at www.berr.gov.uk/files/file39015.pdf.

An assessment was carried out for all of the functions contained within each of the Group plans. The following questions were considered when making the assessment:

- will the activity help BERR and its Agencies meet the duty to eliminate unlawful discrimination and harassment, and to promote equality of opportunity between men and women; and
- is there any evidence or reason to believe that the activity is affecting/could have a different effect to gender bias?

This information gave us a clear idea of those areas that are of most relevance to the duty, and prioritise them as priority areas for action.

We were therefore able to form a clear idea of what the overall objectives for the Gender Equality Scheme should look like. The former DTI used the results of the screening exercise to identify the priorities in the action plan at Chapter 8 of the department's Equality Scheme (which can be found at: www.berr.gov.uk/files/file39012.pdf).

3. The Department has not currently changed procurement policies and practices to take account of the gender equality duty but is actively considering changes in the light of best practice across government and in line with existing procurement guidance.

4. Generally, the department's Gender Equality Scheme has been implemented into BERR policy formulation in a similar way to the department's Race Equality Scheme. The approach to including Race Equality Impact Assessments and Gender Equality Impact Assessments is an integrated one (along with Disability Impact Assessments). High priority has been given to meeting the department's obligations to all three Equality Duties for genuine and integrated consideration in the delivery of our objectives to ensure equality across the department and in all the policy and service that we deliver.

Reply to questionnaire by the Department for Communities and Local Government

Question 1: *What practical measures have you taken to implement the duty in relation to the employees of your Department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

The Gender Equality Scheme identified four areas for this Department to action:

Flexible working and work-life balance

- We have supported greater work-life balance by making all posts open to flexible work patterns unless there is a business case to the contrary.
- We have set up and maintained a job share register, enabling part-time staff and their managers to identify suitable job share partners where needed and opening up a wider field of opportunities for part timers.
- We are developing proposals to provide support for staff working from home as part of their work pattern, including better technical support.
- When staff are required to come in on additional days we will reimburse them for any additional care costs.

Representativeness of our workforce

- We are committed to delivering the programme of change detailed in Delivering a Diverse Civil Service: a ten point plan (10PP). This Department has set itself stretching targets beyond those agreed for the 10PP, which it is on track to achieve by 2008.
- This Department also proposes to set and publish targets for the two pay bands immediately below the SCS, and which act as "feeder grades" for the SCS. This and allied actions, such as our "Pairing for Performance" mentoring scheme, will ensure that that the Department encourages and supports under-represented groups, including women, to move into the SCS.
- We will improve the Department's monitoring data to assess progress on gender equality and employment.
- New initiatives to develop talented staff will be inclusive of women, eg the "Pairing for Performance" mentoring scheme will include women.
- We are in the process of establishing whether there is support for the creation of a Women's Staff Network.

Supporting our staff

- We are strengthening this Department’s work-life balance policies eg by introducing a new Flexible Working policy and by reviewing our support for childcare and revising the absence management policy.
- A review of current systems and procedures will be undertaken to eliminate any discrimination towards transgender staff and provide training to HR staff.
- Counselling support will be provided for staff experiencing domestic violence.

Equal Pay

- In line with civil service principles, this Department has committed to Equal Pay Audits on a three-year cycle. These will follow the guidelines produced by both Cabinet Office and the Equal Opportunities Commission
- The last Equal Pay Review was conducted in 2006 and was primarily concerned with the operation of the pay system which continues to apply to former ODPM staff. The system has its roots in the Department of Environment, Transport and the Regions 1998 Pay Agreement, negotiated with the Trade Unions, which set out a number of contractual commitments.
- This Department is looking at ways in which an Equal Pay Review might be extended across the wider Communities and Local Government family so that it might inform a more comprehensive pay and workforce strategy.
- Equal Pay Reviews had previously been undertaken in 2001 and 2003. The 2001 review concluded that pay differentials between men and women were largely caused by the clustering of staff, especially women, towards the bottom of the pay scales. This was due to the effects of range shortening and a higher concentration of men towards the top of the ranges stemming from former incremental pay systems. It was addressed by bringing forward and extending the plans to introduce pay milestones to ensure that staff at least progressed to certain points on the pay scales having completed certain years in grade.
- The 2006 Equal Pay Review showed that gender pay gaps are small in most pay ranges with none over 5%.

Question 2: Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?

This Department is committed to collecting and analysing equalities data in order to provide a robust evidence base for policy development and delivery. We will:

- Ensure that relevant policy and programme research, including evaluations, collect and analyse data on gender where appropriate.
- Include information and guidance about collecting data on gender as part of the commissioning process for programme research and surveys in our internal Research Management Guidance as appropriate.
- Ensure that any reviews or updates of on-going data collection consider increasing the level of data collected and related analysis.
- Include gender as part of the criteria for assessing proposals for new analysis or data collection where appropriate.
- Annual reviews of progress will be undertaken by this Department’s Equalities Programme Executive, comprising senior officials from across the Department and headed by the Director General for Equalities.
- A combined methodology is being finalised for our Equality Impact Assessments, to be built into the policy processes of this Department—it will cover gender, sexual orientation, disability, race, religion/belief, age and human rights. We will also look at the impact of existing policies, programmes and functions on the gender duty, for example, the Supporting people Programme, and Thames Gateway.

Question 3: Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?

Our procurement policies and practices enable this Department to focus on specific environmental and/ or socio-economic themes such as Gender equality when they are of relevance to the commodity or requirement being procured. In essence, the procurement guidance for the Corporate Centre has been revised to take a greater account of and apply a greater focus onto Sustainability. Although a specific reference to the Gender Equality Duty does not feature within the Procurement Guidance, the latter tasks

Procurement Clients within this Department to consider what socio-economic and environmental issues can be addressed and taken forward under the auspices of their Procurement. Once embedded within a procurement, the Contract Management activity will focus on monitoring activities around these issues.

Question 4: Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?

The Race Equality Duty has been in existence for some time, and is now embedded into policy development and implementation. In addition, we have built on the methodology for carrying out race equality impact assessments, and produced a draft single equality impact assessment applicable to all our policies and projects that we will be taking forward within the Department in the future.

Since the Race Equality Duty came into force, we have also had the Disability and Gender Equality Duties. When preparing the Gender Equality Scheme, we built on lessons learned from the previous schemes. An excerpt from our Gender Equality Scheme (below) sets out our approach, which may be useful.

Excerpt from Communities and Local Government's Gender Equality Scheme

Annex 3

METHOD USED TO DEVELOP THE GENDER EQUALITY SCHEME

DEVELOPING THE BROAD CONTENT

1. The Gender Equality Scheme has been developed using several parallel approaches to enable Communities and Local Government to ensure that it delivers real progress towards gender equality. A steering committee was set up to act as a sounding board for developing the Scheme.

2. The content of the scheme evolved through:

- Screening of the Department's policies, programmes and functions.
- Assessment of existing evidence and research.
- Consideration of issues already known to policy leads through regular involvement with gender organisations.
- Consultations involving gender equality experts and groups who represented a range of gender equality interests.

For internal activity

- Consultations with the Trade Unions on pay and flexible working issues.
- Consultation with procurement colleagues on how the gender duty might be integrated.
- A further top level audit of mainstream programmes, policies and initiatives to compile strategic objectives for the scheme.

SCREENING

3. A questionnaire was used to enable managers to assess the impact of their policies, programmes or functions on delivering gender equality, and to identify what evidence was currently held, or needed to be gathered. Advisory sessions were offered on a one-to-one basis to assist in this process.

4. Responses to the questionnaire gave information on:

- Broad policy, programmes and function aims.
- Assessment of how these may impact differently on men and women.
- Availability of monitoring data on the effect of policies in terms of promotion of equality between men and women, and ensuring that services and functions take account of the different needs of men and women.
- How policy evaluation and monitoring could take account of outcomes for men and women.
- Inclusion of stakeholders representing gender interests in policy development and evaluation.
- Any further actions that might be taken.

ASSESSMENT OF SCREENING RESPONSES

5. The policy leads on gender equality assessed managers' screening responses, considered these against the priority issues identified by stakeholder groups, and developed draft actions based on these. The draft actions were discussed with managers in preparation for inclusion into the Action Plan in the Gender Equality Scheme.

CONSULTATIONS WITH STAKEHOLDERS

6. Policy leads on gender identified a range of issues to help focus discussions with stakeholders about the Department's policies and programmes. These included views on how to:

- Raise awareness about gender issues.
- Gain more evidence about gender impact.
- Contribute towards the reduction of women's relative poverty.
- Enable more full participation by women in the decision-making processes.
- Increase the number of women recruited and retained in regeneration and built environment professions.
- Improve safety and perceptions of safety in public places for women and young men.
- Ensure gender is addressed in planning policy.

7. The Trade Union side was consulted on issues of pay and flexible working proposals for staff within the Department. Procurement colleagues were consulted on any gender equality issues.

8. We also held three consultation events, one organised by the Women's National Commission, one by Women's Resource Centre, one by the Women's Design Service. Each event was attended by representatives of 10–15 different organisations. Others were given the opportunity to make written representations. In addition, we had individual meetings with some stakeholders, eg with Oxfam, Men's Health Forum, and A:gender

9. The result of all these discussions were analysed to identify the specific actions which would be required within existing and future policy, and a judgement made about whether these were within the remit of this Department's responsibilities.

IDENTIFYING PRIORITIES

10. A top level audit of policies relevant to the gender duty was carried out to identify where there were strong gender equality interests. We have considered how new and emerging policies and programmes can help to promote gender equality, and reflected on how we might assess our past performance on gender. This was combined with the consultation results and compiled within headline themes. Out of this, three strategic objectives were identified, discussed and agreed by the Department's Permanent Secretary, Directors General and Directors as areas which should be treated as a priority for gender equality objectives.

AGREEING THE ACTION PLAN

11. An iterative process was used to secure agreement on specific actions that supported the strategic objectives from senior managers. Discussions took into account the proportionality and relevance of the proposed actions, as well as the timescale for delivery.

TESTING THE OBJECTIVES

12. We obtained informal views from the EOC about our general direction of travel for the gender equality Action Plan.

AGREEING THE GENDER EQUALITY SCHEME

13. We brought the outcomes of all these strands together and identified three strategic priority objectives which we will deliver through our partners and stakeholders. Agreement for the Scheme was secured from the Permanent Secretary and Departmental Board, as well as from Ministers. The final product was published on the Department's website on 30 April 2007.

Reply to questionnaire from the Ministry of Defence

1. *What practical measures have you undertaken to implement the duty in relation to the employees of your Department? Have you undertaken an equal pay audit or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

In June 2006, the Department published its overarching Equality and Diversity Scheme 2006–09, a copy of which is attached for information. This sets out our detailed approach to equality and diversity throughout the Ministry of Defence including the Armed Forces. As well as those groups covered by statutory duties (race, disability and gender), the Scheme also covers the groups that are not the subject of statutory duties (age, religion and sexual orientation).

On pay, we are aware that some of our civilian staff have long payscales which may disadvantage women over the course of their careers. This is now being addressed. An equal pay audit is currently being carried out and the report will be available in October 2007. A Strategic Remuneration Review of the Armed Forces' pay structures is also underway. This will take into consideration equal pay issues.

The majority of posts in the Armed Forces are open to women and their contribution to operational effectiveness is essential. The proportion of posts open to women is: 71% of posts in the Royal Navy, 67% of posts in the Army and 96% of posts in the Royal Air Force. Women serve in all specialisations, except those where the primary role is to close with and kill the enemy. This is because, following a detailed study, the Secretary of State announced in the House of Commons on 22 May 2002 that the case for lifting the restrictions on women serving in close-combat roles had not been made. In reaching this decision, the Secretary of State drew upon the advice of the Service Chiefs and a report entitled "Women in the Armed Forces" (copy attached for information) which set out the results of a detailed study into the performance and suitability of women in close-combat roles. Women therefore continue to be excluded from the Royal Marines General Service (as Royal Marine Commandos), the Household Cavalry and Royal Armoured Corps, the Infantry and the Royal Air Force Regiment. For medical and health reasons, women are also excluded from service in submarines and working as mine clearance divers.

The department has a range of other work in hand on gender equality and related issues, including:

- a review of Equality and Diversity training, including gender issues, provided to our personnel, both military and civilian, at various stages of their career. Its recommendations should be available by April 2008.
- a study to examine the challenge of recruiting more women to the RAF.

The Department has appointed a civilian Gender Champion, a Senior Civil Servant who will chair the Diversity Champions Group in the Department as well as taking forward gender issues. We are in the process of setting up a forum to co-ordinate the work of our Women's Networks which have been established across the Department and this forum will be chaired by our Gender Champion.

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?*

The Department established transparent and auditable procedures for the Equality and Diversity Impact Assessment (including Gender Equality Impact Assessment) of its major policies and practices in June 2006. The new arrangements are still bedding-in but we believe that, in time, they will enable us to ensure that our policies and procedures are free of gender bias.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

A significant proportion of the Department's commercial business is in the procurement of defence equipment and in-service support. Such contracts have for some years contained a standard condition requiring the contractor to comply with the Race Relations Act 1976. A revised condition, DEFCON 516, was introduced in June 2004 following negotiations with Defence Industry Trade Associations to ensure that the Department and its contractors complied with Race Relations (Amendment) Act 2000. It is now included in all contracts placed by the Department. A copy is attached for information.

A working party has been established to ensure that the Department meets its new statutory obligations in respect of gender and disability either by introducing appropriate amendments to DEFCON 516 or by developing new standard conditions of contract.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

In developing the Department's Overarching Equality and Diversity Scheme 2006–09 (see response to Q1 above), we were concerned that it should not appear that the Department has a hierarchy of diversity groups but that we treat all groups as equally important. However, there are a few statutory exemptions from relevant legislation, in particular in relation to age and disability, which are designed to maintain the combat effectiveness of the Armed Forces.

Reply to questionnaire by the Department for Environment, Food and Rural Affairs

IMPLEMENTATION OF THE GENDER EQUALITY DUTY

Thank you for your letter of 27 July to Hilary Benn enclosing a questionnaire regarding implementation of the gender equality duty. I am replying as the Minister responsible for this issue.

1. Defra has produced a draft Gender Equality Scheme, as part of a broader Joint Equality Scheme which includes Race and Disability.

The draft revised scheme which incorporates the work underway to address the public sector duties in relation to gender equality legislation has been published on the Defra website as part of a consultation process which ended on 24 July 2007.

Following lessons learned from the Race and Disability schemes, and feedback from the consultation it is now our intention to produce a separate Gender Equality Scheme. This will ensure that the distinct elements that relate to gender equality are easily identifiable. The revised scheme will be published in December 2007.

Defra conducts three yearly Equal Pay reviews. The latest review, conducted in 2006 found no systematic inequality relating to gender issues. Pay is adjusted to ensure that women are not disadvantaged following a period of maternity leave or a career break taken in relation to caring responsibilities. In addition we conduct regular staff surveys. Responses are disaggregated by gender, including Transgender, providing insight into the differences in the employee experience for men, women and people in the Transgender community.

Women are well represented in the Defra workforce, making up about half of all appointments. Representation levels are lower in the most senior grades and Defra has set targets for improving as part of the Civil Service 10 point Plan. Representation levels have improved up to and including Grade 7 level, but ongoing structural changes in the organisation have had a detrimental effect on the numbers of women in the Senior Civil Service. Changes within some of Defra's delivery Bodies, which are predominantly male at the highest levels, could lead to significant changes in the Department's apparent progress towards achieving the targets set for women.

Defra currently runs a positive action Elevator Partnership Mentoring Scheme (EPS) for women. This is a centrally funded scheme designed exclusively to develop women at grades 6 and 7 and is orientated almost exclusively towards meeting the needs of the Cabinet Office 10 point plan and securing an increase in representation at feeder grades.

Additionally Defra has rejoined Opportunity Now as part of our commitment to promote gender equality and we are making a submission for this years listing in *The Times* newspaper Top 50 Places where Women want to Work.

2. Defra has introduced an Equality Impact Assessment tool (EIA). The EIA is a systematic way of finding out whether a policy, process or service affects groups of people equally, or whether it potentially may have a differential impact on one or more particular group, including men and women. This applies equally to policies involving customers, employees or other stakeholders. Impact assessments must be undertaken in relation to gender in order to meet legislative requirements.

Responsibility for completion of an EIA rests with business managers; they have to do this as they are best placed to know the business implications of their policies and have the expert knowledge to successfully complete them. The key to a successful EIA is implementing it at the core development stage of any strategic policy, this way impacts can be identified early and methods put in place to remove barriers. This is especially critical in the area of re-location, and redeployment.

Training has been carried out to provide staff involved in managing relocating Units across the Business with advice and guidance on how to complete an EIA. Additional workshops have been held for HR Business Partners and there will be a programme of Equality Impact Assessment training for policy makers commencing from September.

Defra will put in place a systematic process for conducting retrospective Equality Impact Assessments on its functions and policies which have a relevance to gender equality.

3. Defra's Central Procurement Group (PCD) is as part of the CIPS Accreditation programme reviewing procurement policies, procedure and standards to ensure non-discrimination on the grounds of gender, ethnic origin, religion, age, disability in its contracting and have updated their PQQ and ITT to include equality issues.

4. In that we are adopting Equality Impact Assessments for all diversity strands and monitor a wide range of employee policies by gender the approach for implementing the gender equality duty has been broadly similar to that for implementing the race equality duty. However, Defra will be ensuring that in the review of the Gender Equality Scheme we will be focusing on outcomes for staff and the communities that we serve. This approach will be driven through the procurement chain to ensure that the requirements of the Gender Equality Duty are reflected in the provision of goods and services.

Jeff Rooker

Reply to questionnaire by the Foreign and Commonwealth Office (FCO)

IMPLEMENTATION OF THE PUBLIC SECTOR GENDER EQUALITY DUTY

1. *What practical measures have you taken to implement the duty in relation to the employees of your Department? Have you undertaken an equal pay audit, or another survey, to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

The practical measures we have taken to implement the FCO's Gender Equality Scheme (GES) include:

- The appointment of new FCO Board Diversity Champions for Gender and Flexible Working.
- The appointment of an Equality & Diversity Director from the private sector, at senior management level, to drive forward the diversity strategy and help embed equality and diversity, including gender diversity, into the culture and behaviour of the organisation.
- The introduction of a diversity scorecard to help Directors set personal diversity objectives and measure performance against four specific criteria (committed, confident, creative and communicating).
- The launch of a new Women's Network for the Senior Management Structure (SMS) (SCS equivalent).
- Enabling line managers of women sitting the SMS Assessment and Development Centres (ADCs) for promotion to the SMS, to observe ADCs and thus be in a better position to help women officers prepare for the ADC.
- Encouraging and facilitating greater inward and outward movement of staff, including women, from and to other Government Departments, public and private sector organisations to offer more opportunities for career progression and wider professional experience.
- The introduction of new technology to facilitate remote/home working, helping staff work more flexibly.
- Identifying jobs at senior management level, in UK missions overseas, which could be shared or done flexibly, including part-time.
- A review of all existing part-time positions at senior management level in the FCO in London to see how these might be improved, done differently and/or extended.
- A guarantee that all applications from partners seeking joint postings in overseas missions will be considered alongside single applications.
- Piloting new initiatives to help partners with dual careers, including joining "Partnerjob".
- The appointment of a senior staff member to work exclusively on expanding and promoting flexible working at all levels in the FCO to help retain the skills and talent of all staff, including those on paid and unpaid leave outside the FCO, and to support staff working flexibly and their managers.
- All FCO hiring managers are being asked to consider how all jobs might be done flexibly including job-sharing, part-time and remote working.
- An Equal Pay Audit of FCO Pay and Benefits policies in relation to diversity and gender bias, the results of which are expected by the end of 2007.
- The introduction of a new diversity training course (Making the Most of Difference) for all staff at home and overseas, challenging behaviours and practices which undermine equality.
- The introduction, in 2008, of a revised e-learning diversity package, including modules on gender and atypical working patterns.
- Offering the Springboard development programme for women to all female staff in the FCO.

- Increased mentoring by senior staff to include underrepresented groups, including women.
- Diversity training undertaken by all FCO Board members.
- Identification of senior women role models.

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?*

We are introducing a light-touch equality impact screening tool for all proposed major policy and procedural changes. We are also identifying policies (both employment and foreign policy) for equality impact assessment, taking forward case study assessments on post conflict policy in the Democratic Republic of Congo and programme funding in China.

We are undertaking a major review of data capturing and monitoring systems. A new IT system will enable us to capture increased data on all aspects of diversity and track any issues which might be leading to gender bias or creating barriers to women's progression through the Diplomatic Service.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

The FCO's Corporate Procurement Group has changed the content of all model contracts to reflect the Gender and other Equality Duties. Invitations to tender (ITT) documents set out the FCO's gender diversity policy, linking directly to the Gender Equality Duty and the FCO's Gender Equality Scheme. Bidders and potential and actual suppliers are asked to provide evidence of their own diversity policies.

Procurement training material for Management Officers, responsible for sourcing services and supplies in our overseas missions, includes specific references to the Gender Equality Duty and the FCO's Gender Equality Scheme, in relation to procurement processes and decisions.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

We adopt a common approach to implementing all strands of the FCO's Diversity Equality Scheme.

The FCO's diversity strategy is based on a broadened approach embracing different skills, ways of thinking, working and leadership styles, knowledge and openness to change as well as more visible aspects of diversity including gender and ethnicity.

Our aim is that the FCO should be an open, accessible organisation, listening to and taking account of the voices of all groups in society when formulating and implementing the UK's foreign policy priorities; serving all sections of British society and recruiting and retaining an increasingly diverse, talented and high-performing staff who support and develop each other, are capable of developing and delivering effective foreign policy and who are credible representatives of modern Britain, collectively and individually.

September 2007

Reply to questionnaire from Department of Health

QUESTIONNAIRE ON IMPLEMENTATION OF THE GENDER EQUALITY DUTY

1. *What practical measures have you taken to implement the duty in relation to employees of your Department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

- The profile of women in senior posts within the Department of Health exceeds Cabinet Office targets (40% compared with 37%) We have therefore set ourselves additional "stretch" objectives to ensure we strive to improve our position. One of these is that, by December 2008, there should be 43% of women in the SCS.
- Our HR strategy set out in our Single Equality Scheme sets out a number of positive action measures including diversity briefings for headhunters and recruitment agencies to ensure that we have a diverse pool of applicants; career development programmes open to all staff from under-represented groups; a planned programme of mentoring for staff in these groups; and monitoring of all recruitment and employment data by gender and the other equality strands. We've also just completed the first stage analysis of the equal pay review and we are currently carrying out some more detailed analysis.

- All HR policies and processes are now equality impact assessed before implementation. We have just established a Single Equality Council, with representatives from the diversity networks, who will have central role to play in quality assuring and diversity proofing all internal policies and procedures, and will comment on draft health and social care policies.

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct such bias?*

Our Single Equality Scheme sets out a number of activities that we are undertaking in respect of gender equality. These include:

- *Establishment of the Gender Equality Advisory Group (GEAG)*—functioning to advise DH on health trends, provide a consultative forum on outward-facing policy, review and provide feedback on its development and implementation. This includes development of an action plan to address discrimination against transgender people.
- *Domestic Abuse*—DH has established guidance, set up advisory groups and linked with specialist organisations. The aims of this are to improve maternal health and needs of pregnant women in view of the fact that many cases of domestic abuse start during pregnancy. Guidance issued on *Responding to Domestic Abuse: A handbook for Health Professionals*.
- *Sexual Orientation and Gender Identity Action Group (SOGIAG)*—A programme to eliminate discrimination and promote equality for Lesbian Gay Bisexual and Transgender people in health and social care a number of projects sitting underneath this work including work on transgender health and promotion of positive image/good relations plus leaflets on Sexual Health Information for Women who have sex with women.
- *Gender research Project*—Developing research and guidance into how men and women access services. This project will be very strategic and will systematically analyse and provide evidence in relation to gender equality and then provide a basis for identifying specific actions that the DH and NHS needs to take to address gender inequality of outcomes in health. This will help to inform priorities for the future.
- *Public health information strategy and policy guidance to support local analysis of commissioning and service development*—EQIA completed on planned development work.
- *Guidance on effective community and court liaison to address gender issues*—on target for delivery by March 2008.
- *Delivering gender equality for women's mental health*—work includes strengthening accountability, improving quality and experience of services, and improved support.
- *Including gender equality in Departmental EqIA training*. The Department urges all staff to acquire EqIA training to inform policy-making. Its internal policy specialist site signposts staff on how to acquire this training.

The Department is committed to promoting equality within the health service in order to achieve delivery on our drive to improve health, tackle health inequalities and create greater choice and responsiveness in the NHS. The Department's EqIA training underpins its commitment to ensuring that the legal requirements in terms of ensuring that different groups and individuals within society are not discriminated against or excluded, must be the starting point for all its policies.

The Government also has a number of programmes to embed equality within public services and underpin new legislative frameworks and undertakings.

- The Department of Health has published a guide to help NHS organisations comply with the legislation: *Creating a Gender Equality Scheme: A Practical Guide for the NHS* provides best practice advice on how NHS organisations might produce a Gender Equality Scheme. The Guide specifically addresses issues of equal pay as well as a broader commitment towards tackling gender inequalities within healthcare.
- The Department is supporting the NHS's Single Equality Scheme project which also incorporates gender equality.
- The Department and NHS Employers (part of NHS Confederation representing NHS Trusts in England on Workforce issues) have been doing work for some time on the development of a single equality scheme for NHS organisations. There is also advice on the NHS Employers' Website on both gender duty and carrying out pay audits for NHS organisations.
- As part of Agenda for Change—the new pay and reward system for the NHS—the Equalities Group (a sub-group of the NHS Staff Council) are now monitoring the levels of pay by gender and ethnicity, comparing pre- and post-Agenda for Change levels.
- The Department has a key role in the development of the social care workforce and as we deliver the requirements set out in *Our Health, Our Care, Our Say*, we are working closely with the Improvement and Development Agency for Local Government (IDeA) and Skills for Care Eastern to gather information that will help develop a model of practice for employers. Our aim

is to bring employers together, from health and social care, public, private and voluntary sectors and learn how they have worked across boundaries, to effectively agree a shared workforce plan that is coherent and cohesive with their business planning process. When we are able to present a model of integrated workforce planning that is shown to work, we would aim to roll this out across other areas with the expectation that, employers would join up recruitment, induction and training which in time would result in reduced staff turnover as the sectors improved partnership working.

- The Department also provides funding and grants to develop the social care workforce: the National Training Strategy (NTS) grant provides £107.9 million in 2007–08 to support training and development of staff working in both Adult and Children’s social care services; the Human Resources Development Strategy Grant provides £49.75 million in 2007–08 to support social care employers to develop the social care workforce; £285 million is being invested in 2007–08 on Social Care Development and Training; £91 million is being spent to continue to support social work education and training, including over £60 million in financial support to social work students.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect the duty?*

- In terms of procurement the Department’s terms and conditions of contract contain a clause relating to Discrimination and Human Rights that stipulates: “. . . the Contractor shall ensure that it complies with all current employment legislation and in particular, . . . the Sex Discrimination Act 1975 (as amended), . . . the Equality Act 2006, . . .”.
- An additional clause is being considered to provide additional clarification on the specific responsibilities and consultation will take place with our Solicitors branch.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

- We have developed a Single Equality Scheme that captures activity across all the equality strands and, whilst we adopt the same principles and practices in the collation of information, we are clear that the gender equality duty places specific requirements on public sector bodies.
- In terms of policy development, we have set up a Gender Equality Advisory Group which helps the Department develop strategic direction in this area.
- We keep our commitments in our Single Equality Scheme under constant review and revise our plans taking into account comments from internal and external stakeholders, including the Equal Opportunities Commission.

Reply to questionnaire by the Home Office

1. *What practical measures have you taken to implement the duty in relation to the employees of your department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

In April 2007, the Home Office published its Gender Equality Scheme as part of its Race, Disability and Gender Equality Scheme (RDG Scheme) with associate schemes being produced for each of its agencies. The GES action plan for the core scheme identified some 45 actions in relation to gender issues. Furthermore, in May, the Home Office launched its 3-year Diversity Strategy supported by a high level Diversity Strategy Programme Board. The board is there to ensure the department meets all of its responsibilities both as an employer and a provider of services.

Pay

Triennial equal pay audits were conducted in 2002 and 2005 and will be repeated in 2008. The 2002 and 2005 audits were shared with and discussed with the Trade Union representatives of staff. The results have also helped inform the detail of pay awards, in particular reducing the potential for pay differential for staff doing work of equal value.

The RDG Scheme contains further actions in respect of pay which aim; to continue to reduce any pay differential; reduce the minimum and maximum time taken through salary scales with a view to providing fairer outcomes for all staff, and the pay review of 2008 will move from salaries to earnings which will give a more accurate reflection of any pay differentials.

Home Office agencies, the Identity and Passport Service, Criminal Records Bureau and Borders and Immigration Agency, also have robust approaches to ensuring equal pay.

Addressing under-representation

The Home Office has undertaken a number of initiatives (listed below) to improve representation and this is further complimented by one of the specific Aims of the Home Office 3-Year Diversity Strategy: *Potential of under-represented groups developed to create a representative workforce at all levels.*

The Fast Stream “In-Service Nomination Scheme (07) received a total of 66 applications. The initial sift identified 35 candidates to go forward to the assessment centre, of which, 7 (20%) BME, 13 (34.2%) female, and 2 (6%) disabled. Following the assessment centre, a final sift was conducted and 18 candidates were put through, of which, 5 BME, 7 female, and 2 disabled applicants were put forward for the Fast Stream.

Development Plus is a positive action learning and development programme designed for female and minority ethnic staff across the Home Office and its Agencies.

Leaders UnLtd is a new corporate leadership development scheme designed specifically for talented people in groups currently under-represented in the Senior Civil Service. Leaders UnLtd is open to Grade 6/7 (or equivalent or on a minimum three year fixed-term contract) UK civil servants who are either:

- women;
- have a disability; or are
- from minority ethnic backgrounds.

The Intensive Development Programme (IDP) has been running since 2001. The total number of IDP members covering the period 2001–07 is 87. Twenty-one women participated, two former members have since gained promotion to G6 and another has been selected for Leaders UnLtd.

The New Leaders Programme (NLP) is the BIA version of IDP and has been running since April 2006. The total number of NLP participants covering this period is 51, of which, 8 were of BME origin, 30 were female, and 2 participants identified as disabled.

Positive action measures will naturally be open to transsexual women. Any barriers to representation of such women in any specific grade or type of post will be identified in the “Barriers to Career Progression of Transsexual and Transgender Employees” “Barriers Research project”.

2. *Have you reviewed the policies procedures of your Department for gender bias? What action have you taken to correct any such bias?*

See response to question 1 as much of the material provided there addresses this question.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

A specific action identified in the RDG Scheme is to conduct an EIA of current service provision and revise policy to ensure increased quality of services.

In addition, a further aim of the new Home Office 3-Year Diversity Strategy is *Services are delivered in a way that promotes equality and respects diversity.* Among the key targets and milestones set against this aim is the need to ensure all guidance and standard contractual arrangements explicitly outline supplier’s responsibilities to monitor services in accordance with the general equality duties by the end of 2008.

The revised Home Office Procurement Policy and Procedures Manual contains a section on guidance on Equality and Diversity. The section contains references to relevant equalities legislation—including the Sex Discrimination Act 1975 and Equality Act 2006—as well as having clear guidance on procedure. The manual has been issued to all Heads of Procurement in the Home Office, Agencies and NDPB’s.

IPS is currently undertaking a pilot project to lead in public sector best practice for embedding equality into the procurement exercises. Terms and Conditions for tendering processes are being revised to ensure that IPS meets its legal obligations of ensuring its delivery partners, third party service providers and suppliers meet their own standards in equality and diversity, particularly in the areas of gender, race and disability.

IPS is currently collecting and analysing data about the diversity of staff who were recruited by its recruitment agencies to examine whether IPS is procuring the services of agencies who are supplying a diverse workforce in the same way as our own recruitment processes.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

As stated in response to question 1, the Home Office and its agencies are implementing their Gender Equality Scheme/s as part of combined Race, Disability and Gender scheme/s. This is advantageous as each Scheme is thereby reviewed annually, and gender equality is fully embedded as Equality Impact Assessments cover race, disability and gender.

Immigration and Nationality functions of the department are exempt from the Race Relations Act 1976 (as amended). This is because the application of the immigration and nationality legislation necessarily involves treating some nationalities differently to others, for example, with regard to the freedom of movement into the UK of EEA nationals. It has no such exemption with regard to the Gender Equality Duty. In the asylum context, for example, the Border and Immigration Agency is conscious of the fact that a woman's experience of persecution may be very different from that of a man, and that she may well come into the asylum system in the UK with different needs. General instructions remind decision makers of issues that particularly affect women, such as female genital mutilation.

Reply to questionnaire by the Department for International Development

IMPLEMENTATION OF THE GENDER EQUALITY DUTY

1. *What practical measures have you taken to implement the duty in relation to the employees of your Department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of jobs?*

- Through its regular workforce monitoring, The Department for International Development (DFID) identified that women were underrepresented at the Senior Civil Service (SCS) and feeder grade level.
- As a result, DFID undertook qualitative research in January 2005, to identify the barriers to women's career progression. The barriers identified included: having caring responsibilities, the need to accelerate change in approach to the development of women, making senior roles more accessible to different ways of working and the need for women to meet and support each other.
- In response, DFID has introduced a range of measures to address these barriers:
 - *Crossing Thresholds Mentoring Programme* to develop women in the pipeline. This involves career-planning workshops, partnering with a SCS mentor, peer group support networks and coaching sessions.
 - Set aside six places on the Civil Service *Preparing for Top Management Programme* for women.
 - Joined up with the Home Office and HM Revenue and Customs to pilot a leadership *Explorer Programme* to develop women in transition to deputy director level. DFID is sponsoring four women on this programme.
 - Sponsored two women on the Civil Service *Leaders Unlimited* development programme run by the National School of Government.
 - Launched the *Women's Network* in 2005 on International Women's Day. The network has been running successfully for two years and has over 109 members. The Women's Network was one of the key forums for consultation on DFID's Gender Equality (Duty) Scheme.
 - Continued to roll out flexible working practices, including a major investment (£2.5 million) in remote working technology. DFID has further promoted its flexible working booklet "*Finding a Fit*", which has resulted in a higher take up of the use of variable working patterns.
- DFID last conducted an *equal pay audit* for staff (excluding the Senior Civil Servants) in 2004. At that time, there were no significant pay gaps (ie variations of 5% or more) across DFID grades on the basis of analysis by gender, ethnicity, disability or working pattern.
- The difference in average salary between men and women in one grade is justifiable following analysis of length of service. In future, the number of spine points for each grade in the pay structure will be reduced which in turn will have the impact of reducing possible inequalities.
- An equal pay audit is undertaken on the SCS on an annual basis. DFID will be conducting a full equal pay audit following the implementation of our new pay deal, which should be in place by the end of the year.

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct such bias?*

- DFID has developed a generic Equality Impact Assessment Toolkit to ensure that all its relevant policies are assessed for any adverse bias/impact on the equality strands (including gender).
- DFID's main committees and Management Board have changed their submission templates to include an initial screening to highlight whether a full equality impact assessment is needed or not for new policies or initiatives.
- As part of DFID's broader Human Resources Division change programme, all new and existing procedures for recruitment, postings and promotions have undergone an equality impact assessment.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

— DFID’s procurement policies and practices already reflect our commitments to diversity, equality and other corporate values. The Department ensures that its main suppliers of goods and services share our commitments by demonstrating our values in their work practices.

— DFID’s Procurement Section is working with key suppliers to produce a Corporate Social Responsibility (CSR) framework to understand how the current suppliers to DFID manage CSR, including gender equality, within their supply chains. This will enable DFID to monitor performance against social and equality issues and improve practices.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

- There is no major difference between DFID’s approach to the implementation of the gender equality duty and the race equality duty.
- However, I would emphasise that whilst the statutory requirements of the gender equality duty apply to activities in the UK only, the vital importance of promoting equal opportunities between men and women runs through all our development work internationally.
- Global commitment to promoting gender equality is articulated throughout the Millennium Development Goals; and in particular, goal no.3 focuses the international community on the achievement of gender equality and the empowerment of women.
- Therefore, DFID’s Gender Equality (Duty) Scheme and associated action plans set out how we will give greater priority to gender equality in our programme, as well as, our policy work.
- To take this work forward, Gender Champions have been appointed at Divisional level (and in some cases in Country Offices) across DFID. The key role of these Champions is to provide leadership on gender equality, to review progress on implementation of Divisional objectives on gender equality and to advocate for key strategy documents to fully reflect and guide good practice.

Reply to questionnaire from Department for Transport

QUESTIONNAIRE RESPONSES ON IMPLEMENTATION OF THE GENDER EQUALITY DUTY

1. *Practical measures to implement the duty:* the Department’s plans for implementing the duty are set out in detail in our Gender Equality Scheme—www.dft.gov.uk/about/sr/ges.pdf Since the Scheme has been published:

- new contracts have been let for recruitment consultants. Mini-tenders will be prepared for each campaign seeking effective initiatives that promote diversity in relation to the specific position or grade.
- a review of the actual uptake and practical use of our flexible working policies is being undertaken by our staff led Flexible Working Group.
- a review has been completed on the Department’s approach to Dignity at Work and its recommendations will be taken forward through changes in Human Resource policies and through greater support for managers as part of our broader response to the Capability Review.
- Equal Pay audits are conducted every three years by each of the DfT agencies and the central Department. Although the latest audits did not highlight any significant equal pay gaps, some issues were identified and these are either included in GES action plan and/or being dealt with by each business. Impact assessments have also been carried out by each agency and central department following the 2006 pay awards.
- we are setting up a gender sounding-board “Gender Focus” to be made up of members of staff from each Business Area. The group will consider gender issues generally with a focus on women in the Department.
- our annual diversity monitoring—required for race equality monitoring—has been extended to cover gender at all key stages of employment. We aim to publish figures covering 2005–07 during October. We will identify gender differences and develop strategies to eliminate any as our Scheme develops.

2. *Review of policies and procedures:* the Department has reviewed all new policies and procedures that will have an impact on its employees by gender and other diversity groups for several years.

It is still early days for any significant reviews to have been conducted since the introduction of the duty. However, in the central Department we have undertaken a diversity review of new procedures that require staff to assess themselves, on-line, against our performance management competency framework. Analysis of these assessments suggests that gender and other differences are present. Further work is required to assess the results and determine strategies for removing the gaps.

3. *Procurement:* The department uses a set of standard terms and conditions when putting work out to tender, the actual wording does change slightly according to the type of work but all will contain a paragraph on discrimination. In addition, all DfT conditions also require, as a matter of contract, that contractors comply with “all relevant statutory requirements”. The standards set are available on the DfT website at <http://www.dft.gov.uk/about/procurement/dft/>.

Our internal procurement manual is under review and revisions to meet the new gender duties, as well as the disability duties, are a high priority.

4. *Differences in approach to the race duty:* the approach has generally been similar. However, the requirement in the Disability Duty to “involve” disabled staff was particularly helpful and we applied this to the Gender Duty. We sought to involve women (and men) directly in the development of the scheme from the start.

It is too early to say clearly whether this has been more effective than the more limited, consultation, approach, but that is our feeling at this stage. We aim to use this approach as we develop all of the schemes.

Reply to questionnaire by HM Treasury

GENDER EQUALITY DUTY

1. *What practical measures have you taken to implement the duty in relation to the employees in your Department? Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce? What have you done to address under-representation of women in specific grades or types of post?*

Practical Measures to implement the duty

There are a number of case studies in the department’s Gender Equality Scheme http://www.hm-treasury.gov.uk/about/about_gender_equality.cfm to illustrate the practical measures taken to implement the duty in relation to employees in the department eg:

- Page 23 Performance Appraisal and Equal Pay
- Page 25 Initiatives to promote gender equality and support employees with caring responsibilities
- Page 26 Mentoring scheme for women in the Senior Civil Service
- Page 27 Support for employee networks and diversity groups

The Women In The Treasury Network was launched in July 2006. There is also a Treasury Parents Network that provides an additional, informal support network for employees.

The Treasury is a member of Opportunity Now, the membership organisation representing employers who want to transform the workplace by ensuring inclusiveness for women.

The results of the Treasury’s diversity monitoring of employees are published on the external website. All data is shared with managers, employees and the internal Women’s Network. Follow-up action is taken where the data shows there are issues to be addressed and review processes put in place.

Equal Pay

The Treasury, as an employer, undertakes annual gender pay reviews and where significant differences in pay between men and women are detected action is taken. An example detailing the methodology for address issues on equal pay for employees is given in the Treasury’s GES on pages 23–24.

Work to address Under Representation of Women

Women employees occupy more than one quarter of top posts in the Treasury and nearly one third of SCS posts overall. The Treasury is on course to meet the 2008 targets set by the Cabinet office, for women in the Senior Civil Service and Women in middle management (ie Ranges D and E). Progress against the targets is published on the Treasury’s external website at http://www.hm-treasury.gov.uk/about/about_equality.cfm in the section Treasury Diversity Statistics

In order to maintain progress a Mentoring Scheme for Senior Civil Service Women has been implemented. A process is also being put in place to identify talented employees, from under-represented groups, in the feeder grades, to ensure they are developed in appropriate ways to enable them to compete effectively for promotion.

Further details about the above work are in chapter 6 of the Treasury's GES (The Employment Duties) http://www.hm-treasury.gov.uk/about/about_gender_equality.cfm

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?*

The Treasury has reviewed policies and administrative procedures for gender bias. Some examples on the actions taken to correct bias, where identified, are set out in the department's Gender Equality Scheme.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

CLG's Discrimination Law Review sets out the current position on procurement and equality/diversity issues Chapter 5 Public Sector Equality Duties Sections 5.91 –> 5.100 of{

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

There are some differences in the approach in that specific objectives have been set in order to comply with the Gender Equality Duty.

Reply to questionnaire by the Welsh Office

1. *What practical measures have you taken to implement the duty in relation to the employees of your Department?*

A diversity co-ordinator was appointed in July this year and the Department has an action plan in place since September which incorporates all three of the equality duties, gender, race and disability. A diversity champion at Management Board level has also been appointed since June this year, to raise the profile of the issue, within the office.

Have you undertaken an equal pay audit, or another survey to detect any barriers to the full participation of women in your workforce?

The equal pay audit process is covered by the Ministry of Justice for administrative purposes. Our equality action plan includes making use of our periodic local staff surveys, material from exit interviews, and the like to try to ascertain more qualitatively what barriers there may be.

What have you done to address under-representation of women in specific grades or types of post?

Currently women hold 50% of middle grade posts in the Office.

The Office has also had reasonable percentages of women in its staff at middle grades in the past, but not at the senior grades. There is no evident pattern of under-representation by type of post. The Wales Office management board is conscious of the imbalance by grade, and looks to give development opportunities whenever possible to help overcome any imbalance.

2. *Have you reviewed the policies and administrative procedures of your Department for gender bias? What action have you taken to correct any such bias?*

Our equality action plan requires that selected members of staff in particular roles are identified and trained to conduct Equality Impact Assessments on all future policies and administrative procedures generated or overseen by this Office.

The Wales Office is associated with the Ministry of Justice for all wider administrative and human resource policies and will take part in and be covered by whatever steps they take.

3. *Have your procurement policies and practices been changed to take account of the gender equality? How do they reflect this duty?*

Again, for the purposes of procurement, the Wales Office is an associate office of the Ministry of Justice, and adopts its practices.

4. *Generally, are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

No. The equality action plan for the Office aims to address all three of the equality duties, including any practical implications for staff and working practices.

Reply to Questionnaire on by the Department for Work and Pensions

1. *What practical measures have you taken to implement the duty in relation to the employees of your Department?*

- During the period leading up to the introduction of the new duty the Department issued a series of communications to staff via its internal website. The requirements of the new duty were also included in a presentation given to all staff by their line managers, plus an on-line training product that was mandatory for all staff in DWP.
- (See also answer to question 2 below—background of the scoping work carried out as part of our implementation process within the Department). The Department's HR Directorate has a Gender Action Plan (available on the DWP Internet and the internal website) which sets out plans for implementing the gender duty requirements for our employees. Progress reports on the plans are to be published in December 2007.

Have you undertaken an equal pay audit or another survey to detect any barriers to the full participation of women in your workforce?

- The last DWP Equal Pay Audit was completed in June 2004 and the findings from that Audit have been fed into a full review of the Department's Reward Strategy. DWP has identified that time spent in grade contributes to the gender pay gap and for that reason this year's pay offer is targeted at improving pay progression within grade. Following the implementation of the pay award DWP will conduct a new equal pay audit to judge what progress has been made and whether further action is required. Any objectives that are identified through this will be fed into the Department's Gender Equality Scheme.
- An annual DWP Staff Survey gathers staff opinion on a range of issues including diversity and equality. Results from the survey can be broken down by diversity group—this enables us to highlight any specific issues relating to gender.

What have you done to address under-representation of women in specific grades or types of post?

- DWP has a good representation of women at most levels within the Department (68.9% of DWP staff are women) but, for those grades where under-representation does occur, targets and, where appropriate, development schemes, have been established. The Department has set out its plans in its published 10-Point Plan (on the Internet).
- DWP participates in a new leadership development scheme run by the Cabinet Office and the National School of Government. The programme, Leaders UnLtd, is open to high potential civil servants at Grades 6 and 7 who are women, who have a disability or who are from a minority ethnic background. It aims to equip participants with the leadership skills they need to prepare for entry to the Senior Civil Service.
- In response to a recommendation in the Women and Work Commission report, DWP is currently considering how best to set up mentoring schemes for staff at SEO, Grades 7 and 6. The scheme will be open to staff from groups under-represented at senior levels, including women.
- DWP has also reviewed its processes for recruitment to the Senior Civil Service in order to try and attract a more diverse group of candidates. Guidance on using the most effective ways of attracting suitable candidates has been developed and a workshop to highlight good practice around diversity recruitment has been developed for Senior Civil Service recruiting managers. A series of "advertorials" in the diversity press has aimed to raise awareness of DWP's aspirations to recruit from diverse communities.

2. *Have you reviewed the policies and administrative procedures of your department for gender bias? What action have you taken to correct any such bias?*

- A scoping exercise was conducted across DWP in advance of the implementation of the gender duty: any actions arising from the scoping exercise have been included in the published gender action plans.

- Equality Impact Assessments—including gender impact assessments—are a requirement in DWP and the published action plans include objectives for conducting retrospective Impact Assessments where necessary. A training and guidance pack (complemented by a series of workshops in key areas) has been developed for those officials who conduct impact assessments. All staff received training on the need to carry out impact assessments as part of their mandatory training.

3. *Have your procurement policies and practices been changed to take account of the gender equality duty? How do they reflect this duty?*

- The Department is one of the largest purchasers of goods and services in government and spend around £4.28 billion a year. We want to make best use of procurement as a lever to deliver equality objectives—to remove discrimination and promote equality. The Department’s sustainable procurement strategy, launched in December 2005, supports us in using procurement to achieve economic, social and environmental policy objectives. DWP also follows the Office of Government Commerce’s guidance, which covers disability, gender and race equality, and focuses on the way social issues can legitimately be incorporated into the purchasing cycle.
- All our partners, suppliers and contractors who provide a service to the public on our behalf have diversity and equality policies that show a clear commitment to the “duty to promote” equality. We encourage our suppliers of goods and services to adopt diversity and equality policies that reflect our own.
- As an example of the policy in practice, Jobcentre Plus has made significant progress in incorporating the requirements of equality legislation into procurement and contract management activity. The new New Deal contracts, which began to deliver customer services in the summer of 2006, include clauses that require successful providers to monitor and report to us on the ethnicity and gender of their employees, and on the number of employees who are disabled.

(For further detailed information of the Department’s procurement policy please see the attached annex.)

4. *Generally are there any differences in your approach to implementing the gender equality duty from your approach to implementing the race equality duty?*

- DWP adopted broadly the same approach to implementing the gender equality duty as it had for the race equality duty, though the earlier experience was valuable in developing the processes and products. A scoping exercise was conducted across DWP and a working group took forward and co-ordinated the development and delivery of the Department’s 13 gender equality schemes. The schemes were cleared at ministerial level before external publication. Internal marketing of the equality schemes and the gender duty was delivered via a series of articles in staff newsletters and the mandatory, on-line training product. DWP’s Gender Champion and an active staff network group on gender have both helped to promote the new duty.

Annex

DWP COMMERCIAL DOCUMENTATION AND PRACTICE

- Departmental commercial practice, documentation and contract management processes support gender equality. The duty is implicit within the Department’s contracting terms and supplier selection processes.

DEPARTMENTAL POLICY

- DWP commercial contracting terms and conditions require that suppliers must act in accordance with the Sex Discrimination Act and all analogous legislation. There is synergy between the law and our commercial policies and contracting terms. DWP terms also require that the supplier shall not unlawfully discriminate within the meaning and scope of such provision and include adherence to relevant Acts.

SUPPLIER APPRAISAL AND CONTRACTING

Before awarding contracts, evidence of supplier policy, statements and practice is routinely sought as part of the supplier appraisal process.

Any supplier convicted of grave misconduct or having been convicted of an offence under the Act may be rejected under the Public Contracts Regulations 2006.

All our contracts for helping people back into employment contain very specific requirements based on the principles of equality and diversity. There are explicit terms which forbid discrimination of any kind, including a paragraph in Schedule 8 (Equality and Diversity requirements) which states that:

“The Provider acknowledges that in the operation of its employment programmes the Authority must at all times be seen to be actively promoting equality of opportunity for, and good relations between, all persons irrespective of their race, disability, gender, age, sexual orientation or religion and belief. In the performance of the Contract, the Provider shall, and shall use reasonable endeavours to procure that its subcontractors shall, assist and cooperate with the Authority where possible in satisfying this duty.”

The Department commonly uses pre-qualification questionnaires which comprehensively cover all forms of discrimination.

MONITORING/PROMOTING

Suppliers are monitored against the relevant terms of the contract. Where additional requirements for equality and diversity are core to the contract, further terms are included or specified in performance of the contract.

Memorandum submitted by Pat McFadden, Minister for Employment Relations & Postal Affairs, BERR

As you know I was due to attend your Sub-Committee on the 16 October to answer questions on what we are doing in the Department for Business, Enterprise and Regulatory Reform to implement the Women and Work Commission’s recommendations for closing the gender pay gap. As it is unlikely to be able to rearrange a session I thought it may help to provide you with an outline of the areas where I see BERR making a leading contribution and to pass on some useful research and information.

As you know, this is an area which Harriet Harman’s new Government Equalities Office is very much in the lead in terms of coordinating activity. We contributed to her predecessor unit, the Women and Equalities Unit, when they were putting together the Government Action Plan in response to the Women & Work Commission’s recommendations. And we see our policies contributing toward the new GEO-led Equalities PSA that includes a target on closing the gender pay gap.

With the machinery of government changes, I now see BERR as contributing in at least four key areas:

- first we contribute through a strong, up-to-date evidence base, including major surveys and research to monitor the take up of flexible working, examine unfair treatment at work and understand the gender pay gap. The Department will soon publish a study entitled *Part-Time Work and the Gender Pay Gap in British Workplaces: Findings from the 2004 Workplace Employment Relations Survey*. The provisional findings of this study underline the complexity of the problem, showing that occupational segregation accounted for one-quarter of the earnings gap between full-time men and part-time women, while another fifth of the gap is explained by industry segregation. Over one-third of the pay gap could not be explained. However there was no evidence of a “part-time pay penalty”, additional to the gender pay gap faced by women in full-time jobs;
- second, BERR leads on the policy on the right to request flexible working, which we extended to carers in April this year, and on maternity and paternity leave and pay. The right to request has been a huge success, with over 80% of requests agreed. We are monitoring the impact of the legislation and continuing to keep it under review;
- third, just last month at the TUC, I announced support through the Union Modernisation Fund to a series of projects which will help develop a network of equality representatives. I enclose some details of the relevant projects from this second round and also three earlier equality representative projects funded under the first round;
- finally, BERR is also actively engaged in helping foster the start up and growth of women’s enterprises, working with key partners such as the Regional Development Agencies, Enterprise Insight and the National Council for Graduate Entrepreneurship. We established the Task Force on Women’s Enterprise in November 2006 to accelerate the UK further towards US levels of female entrepreneurship. The Task Force’s remit is to advise Government, RDAs, and the private sector on how the economic contribution of women’s enterprise can be increased in the UK; to identify issues and barriers to more women starting and growing their business and how they might be addressed; and by providing advocacy Task Force members will lobby and raise the profile of the women’s enterprise agenda.

More generally, much of what we do to set the broader framework of minimum standards and protections and making employees and employers aware of their rights and responsibilities has an indirect, though very positive effect on improving opportunities for women in work and closing the gender pay gap. For example:

- the National Minimum Wage has particularly benefited women by eliminating the hourly gender pay gap in the lowest paid jobs. We estimate two thirds of beneficiaries this year are women. The effect of the minimum wage on women is amongst the factors that the Low Pay Commission is tasked with taking into account in putting forward its recommendations for the NMW rate;
- we are also making significant improvements to the guidance we provide to employers and employees. In line with our commitment to Transformational Government we are focusing this very much around businesslink.gov and direct.gov. The businesslink.gov Employing People pages will shortly include an Equality Tool, as recommended by the Women & Work Commission, which we helped develop with GEO. And we are looking to make a step change in awareness and use of the resources available to businesses on employing people as a key step toward simplifying what businesses need to know.

Finally, BERR is also conscious of its own responsibilities as an employer. We have separately provided a response to your questionnaire on this.

I hope this is useful to you and your Sub-Committee and demonstrates our commitment to contributing through our work to this very important challenge.

Annex

UMF AND EQUALITY REPS: NOTE ON PROJECT STATUS

ROUND ONE EQUALITY REP PROJECTS

Three Round One projects cover equality reps. They still have some time to run, but early signs (as with other R1 projects) are encouraging, with work proceeding well against objectives:

TGWU

Eighteen-month project to develop a toolkit for equality reps, which will be piloted with employers. Progress: toolkit launched; good progress made with employer engagement process.

NUJ

Two-year project to establish, organise and train a network of equality reps; using this as a platform to build equality agreements into collective bargaining arrangements with key employers. Progress: membership survey undertaken; equalities handbook produced; training undertaken; on-line resources developed.

Wales TUC

Two-year project to build capacity for equality reps, including: research into the needs of disadvantaged workers; development of website; awareness-raising of new discrimination legislation; training for equality reps; and creation of best practice network. Progress: research underway; website launched; training underway; equality network in development.

ROUND TWO EQUALITY REP PROJECTS

Ten equality rep-related projects awarded funding under Round Two (out of a total of 28 winners). Over 3900,000 has been committed to these projects. BERR is currently negotiating formal grant terms with the winners—it is expected most will commence shortly. BERR is working closely with TUC to ensure good practice is shared and learning is widely disseminated. The projects are:

Scottish TUC. One Workplace Equal Rights: Tools and training for workplace representatives

A project which seeks to address the significant gap between initial successes in its equalities work and the effective mainstreaming of equalities activities within affiliate unions. This will be achieved via development of a training package; development of a best practice network; the dissemination of outcomes across affiliates; and mainstreaming of the activity within the STUC work plan.

Unison—Establishing equality reps in Unison

The project seeks to support Unison's equality strategy by training and development of equality reps; capacity building to engage more effectively with employers; and improvements to service delivery to ensure equality and diversity issues are addressed effectively by employers.

TUC—Training and evaluating union equality reps

The project seeks to develop a targeted training programme for tutors and union equality reps to ensure they focus on relevant issues and engage effectively with both employers and members. TUC would work with unions to provide general courses open to all; targeted training for individual unions; and to share good practice from those undertaking their own training.

General Federation of Trade Unions (GFTU) and Connect—A New Agenda for Equality in the Work place: training for equality reps

The project seeks to develop training and on-line learning opportunities for equality reps, as well as establish national and union-based networks for reps. GFTU will work with the CEHR to ensure synergies with their policy priorities.

Prospect—Building capacity within the defence sector to develop and sustain Prospect equality reps

The project seeks to extend the scope of the union's activities in the defence sector, to groups currently marginalised, and transform representative structures. This would be achieved by undertaking initial research; developing strategies to overcome barriers to participation; establishing training, development and mentoring programmes; and mainstreaming the activity in collective bargaining/consultative machinery.

National Union of teachers (NUT)—Fairer futures: putting equality opportunities at the heart of NUT local structures

The project seeks to build the capacity and effectiveness of equal opportunities officers (EOOs) and revitalise participation in NUT's local structures. This will be delivered via recruitment of additional EOs, a training and development programme and development of a good-practice network.

Transport Salaried Staff Association (TSSA)—Underpinning equalities: capacity building and beyond

The project seeks to mainstream the equalities agenda by assisting the unions Self-Organising Groups to engage with their constituents; provide modular, tailored training for reps; and build capacity through a network of lay advisors.

National Union of Schoolmasters, Union of Women Teachers (NASUWT)—Support for overseas trained teachers in London and the South-East

The project seeks to provide more effective access to information for overseas trained teachers (OTTs) on professional aspects of the teachers' role as well as social and cultural issues; and to enhance the effectiveness with which the union responds to the needs of OTTs. This would be delivered via a dedicated website and targeted training for union equality officers.

Communications Workers Union (CWU)—Deconstructing equality barriers through union training

The project seeks to further modernise their equality-based education and training materials via an interactive toolkit on equality legislation and a best practice guide on industrial relations.

Public and Commercial Services Union (PCS)—Mentoring for women reps

The project seeks to tackle the under-representation of women in key branch and regional union positions within PCS Wales via an accredited mentoring, skills training and leadership training programme.

List of unprinted evidence

The following memoranda have been reported to the House, but to save printing costs they have not been printed and copies have been placed in the House of Commons Library, where they may be inspected by Members. Other copies are in the Parliamentary Archives, and are available to the public for inspection. Requests for inspection should be addressed to The Parliamentary Archives, Houses of Parliament, London SW1A 0PW (tel. 020 7219 3074). Opening hours are from 9.30 am to 5.00 pm on Mondays to Fridays.

Confederation of British Industry
