



House of Commons  
Business and Enterprise  
Committee

---

**Jobs for the Girls: Two  
Years On: Government  
Response to the  
Committee's Second  
Report of Session  
2007–08**

---

**Fourth Special Report of Session  
2007–08**

*Ordered by The House of Commons  
to be printed 3 June 2008*

## The Business & Enterprise Committee

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

### Current membership

Peter Luff MP (*Conservative, Mid Worcestershire*) (Chairman)  
Mr Adrian Bailey MP (*Labour, West Bromwich West*)  
Roger Berry MP (*Labour, Kingswood*)  
Mr Brian Binley MP (*Conservative, Northampton South*)  
Mr Michael Clapham MP (*Labour, Barnsley West and Penistone*)  
Mr Lindsay Hoyle MP (*Labour, Chorley*)  
Miss Julie Kirkbride MP (*Conservative, Bromsgrove*)  
Anne Moffat MP (*Labour, East Lothian*)  
Mr Mark Oaten MP (*Liberal Democrat, Winchester*)  
Mr Mike Weir MP (*Scottish National Party, Angus*)  
Mr Anthony Wright MP (*Labour, Great Yarmouth*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [http://www.parliament.uk/parliamentary\\_committees/parliamentary\\_committees](http://www.parliament.uk/parliamentary_committees/parliamentary_committees)

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [http://www.parliament.uk/parliamentary\\_committees/berr.cfm](http://www.parliament.uk/parliamentary_committees/berr.cfm)

### Committee staff

The current staff of the Committee are: Eve Samson (Clerk), Emma Berry (Second Clerk), Robert Cope (Committee Specialist), Louise Whitley (Inquiry Manager), Anita Fuki (Committee Assistant), Lorna Horton (Committee Secretary) and Jim Hudson (Senior Office Clerk).

### Contacts

All correspondence should be addressed to the Clerks of the Business and Enterprise Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5777; the Committee's email address is [becom@parliament.uk](mailto:becom@parliament.uk)

# Fourth Special Report

---

The Business and Enterprise Committee published its Second Report of Session 2007–08 on 9 February 2008. The Government’s response was received on 6 June 2008.

## Government response

---

1. The Government Equalities Office (GEO) welcomes the report “Jobs for the Girls: Two Years On” from the Business and Enterprise Committee.<sup>1</sup> The Government believes that tackling occupational segregation and the gender pay gap is a crucial part of ensuring equality of opportunity. Equality of opportunity underpins a strong economy and a strong economy enables everyone to play their part. Therefore, progress in this area is good for individual women and for society as a whole.

2. The Committee, in its work and recommendations, has recognised the cross-governmental nature of work to tackle occupational segregation and the gender pay gap. The GEO is pleased to include responses from the Department for Business, Enterprise and Regulatory Reform (BERR), the Department for Innovation, Universities and Skills (DIUS), the Department for Children, Schools and Families (DCSF), the Department for Communities and Local Government (DCLG), the Ministry of Justice (MoJ) and the Office of Government Commerce (OGC). In addition, the Government has invited the Equality and Human Rights Commission (EHRC) to respond where the Committee’s recommendations address them directly.

3. The Committee recognises that the gender pay gap has been reduced from 17.4% to 12.6% between 1997 and 2007. Closing the gender pay gap is, for the first time, a priority within the Government’s Equality Public Service Agreement (PSA 15). The GEO will oversee the action plan to achieve this and co-ordinate work across Government.

4. The Women and Work Commission, in its 2006 report, indicated a range of causes and barriers that contribute to the gender pay gap. Government action includes both legislative and non-legislative measures to:

- i. prevent and tackle discrimination and promote equality in education, training and in the workplace;
- ii. support individuals to manage their working lives and meet personal commitments, particularly caring for children and for older or disabled relatives;
- iii. challenge and address pervasive attitudes about work and learning aspirations for women and girls, attitudes that underestimate ability, achievement or potential;
- iv. provide the opportunities for women to get the training and qualifications required to achieve the jobs they want and progress in their careers.

---

<sup>1</sup> Second report from the Business and Enterprise Committee, Session 2007-08, *Jobs for the Girls: Two Years On*, HC 291

5. The Government aims to introduce an Equality Bill during this Parliament. The Bill will produce clear, modern law which support our goal of a fair and equal society. Last year the Government published its consultation document “A Framework for Fairness” and a number of the Committee’s recommendations cover areas included in the consultation. The Government is currently considering the feedback from the consultation and will respond shortly with its proposals.

6. As well as bringing forward legislation, the Government is working to ensure that at different stages of life, girls and women can make choices about education, careers and work. A lack of information and social stereotypes about “women’s work” can mean girls do not choose routes into traditionally male-dominated professions. Some types of work can appear closed to women, which reinforces occupational segregation. When women do enter the labour market, too often they find they are limited in the type and quality of jobs that provide the flexibility required to meet family and caring commitments. This wastes women’s talent, experience and potential. The Government is taking action to address each of these issues.

7. In schools, there is increased support for teachers on careers education. New training materials and good practice guidance on specialist careers advice will help teachers to challenge stereotypical views of careers. Work-related learning can provide opportunities for young people to learn about, experience and help prepare for entry into non-traditional occupations and sectors.

8. The Government is investing in training and skills for women wishing to enter non-traditional sectors. We recently announced an extension of the Women and Work Sector Pathways Initiatives to improve the career opportunities of women in sectors where there are specific skills shortages and skills gaps, and where women are under represented. Five of the most successful initiatives will be taken forward in construction; agriculture; automotive retail; clothing and footwear manufacture; and property services and facilities management, and other occupational sectors will be invited to participate.

9. The Government has introduced the right to request flexible working for parents of young children and carers, and has commissioned a review into extending the right to parents of older children. Increased childcare provision and financial support has helped many families balance work and childcare more effectively. In addition, the Government is working successfully with employers to share knowledge of the benefits of flexible working. Unlocking the talent of women entrepreneurs is at the heart of the Government’s new Enterprise strategy, which includes a £12.5 million capital fund for women-led businesses and a package of support for, and promotion of, women in business.

10. The responses to the Committee’s recommendations, set out below, provide more detail on the action being taken. The Government will continue to develop its work in this area. The recently established EHRC will also make a significant contribution to future success.

**It is not yet clear how successful the attempts to spread best practice in relation to the careers advice and work experience placements arranged by schools have been. It will be some years before any improvements will feed through into the workforce. In the meantime, the Department for Children, Schools and Families must realise the**

**importance of these apparently ‘extra’ duties of careers advice and work experience to achieving the Government’s equality aims and must give more support and funding to the provision of those services in schools. (Paragraph 10)<sup>2</sup>**

11. In December 2007, the DCSF published the “Children’s Plan”, which outlines measures to present young people with more exciting and challenging careers education in schools. This will include opportunities for experiential learning such as taster sessions. Experiential learning will help open children’s minds to different ideas, and challenge traditional learning and career routes. The importance of early careers interventions in extending horizons and raising aspirations will be tested by new pathfinder projects at Key Stage 2. High quality classroom materials to support careers education teachers will also be made available and these will include discussion and information provision on gender equality.

12. The provision of careers education in schools is supported by external Information, Advice and Guidance (IAG) services, such as Connexions. Responsibility for the delivery of these services has been moved to local authorities. The DCSF has set out clear expectations of the IAG services that local authorities commission and manage by introducing new Quality Standards. This guidance emphasises the importance of challenging gender stereotypes, and states that IAG services should promote equality of opportunity, celebrate diversity and challenge stereotypes. It suggests the use of positive action activities, taster sessions, appropriate role models and work placements to challenge limited career aspirations and stereotypes.

13. The Government is proposing, through the Education and Skills Bill, that local authorities should have regard to guidance issued by the Secretary of State, which includes the new Quality Standards. The Education and Skills Bill will also place a statutory duty on schools to deliver careers education impartially, and will require that advice must be in the best interests of the pupil. This requirement will be underpinned by guidance that will emphasise the importance of challenging stereotypes.

14. The DCSF currently provides £25 million each year for work related learning activities provided by Education Business Partnership Organisations (EBPOs), and there is an additional £55 million for Enterprise activities in schools each year. The funding for work related learning is distributed to the EBPOs in each region who manage and oversee a range of activities including supporting schools to arrange work experience placements for young people. The network of EBPOs, working with schools, delivers over half a million work experience placements each year to 95% of all young people. Most of the young people, and the employers they work with, enjoy and value the experience.

15. The Government recognises that schools are working hard to deliver work-related learning and, in its “Building on the Best” report, published in 2007, committed to produce new standards for work experience and for EBPOs which will be available during Spring 2008. Additionally, DCSF is working with workforce agencies and partners to build local capacity and capability of the teaching workforce to deliver work-related learning. This includes ensuring teachers are up to date with industry practice to support the new Diplomas.

---

2 All paragraphs in bold type are quotations from the committee’s report.

16. On 31 August 2007, the Qualifications and Curriculum Authority (QCA) published a positive report on the development of work-related learning and concluded that there is clear evidence that work-related learning is well established in schools and that most schools, with their partners, are implementing this well. The QCA is revising the framework for work-related learning, and Government will use the opportunity to reinforce the value of work-related learning in providing learners with ways to explore and experience non-traditional occupational areas.

**Employers—especially smaller companies without HR departments—find it difficult to devote the time and resources needed first to set up good work experience placements and secondly to ensure that they have met all the safety requirements. There is clearly a role for Sector Skills Councils, Chambers of Commerce and trade organisations, as well as Learning and Skills Councils, in providing information and helping companies to forge stronger business-education partnerships at a local level. (Paragraph 11)**

17. Securing successful delivery of work experience for young people is the job of EBPOs, sponsored by DCSF. The EBPOs form partnerships with Small and Medium sized Enterprises (SMEs) at a local level. The responsibility for the successful delivery of apprenticeships and work-based training for post-16 learners is the job of the Learning and Skills Council (LSC), working with its contracted training providers. The DCSF works closely with the LSC to monitor how this is working and are looking at ways of improving the annual reporting and monitoring process.

18. Sector Skills Councils are strategic bodies whose role is to influence the skills market on behalf of all employers in their sector.

**While we welcome the initiatives to encourage women who wish to do so to train in non-traditional fields of work, we are pleased that some of the initiatives are focusing on encouraging women to take more senior and responsible positions in traditional sectors, such as the project by Improve (the Sector Skills Council for the food and drink industry) to give NVQ3 training to 300 women workers in food manufacturing to enable them to become supervisors or team leaders; and Asset Skill's programme to teach workers in the cleaning sector management skills. Tackling 'horizontal segregation'—the dominance of managerial and professional jobs by men in sectors where the majority of the employees are women—is as important in opening up opportunities for women as ending 'vertical' or sectoral segregation. (Paragraph 13)**

19. The Government welcomes this conclusion by the Committee. Through its work on Train to Gain and sector pathways in response to the Women and Work Commission, the Government wishes to remove those barriers, perceived or actual, that prevent real equality in access to the skills needed for sustainable and profitable careers. The Government shall continue to identify and address those barriers as it expands and enhances Train to Gain and our other channels for supporting employers and individuals. The forthcoming Equality Impact Assessment of Train to Gain, due for completion in late Spring 2008, will help us analyse the current even gender balance of participants in the programme and think through ways to help women progress.

**The various pilots launched by the Government are welcome. By definition, it is likely that some will be more successful than others. It would be a wasted opportunity if any**

**good practice learned were left to die with the pilots themselves. We recommend that, before the pilots are evaluated, the Department for Innovation, Universities and Skills (DIUS) plans carefully how to ensure the continuance and extension or roll-out of the successful initiatives (Paragraph 16)**

20. The Committee's support for the Government pilots is very welcome and the recommendation to evaluate and extend the successful programmes is in line with Government plans. DIUS has supported three types of pilot, introduced in direct response to the original WWC report:

- Women and Work sector pathways initiative
- Skills coaching
- Train to Gain Level 3 pilot

21. Over the first two years of the Women & Work Sector Pathways Initiative nine Sector Skills Councils (SSCs) have been involved, delivering approximately 8,000 outcomes (defined as completion of an individual's action plan, e.g. recruitment, achievement of a qualification, development of a career path). On 7 March 2008 DIUS announced further funding of £5 million per year for each of the next three years (2008/09—2010/11). The five most successful projects will continue (run by ConstructionSkills, Lantra, Skillfast-UK, Asset Skills, and Automotive Skills) and DIUS will encourage new innovative approaches in 2008/09, when a further roll-out of the initiative will allow all SSCs an opportunity to propose projects to address the needs of women in their sector. Proposals will need to be supported by identification of skills shortages in each SSC's Sector Skills Agreement and by evidence to allow the SSC to take positive action.

22. The continued Women and Work Sector Pathways Initiative will aim to help 5,000 women each year. A feature of the programme is that women are able to identify new learning and career paths, which may provide them with the motivation and opportunity to continue learning through other Government and/or employer supported initiatives. Best practice is identified through an SSC networking group, and any new SSCs taking this project forward will join the group. The initiative is subject to a full evaluation.

23. Funding for skills coaching pilots finishes in 2008. Features of the pilots that have proved effective in enabling women to return to learning and work will be built into the new policy framework for the new Adult Advancement and Careers Service (AACS) which is due to be issued soon. As part of a phased introduction for the AACS, elements of the new service will be trialled in the Nextstep face-to-face careers advice service for which the LSC is currently undertaking a re-contracting exercise. The Adult Advancement and Careers Service will be fully operational in 2010/11.

24. Recruitment to the Train to Gain Level 3 pilot will finish at the end of July 2008 and learners will have until the end of July 2010 to complete their course. The pilot aimed to help women, especially from BME groups, to progress to supervisor/first tier manager level in non-traditional areas where they are under represented, particularly helping to position women to take advantage of new opportunities arising from the 2012 Olympics. From

August 2008, Level 3<sup>3</sup> will be part of the mainstream Train to Gain offer to employers and training for a first Level 3 qualification will be part-subsidised for all learners. The evaluation of the level 3 pilots, including the London pilot for women, is expected to report in the next few weeks. We are working with the LSC to ensure that the lessons learned from the pilots and the evaluation are built into the mainstream programme to ensure that Train to Gain supports women learners to take advantage of opportunities to progress to Level 3. The forthcoming Equality Impact Assessment of Train to Gain will help us think this through, as well as analysing further, the even gender balance overall in the programme participation figures.

**Helping with childcare, though welcome, is not the complete solution to the inaccessibility of some training courses to those unable to undertake them full-time in normal working hours. We are concerned that the Ofsted review of the flexibility of training by adult education providers has only recently been launched. We expect its findings as to best practice to be acted upon with more urgency than has been shown in relation to this problem so far. (Paragraph 19)**

25. The Government remains committed to expanding childcare provisions to enable parents to access education, training and employment opportunities. The Ofsted report cited by the committee will be published in April 2008. The Further Education (FE) sector has a good record of meeting the individual needs of work-based and college learners through flexibly delivered and personalised provision. Developments in information and learning technology increasingly support learning that can be accessed by learners in their own time and outside of the classroom or workshop. DIUS has introduced a responsibility on colleges to consult with learners and potential learners to best meet their needs, and all FE providers must now have a learner involvement strategy. The Government believes that involving learners in all aspects of a provider's activities will help ensure that learning better meets their needs. DIUS receives regular first-hand feedback on provision through the National Learner Panel. As FE becomes increasingly demand-led through Train to Gain and Skills Accounts, providers are expected to become more flexible still in how and when they deliver services, for example developing further the provision of training on employers' premises and within working hours.

**We recognise that the Government needs to focus funding if it is to achieve its aim of ensuring that 80% of the population has Level 2 skills. However, it is a cause for regret if colleges are having to abandon useful courses or approaches to address under-representation of women in certain occupations. We recommend that, if colleges produce evidence that they are taking initiatives to deal with gender inequality, then the Minister should consider providing additional funding or at least allow them some discretion in the use of existing funding so that they can develop these initiatives. After all, this would also benefit those young people without Level 2 skills on whom the Government is currently concentrating. (Paragraph 20)**

26. Funding for adult participation through the LSC will increase to £3.6 billion in 2010/11, a rise of 17% compared to 2007/08. The additional investment will support significant increases in participation and achievement required to deliver the new 2011 skills PSA

---

3 Level 3 qualifications include A-levels and equivalent qualifications.

targets, including for Level 2.<sup>4</sup> The Level 2 target is intended to ensure that all women and men have the opportunity to achieve the basic foundation of skills for employability.

27. Women of working age are more likely than men to have their highest qualification below Level 2 (18.9%, compared with 17% for men). The Government will therefore help women more if we expand the provision of courses that equip them with economically valuable qualifications and the skills that employers want—which is what the targets, supported by qualifications reform, do. And according to latest Labour Force Survey data, the proportion of women in the workforce qualified to level 2 or above has grown by nearly 9 percentage points since 2001, compared with growth of only 2.5 percentage points for men over the same period. At the end of 2007, 75.2 per cent of economically active adult females were qualified to Level 2 or higher—compared with 74.1 per cent of males. However, not all investment is concentrated on Level 2: over the Comprehensive Spending Review period the Government has safeguarded around £1.5 billion each year for adults to participate in a wide range of learning opportunities below level 2, including learning within the Foundation Learning Tier, personal and community development learning and Skills for Life.

**We believe that the new Commission for Equality and Human Rights should investigate the reasons for the gender pay gap among apprentices, and that the Low Pay Commission should be asked to consider practical ways of rectifying the situation. (Paragraph 23)**

28. The Government welcomes the Committee's interest in the apprenticeship programme and has already taken steps in the area of apprentice pay. The Government has asked the Low Pay Commission to review the current apprentice exemption from National Minimum Wage this year. We expect their report early in 2009. The Government has been actively monitoring apprenticeship pay and, in April 2008, DIUS published the latest available information in "Apprenticeship Pay: 2007 Survey of Earnings by Sector".

29. The Government has made the Equalities and Human Rights Commission (EHRC) aware of this recommendation and we understand the EHRC is considering whether to investigate pay for apprentices.

**Simply increasing the number of apprenticeships will not, in itself, help women to better paid jobs if all that happens is they continue to choose traditional types of work. It is disappointing that women are less likely than men to complete apprenticeships in the traditionally male-dominated sectors. In the rush to increase the number of apprenticeships, the Government must not lose sight of the need to promote greater equality through this form of training. (Paragraph 25)**

30. Government plans to expand the number and range of Apprenticeships in England were set out in "World-class Apprenticeships: Unlocking Talent, Building Skills for All" (January 2008). These plans include a number of proposals to increase the take-up and completion rates of apprenticeships, including by learners who are currently under-represented in the programme. The Government invited comments on these new proposals by 31 March 2008.

---

4 Level 2 skills are equivalent to grades A\*-C at GCSE.

31. One of the ways we are addressing the Women and Work Commission recommendations in relation to increasing the number of women undertaking and completing apprenticeships is working with the EHRC, the LSC and sector bodies to improve information, broaden choice and explore more flexible Apprenticeship learning opportunities e.g. by offering opportunities for non-stereotypical “tasters” from the age of 14.

32. 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.

33. The Young Apprenticeship programme for 14-16 year olds is improving young women’s skills and employability. Guidance has been provided for young women in particular, their parents/guardians and schools and colleges to help shift out-of-date images and concepts.

34. The Government is implementing a series of initiatives to encourage young people to consider atypical career choices when applying for apprenticeships. This includes advice in schools, group training associations with a mandate to encourage people to apply for apprenticeships which might be atypical for them and a mentoring system for apprentices in situations in which they might feel isolated due to differences in gender, ethnic background or disability. A number of large employers and third sector organisations have used related techniques to encourage interest from under-represented groups of young people, and they have been frequently successful.

**Like the Women and Work Commission, we consider that ‘Women Like Us’ provides an interesting and potentially very useful model for involving social enterprise in giving careers support and guidance to women and placing them in good quality jobs with suitable hours. We support the Commission’s recommendation for pilots in areas round the country and urge further action to promote such pilots, including through discussions with Regional Development Agencies and local authorities. (Paragraph 28)**

35. The Government, like the Committee, is interested in the “Women Like Us” approach, and the GEO has already had discussions with them about working with Regional Development Agencies (RDAs).

36. DCLG is working with the London Development Agency, the lead RDA on equality issues, and other RDAs to help them to deliver equality outcomes through their work. Last year, senior officials from DCLG met with equality and diversity leads and Chief Executives from each RDA. They agreed a set of nine priorities to help tackle inequalities. These included building equality and diversity targets and monitoring into RDAs’ mainstream activity; and understanding and practically focusing RDAs’ interventions on barriers faced by specific groups.

37. RDAs are undertaking a self assessment based on the nine equalities priorities identified at the seminar. RDAs will shortly be reviewing the outcomes of the self-assessment. Current work with RDAs includes the Women’s Enterprise Task Force, which was set up in 2006 to ensure that the environment for women’s enterprise improved and women’s economic participation boosted. In the Enterprise Strategy, published in March

2008, BERR announced it would be working with RDAs to pilot Women's Business Centres in four regions.

38. The GEO will work with Regional Ministers to raise awareness of the importance of the work of RDAs and Government Offices in delivering on the priorities identified by the Ministers for Women.

**Since our predecessors reported, there appears to be wider recognition of the fact that there are insufficient training opportunities for women in non-traditional occupations, and measures are being taken to address this and to spread best practice. However, we are concerned that neither the need to tackle occupational segregation in general nor the specific problems faced by older women have been taken fully into account in the Government's priorities. The EOC emphasised the fact that because the Government's Skills Strategy focussed on those without basic qualifications, it excluded many women returners from support. Arguing that accessing ways back into work through advice and guidance, updating old skills or retraining in sectors where women have traditionally been under-represented was a major challenge, it alleged that this challenge was yet unmet through mainstream government programmes. We agree. The drive for a large number of training places, focused particularly on the younger and less qualified, threatens to leave older and/or slightly better qualified women behind. This is both unfair and imprudent, given that most of those who will form the UK's 2020 workforce are already at work and that a significant proportion of these are women. We urge the Government to work with employers and trade unions to make better use of the experience and skills within the existing workforce by ensuring better training and development opportunities for women, whether they work full-time or part-time. (Paragraph 29)**

39. The Government welcomes the Committee's focus on women returners and the employment of women in older age groups. We have put in place a number of measures to support women returners and help balance work and family life.

40. With finite resources at its disposal, the Government must prioritise its support. Basic skills/Level 2 give women and men a basic platform for employability that equips them to pursue further learning and operate self-sufficiently in the labour market, and this is why the Government makes this a particular focus for its investment. A similar rationale for helping those least able to help themselves directs the Trade Unions' approach to learning for adults through Union Learning Representatives, funded by DIUS and recognised as a success elsewhere in the Committee's report.

41. Research shows that above Level 2 the returns to individuals and employers grow significantly, compared with the returns to Level 2 qualifications, so it is reasonable to expect more investment to come from learners and employers themselves, reflecting the benefits they receive, with less dependence on Government. It should be noted that the absence of free tuition (as for basic skills/Level 2) does not mean Government provides no support at all for learning above these levels. On the contrary, there is substantial investment in Level 3 programmes—over £1.7 billion over the next three years for full Level 3 provision—with learner support funding and advice and guidance available for those who most need help.

42. The joint Department for Education and Skills/LSC Equality Impact Assessment (EQIA) of adult skills policies, analysed by age, disability, gender and race, published in June 2007 after extensive public consultation, suggested that overall the effect on gender equality was positive. The EQIA however also acknowledged that learning alone could not tackle long-standing labour-market segregation and discrimination.

43. Women already form the majority of participants in Train to Gain (as they do in free tuition for a first Level 2 qualification). The service is funded for literacy and numeracy and a first full Level 2 but is not limited to those areas: it can source the right course and support at every level and signposts employers to a wide range of other business support activities. The recent “Plan for Growth” details new measures and flexibilities to ensure Train to Gain meets the needs of all employers and employees, including additional public funding for:

- 100% subsidy for people recruited from priority unemployed groups needing retraining for second Level 2 qualifications;
- in certain circumstances, a part subsidy for people doing a second Level 2 or 3 programme;
- increased focus on improving leadership and management skills within SMEs with the budget increased from £4 million per annum to £30 million per annum;
- expansion of LSC’s National Employer Service with more dedicated account managers, and extension of skills brokerage to help reach more SMEs; and
- sector specialisms built into the skills brokerage service through closer SSC involvement.

44. Train to Gain funding will increase from around £440 million in 2007/08 to over £1 billion in 2010/11. Skills Accounts will be a universal offer lasting a lifetime, because the aim is to bring about long-term, generational change. A key principle of Skills Accounts will be that learner choice has a direct effect on provider funding, driving greater responsiveness to learners’ needs and demand. Public funds would still flow, as now, direct from the LSC, but the money given to providers will follow the choices made by the individual, giving individuals maximum incentive to learn and providers the maximum incentive to offer what learners need. We expect £500 million of adult and vocational funding to be routed through Skills Accounts in 2010, and £1.5 billion by 2015.

45. Skills Accounts will work alongside the new universal adult advancement and careers service which will help guide the career choices of people considering new skills, moving into a different industry or occupational area, moving jobs or relocating or looking to re-enter the labour market, as well as people receiving benefits. Advisers will provide comprehensive information about all careers, including pay rates, the economic value of particular qualifications and local demand for jobs. Labour market information given by careers advisors will challenge stereotypes and occupational segregation to help women to understand the role, requirements and incomes of “non-traditional” occupations and advisors will build awareness of opportunities for flexible working patterns. Fully operational by 2010-11, the new service will build on the success of existing services in

attracting and supporting women and will be subject to regular evaluation and user surveys to monitor take-up by, and impact on, women.

46. As a new Department, DIUS will shortly be consulting publicly on its first Single Equality Scheme setting out its achievements and forward priorities for FE and Skills, Higher Education and Science and Innovation, drawing on material including the Gender Equality Schemes of its legacy departments.

**While our Report focuses on occupational segregation and ways to break down some of the traditional barriers, we regard it as equally important to encourage a better valuation of work traditionally carried out predominantly by women if there is to be progress in reducing the gender pay gap. In paragraph 13 above, we have welcomed initiatives to encourage women to take on more senior positions in traditional sectors. We note that the Secretary of State acknowledged the need to ensure that the work traditionally done by women, such as in the caring sector, was not undervalued, and that she also emphasised the role of quality part-time work in achieving an improvement to women's pay, using their skills and experience more fully and raising their status at work. (Paragraph 30)**

47. The Government remains committed to closing the gender pay gap and we are adopting a range of approaches in order to make this happen. We have introduced important legislative changes. The National Minimum Wage (NMW) has significantly reduced the gender pay gap at lower levels of the income distribution. The NMW now stands at £5.52 per hour and will increase to £5.73 in October 2008. Also the Government has extended employment rights for part-time workers. These measures have benefited workers in sectors like caring. We also introduced the right to request flexible working for parents of young children and carers. The success of these measures is being extended. The right to request flexible working, for example, is being extended to parents of older children and work is ongoing on the Equality Bill following consultation in 2007.

48. In addition, the Government is committed to ensuring that best practice is promoted among employers. This includes through the projects supported by the Quality Part Time Work Fund, referred to in recommendation 18, which directly address the under-use of part-time workers' skills and experience.

**There is a need for increased pay transparency but, as our predecessors noted, the experience of equal pay audits has been mixed. Some of the criticisms of them would be met if an effective 'light touch' approach were developed. We were encouraged by the description of the prototype 'light touch' check given by the Secretary of State and recommend that the Government, the CBI, the British Chamber of Commerce, Regional Development Agencies and other representative bodies make strenuous efforts to publicise this tool when it is launched generally, so that the use of it swiftly becomes best practice among smaller businesses. (Paragraph 41)**

49. The Government welcomes the support of the committee for its approach to this issue and will continue to work with a range of stakeholders to ensure employers have access to the information they need to ensure equality issues are dealt with effectively in the workplace. The GEO is currently piloting its Gender Equality Checklist. It is designed to be suitable for smaller businesses without large Human Resources departments. It has been

developed in partnership with the Trades Union Congress (TUC), Confederation of British Industry (CBI) and the EHRC, and the Government will look to these organisations to help promote take-up of this tool. The intention is to publish the tool on the Business Link website, which is the Government's main business facing website and has a high profile with small and medium sized businesses.

**Another important criticism, that equal pay checks were of doubtful effectiveness in making companies take the issue of occupational segregation more seriously, could also be met if pay differences were regarded as a proxy for inequality more generally and the form of the audit required employers to consider wider questions such as why, for example, most women in their organisation were employed in the lower grade jobs and most of the managers were men. (Paragraph 42)**

50. Equal pay checks are designed to help employers with equal pay legislation and identify areas of concern. The Government accepts it has a role to encourage employers to take up good practice. For example, the Gender Equality Checklist, referred to in recommendation 12, will cover a broad range of workplace equality issues, including encouraging employers to think about the numbers of women at different levels in their organisation. It will also provide links to further sources of information that the employer can use.

**However useful equal pay reviews might be at uncovering problems, in themselves they would not ensure that any problems were tackled. We can see the attractions of the public sector gender equality duty in this regard, with its requirements to publish an action plan, report on progress, and take the actions described in the plan in a specified period. The duty also is not prescriptive about the ways to achieve the stated objectives: it leaves decisions on means to the authority implementing the duty. However, it is too early as yet to judge the success of the duty, which came into force only in April. We recommend that the Government evaluate its effectiveness in two years' time and, if it has been successful, the Government should extend the duty to the private sector. Certainly, if the pay gap continues to decline at such a slow rate, the Government must look at such further measures as the extension of the gender equality duty and consider making pay audits mandatory. (Paragraph 43)**

51. The Government shares the aim of ensuring that further progress on closing the gender pay gap is achieved and this commitment is expressed in the Equality PSA. The Gender Duty is an innovative approach that will contribute to success in this area. The response to recommendation 26 describes action taken to ensure progress under the Gender Duty.

**Although the Discrimination Law Review suggested that there were disadvantages to the amendments to legislation which have been proposed by our witnesses, the current law is clearly not working well. There has been such a glut of equal pay claims against local authority employers that neither they nor the tribunal system can manage them; and the heavy involvement of 'no win, no fee' lawyers in this area shows the potential for litigation to spread into other public sector areas including those which have conducted pay reviews, such as the NHS 'Agenda for Change' programme, and through the private sector as well. This can also make it difficult to negotiate agreements to incorporate effective equal pay audits and may discourage employers from embarking on pay structure reviews. More fundamentally, given the number of claims, the law does not appear to be effective in preventing discrimination in the first place. The**

**Discrimination Law Review failed to address these problems adequately. We therefore recommend the Government to look again at the possibility of introducing provisions to allow hypothetical comparators and representative actions, and to simplify the law in relation to time limits for bringing cases, remedies and defences for employers. This would not reduce the difficulty of reaching a fair view of issues like ‘equal value’ in each case, but it would reduce some of the complexity of the law as it currently stands. (Paragraph 49)**

52. The Government is looking at how we should incorporate the principle of equal pay into the Equality Bill in the light of responses to the consultation.

**We were particularly concerned that at present there is no obligation on an employer who has lost an equal pay case to ensure that other members of the workforce are being paid appropriately. We recommend that employment tribunals are given the power to order employers to conduct equal pay reviews and act upon the findings. (Paragraph 50)**

53. The Government is examining the case for employment tribunals to make recommendations which would benefit the wider workforce in the light of responses to the consultation.

**On the immediate problem faced by local authorities, we recommend that the Government should examine the role played by some ‘no win, no fee’ lawyers in stimulating claims which further complicate the situation and are sometimes contrary to the best interests of the claimant. (Paragraph 51)**

54. The Government is aware of concerns about the practices of some solicitors working on a “no win, no fee” basis in relation to equal pay cases. Solicitors are required to ensure clients’ protection and to act in the best interest of their clients at all times. The Solicitors Regulation Authority (SRA) has a comprehensive regulatory framework for solicitors’ conduct including the regulation of agreements between solicitors and their clients. The MoJ consulted the SRA on the potential breach of various elements of the Code of Conduct by solicitors operating in this area. The SRA would consider any evidence presented to them of specific breaches of the solicitor’s code of conduct. The MoJ is following this up.

55. In 2007–08 Central Government issued £500 million of equal pay capitalisation directions to 46 authorities to speed up the delivery of equal pay. John Healey, Minister for Local Government, has recently announced plans for a further round of equal pay capitalisation for local government in 2008–09; guidance has been issued to authorities and they have until the end of May to apply. The guidance makes it clear that capitalisation directions for equal pay costs in local government cannot be used to fund direct payments to any solicitors, whether operating on a “no win, no fee” basis or otherwise.

**We consider that the Quality Part Time Work Initiative has been under-funded, given the importance of quality part-time work in relation to both reducing occupational segregation and tackling the worse, and more obstinately static, gender pay gap which is that in relation to women’s hourly pay for part-time work. We recommend that the Government increase the funding to the initial target of £5 million, and seek the help of the CBI, TUC and similar organisations in proposing initiatives among companies which would otherwise be unaware of or reluctant to try best practice. (Paragraph 54)**

56. The Government has been pleased to support the innovative Quality Part-Time Work Fund which is currently funding 12 projects, covering a diverse list of organisations. The majority of the projects are ending in April 2008 although some continue until November. The Government will be reviewing the projects in the course of this year and assessing the elements of schemes that made the most difference. It is too early to consider extending the programme before the evidence is available. The Government will consider the case for further investment in this or a similar programme once it has the information available from the review of the present fund.

**The Government said in April 2007 that it will continue to consider the case for extending the right to request flexible working to the parents of older children, taking into account the impact of the extension to carers, and working with business.” We agree that the right should be extended in consultation with employers and their representatives; but we believe that while the Government’s thinking appears to be limited to parents and carers, this ignores the wider changes in work which mean that more people will change career, have portmanteau careers or wish to work part time at the beginning or end of their working lives, and it also risks leaving flexible working in a (perceived if not actual) ghetto as ‘ a woman’s problem’ and a sign of a lack of commitment among nearly half the workforce. We recommend the Government consider a gradual extension of the right to request flexible working to the whole workforce. (Paragraph 58)**

57. The Government believes that the success of the right to request with employers has been the targeted approach we have taken with the legislation since its introduction—first to parents of young and disabled children in April 2003 and then to carers of adults in April 2007.

58. When the Prime Minister announced on 6 November 2007 that the Government had decided to extend the scope of the law still further—to parents of older children—he signalled the Government’s intention to continue with the targeted approach. Imelda Walsh, HR Director of J Sainsbury plc, is currently leading an independent review to consider the upper age that should apply for this purpose, and is expected to make her recommendation in the spring of 2008.

59. As for extending the scope of the law to all employees, the Government does not take a blanket approach to making regulation. We always consider whether there is a clear case for legislation and are mindful of the impact on business. The success of the law so far has been due to the widespread support of employers, and we must be careful not to jeopardise this.

60. The Government believes that it is important that employers and employees know what their rights and obligations are in relation to the right to request flexible working. In the course of 2008, Government intends to promote understanding of this right with an awareness raising campaign.

**In relation to Amicus’s suggestion that employees should be given the right to challenge any refusal by their employer to grant a request for flexible working at an employment tribunal, we share our predecessors’ view that as yet this has not proved necessary as there has been no evidence of widespread refusal by employers to agree to**

**requests. However, the Government should keep the situation under review. (Paragraph 59)**

61. The right to request flexible working is widely acknowledged as a success with both employees and employers, with four out of five requests accepted. Much of that success is due to the light-touch, targeted nature of the legislation, and there is no evidence to suggest that the procedural requirements of the law need to be re-examined. The Government is nevertheless aware of the need to keep the position under review.

**There are good examples of successful businesswomen who can act as role models. However, progress is patchy and it will take some time before the number of these pioneers increases to the sort of critical mass which makes women top managers and entrepreneurs seem commonplace rather than exceptional in the UK. (Paragraph 61)**

62. The Government recognises the value of female role models in inspiring and encouraging others. In its recent Enterprise Strategy, BERR proposed the coordination of a national mentoring network for women in business. This network will signpost to existing mentoring programmes and offer both face-to-face and web-based mentoring where there is no existing provision.

**There is clearly a need for more training and advice to be made available to managers to give them the ability and confidence to adopt new ways of working and of nurturing talent in order to enable their employees to use their skills, to their own benefit as well as that of the company. We support the CBI's suggestion that the CEHR should make a priority of issuing guidance on what types of actions would be considered discriminatory and what could be seen as positive action. (Paragraph 65)**

63. The EHRC agrees that it is important to share good practice. Employers are more likely to take action when they see best practice examples from other employers/business addressing equality and diversity issues, particularly where the business case for action is clear.

64. This is included in the programme of work planned as part of the update of the equal pay review kit and the dissemination of the findings of the survey of employers carrying out equal pay reviews. Best practice will be promoted through the EHRC's website, through partnership working with leading law firms, through the TUC, and through the Advisory, Conciliation and Arbitration Service (ACAS).

65. In 2008/09 the EHRC is also planning to develop website guidance around good practice for employers. Initially, this will be in relation to the transformation of work agenda (work life balance, flexibility, new ways of working for the 21<sup>st</sup> century etc)—building on work started by the Equal Opportunities Commission—as this is a key priority area for the EHRC. However, they hope to broaden out this website guidance to cover culture and practice around equality and diversity across all the strands.

66. EHRC is currently working with CBI and TUC on the development of a practical good practice guide for employers on diversity which will look at all the equality strands and a range of employment issues using case study examples. This should be available in summer 2008.

**Given the difficulty of bringing about cultural change, which requires the joint efforts of both trade unions and management, and the success of the union learning representatives, we, are disappointed that the Government's support for union equality representatives appears lukewarm (Paragraph 67)**

67. Government recognises the positive role which Trade Union equality representatives can play and has taken concrete steps to support their development. Thirteen projects concerning equality representatives have received funding from the Union Modernisation Fund (UMF). In total, trade unions will receive about £1 million of UMF assistance to run these projects. Equality representatives are a new type of workplace representative and the numbers are currently low. It is therefore too soon to assign specific time off rights to them. Government took the same measured approach before legislating for union learning representatives.

68. The Government is hosting an event for Trade Union equality representatives in early summer 2008 which will provide an opportunity for experience so far to be shared.

**We welcome the examples our witnesses gave of close working and co-operation in spreading good practice between trade unions and employers organisations. We hope that they will continue to be able to build on this now that the immediate flurry of activity after publication of the Women and Work Commission's report has subsided. (Paragraph 69)**

69. Government encourages employers and trade unions to work in partnership to address workplace issues, including the adaptation of working life to reflect the growing diversity of the workforce.

**We were told of numerous imaginative and practical initiatives to address gender inequality in the workplace, both within and outside government programmes. However, we are concerned that many of the organisations taking part in government programmes are either companies which have already shown leadership in this area or are in the broader public sector, such as Royal Mail and universities. We hope that best practice will be taken up more widely and recommend the Government, via the Commission for Equality and Human Rights and the department that has the central role in communicating with business, the Department for Business, Enterprise and Regulatory Reform, to make spreading best practice in this area a priority. We would like to see the spread of best practice through the economy adopted as one of the actions both the CEHR and BERR pledge themselves to take under the public sector equality duty. (Paragraph 70)**

70. BERR is committed to the continuous improvement of research, evidence and statistics on underrepresented groups in business by gender, ethnicity and age. BERR will also work with and encourage the RDAs to understand how best to approach businesses and facilitate the sharing of best practice.

71. The EHRC have provided a joint response to this recommendation with their response to recommendation 22.

72. Other work on spreading best practice is underway through the GEO. The Exemplar Employers project, the report of which has been published in March 2008, and the Gender Equality Checklist both contribute to and promote best practice.

**It appears from our short survey that departments are making progress in implementation of the Gender Equality Duty, and that this is leading to actions to promote equality rather than just the establishment of formal processes. However, it is obvious that the pursuit of gender equality through positive action (rather than merely the avoidance of discrimination) is a new departure for some departments, and they appear to find it easier to adopt appropriate policies for their own employees than to examine the effect of their policies on their clients. There are some fine examples of best practice, which have yet to spread. We look to the Secretary of State for Equality to maintain pressure on all departments to catch up with the best. The three-yearly review of the Schemes provides a good opportunity to do so. (Paragraph 76)**

73. The Government is supportive of attempts to share best practice across departments and is investigating ways in which this can best be encouraged, before the opportunity provided by the three-year review of schemes in 2010.

74. At a national level, the Government continues to work on key workforce challenges for the UK's public services through the Public Services Forum (PSF).<sup>5</sup> In March 2008, the PSF agreed to establish a Task Group on Diversity and Equality to pursue specific actions, with a sharp focus on delivering practical guidance and tools to support public service employers and their delivery partners. Amongst its activities, the Task Group will identify best practice and articulate learning points on single equality schemes and will consider its role in giving impetus to the Women and Work Commission's action plan on supporting women in the workplace. The Task Group will make recommendations in October 2008 about what employers, trade unions and delivery partners can practically do to facilitate and deliver progress.

75. The Civil Service is taking a number of steps to ensure that it represents the diversity of the society it serves. A diverse workforce, made up of individuals with different experiences and backgrounds, contributes to the Civil Service developing policies with an understanding of the impact that those policies will have on our clients. The 10 Point Plan for a diverse civil service was launched in 2005 and departments have developed their own delivery plans under this. In addition the Diversity Champions Network (DCN) was set up in 2004 and is responsible for promoting and improving diversity across Civil Service departments and agencies. The DCN is made up of a Board level representative from all main departments who champions diversity and equality within their organisations. The champions also help to spread departmental best practice across the Civil Service. At the meeting of the DCN in November 2007, the departmental diversity champions started taking action to plan for a diversity strategy to follow the 10 Point Plan. The new strategy will be developed and launched in 2008.

---

<sup>5</sup> This is a national forum that brings together public service employers, trade unions and delivery partners. The Forum is currently chaired by Tom Watson MP, Minister for the Cabinet Office

**It would be regrettable if some of the useful actions undertaken to comply with the public sector Gender Equality Duty were lost as a result of a ‘tidying-up’ process. There is an argument for introducing a consistent approach to the various equality duties, and the focus of the gender duty on outcomes is the appropriate model. However, this does not mean that there has to be a single equality duty: the barriers faced by different groups vary, as do the solutions which need to be applied. Legislative neatness should not take priority over a flexible approach. (Paragraph 78)**

76. As part of the consultation, “A Framework for Fairness”, the Government consulted on proposals for bringing together the existing public sector duties into a single duty. The Government is currently considering responses to the consultation.

**We consider that the advice given by the Office of Government Commerce in its guidance, *Social issues in purchasing*, is too timid. There appears to be greater scope for public bodies to require of their suppliers not only simple compliance with antidiscrimination legislation, as recommended now, but also demonstration of active commitment to equality principles in the recruitment, terms and conditions of staff. Indeed, we believe that if they do not, public bodies could be challenged as being in breach of their duty to promote gender equality. We accept that it may be easier for larger than smaller companies and for those supplying services rather than goods, to show how they are promoting gender equality, but procurement guidelines already make such distinctions between what it is reasonable to expect of different types of firm. We urge the OGC to review its guidance accordingly. (Paragraph 84)**

77. The Government recognises the role that public procurement can play to help deliver improvements in equality.

78. The OGC acknowledges the Committee’s conclusions both in this report and the Committee’s previous report, “*The Future of UK Manufacturing: Public Procurement*”, that OGC should review its guidance on addressing social issues in procurement. Government has been examining how it can give departments clearer and more succinct messages on when and how they can incorporate social issues, including equality in the procurement process, whilst remaining within the EU procurement rules and ensuring value for money.

79. OGC intends to publish a short practical guide “*Buy and Make a Difference*”, with various examples and case studies from across the public sector, to give departments a clear steer on how they can legitimately address social issues such as equality in the procurement process, while adhering to the EU procurement rules and the imperative of achieving value for money. Additionally, Government is looking to produce similar practical guidance specifically on equality issues (across all the equality strands).

80. These and other practical guides will be included, as they are developed, in OGC’s new Procurement Policy and Standards Framework (PPSF), which sets out procurement policy, standards and guidance for government procurers.

**If, for the sake of certainty, the Government concludes it is necessary to introduce a statutory duty to promote equalities through procurement, the proposed Equality Bill appears to be a good opportunity to do so. (Paragraph 85)**

81. As part of the consultation “A Framework for Fairness”, Government sought views on what could be included in practical guidance on how public sector procurement can be used to achieve equality outcomes in the delivery of public services by the private sector, while ensuring that the guidance works well for business. The Government is currently considering the responses received to the consultation and will publish our response in due course.

**In common with a number of our witnesses, we were disappointed that the Government’s initial response to the report of the Women and Work Commission—the Action Plan published in September 2006—failed to commit the Government to providing the money necessary to implement the recommendations, lacked any timetable (however aspirational) by which progress could be judged, and generally gave the appearance of only a half-hearted acceptance of the outcome of the Commission. The one year on report showed that a substantial number of initiatives were in hand, some of which pre-dated the Commission’s report, and greater progress was being made than one might have feared from the initial response. However, there was still the appearance of a lack of co-ordination and direction: it was not clear whether the then Minister for Women was able, amidst her other tasks, to maintain oversight of this complex and cross-cutting area. We are reassured by the current Secretary of State for Equality’s obvious commitment to this policy and infer from her evidence to us that she intends not only to co-ordinate the efforts of her colleagues but also to keep up pressure on them to take into consideration and address gender equality issues in all their policies and procedures, in relation to both their clients and their employees. To ensure that this commitment is translated into effective practice, we recommend that all Select Committees should see monitoring in this area as being an important part of their remit and that the relevant Select Committee should continue to press the Secretary of State for Equality to give regular reports on progress. (Paragraph 92)**

82. The Government welcomes the comments of the Committee regarding progress made on the Women and Work Commission agenda. The Minister for Women and Equality is pleased to have the opportunity to confirm to the Committee her strong and continued commitment to co-ordinating and promoting this work within Government. This response contains evidence of the progress that has been made on the recommendations and that the Government continues to build on this work. The number of departments involved in this response gives an indication of the wide range of ongoing work and its importance across Government.

83. By setting itself the PSA target of reducing the gender pay gap, the Government has committed itself to continued monitoring and reporting on progress. The work of the Women and Work Commission has provided a strong focus around which the work of Government has been coordinated. It is the intention of Government that future work will build on the action already taken following the Commission’s recommendations. The GEO is committed to provide regular updates on progress and performance and to report regularly to the Communities and Local Government Committee, which monitors its work, and to any other committee that Parliament decides is appropriate in order to effectively monitor this work.

15 May 2008