

Women and Equalities Committee

Oral evidence: [Fathers and the Workplace](#), HC 358

Wednesday 22 November 2017

Ordered by the House of Commons to be published on 22 November 2017.

[Watch the meeting](#)

Members present: Maria Miller (Chair); Tonia Antoniazzi; Angela Crawley; Philip Davies; Rosie Duffield; Eddie Hughes; Jess Phillips; Gavin Shuker.

Questions 99–175

Witnesses

I: Margot James MP, Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy; Mark Holmes, Deputy Director, Labour Market, Individual Rights, Department for Business, Energy and Industrial Strategy.

Written evidence from witnesses:

- [Department for Business, Energy and Industrial Strategy](#)

Examination of witnesses

Witnesses: Margot James MP and Mark Holmes.

Q99 **Chair:** Good morning. Can I start, Minister, by thanking you and your official for coming along to give evidence to the inquiry that we are holding on fathers and the workplace? I know how much time it takes to prepare for this, and we are immensely grateful to you for giving us the time and for sharing with us the work of the Government.

We are going to be doing the usual practice of each Committee member asking a set of questions, but, just for the record, perhaps you could just say your name and the position you hold.

Margot James: Thank you very much indeed for the invitation. My name is Margot James. I am Parliamentary Under-Secretary for small business, consumers and corporate responsibility.

Mark Holmes: Good morning. I am Mark Holmes. I am one of the deputy directors in the labour market directorate at BEIS.

Q100 **Chair:** When you say you are in the labour market directorate, what does that mean?

Mark Holmes: The directorate looks after much of the employment law framework for Great Britain, and my responsibilities include responsibility for family leave, pay and the right to request flexible working, among other things.

Chair: That is brilliant. You are the right man for us today, then.

Q101 **Gavin Shuker:** Thank you, Minister, for coming today and thank you for the written submission that you made. Something in it jumped out at me. You said that the aim is to send a signal that fathers should share care more equally. Can you explain why that is a good idea in terms of public policy?

Margot James: Thank you very much for the welcome.

It is important on many levels. It is very important for family life that fathers get the chance to bond with their children, as mothers have always traditionally done. It is good for children and fathers, and it is very good for mothers in terms of their work-life balance. If mothers can get a greater share of child-caring responsibility carried out by their partner or husband, that will enable them to have greater freedom either to return to paid employment or to do other things. At the moment, research shows that fathers do less than half of childcare tasks within the home at the moment, and that places too great a burden on women.



HOUSE OF COMMONS

My last point is that if fathers take greater responsibility for childcare, enabling women to rejoin the workplace, we believe it will ultimately contribute to reducing the gender pay gap.

Q102 Gavin Shuker: Is it your explicit aim to increase the proportion of childcare that fathers do?

Margot James: It is the direction we want to go in, yes. We do not believe that we will achieve that just by Government policy, of course. There is a wide-scale cultural change that needs to occur.

When I say it is the aim of Government to increase the responsibilities fathers take for children in the home, I would not want that to be construed as me thinking that it is Government policy that is the main driver of that, but Government policy can contribute and it should.

Q103 Gavin Shuker: On that, could you just outline to me the mechanisms available to you as a Minister to drive that increase in the proportion of work fathers are doing in the home?

Margot James: Yes. We have bedded down a few key policies that have been critical steps in the journey to allow fathers to take greater responsibilities for childcare, particularly with the introduction of paternity pay, the two weeks of paid paternity leave, and the introduction of shared parental leave in 2015, allowing the mother to allocate a proportion of her maternity leave to the father.

That is a very important step forward, albeit one step. We are very much at the commencement of what we want to achieve, but it is very important to encourage fathers to take some time out of the workplace looking after their children in the first year of the child's life.

Q104 Gavin Shuker: Do you or your officials have any evidence that the policies you outlined there—essentially providing support for fathers early on to do childcare as part of that relationship—actually help in the labour market and more broadly? You outlined some aims at the start here. What evidence do you have that those policies are effective?

Margot James: It is difficult to pinpoint firm evidence in the UK, because we only introduced the policy in 2015. As you know, we are going to evaluate it next year, so we will, I hope, have some evidence to share with the Committee towards the end of next year when we have evaluated the impact of shared parental leave.

Having said that, there are some examples from other countries that are further advanced in these policy areas than we are. It is mixed at the moment. You can evaluate take-up of shared parental leave but that is a milestone, really. You have to take a little bit more time to evaluate the impact that the take-up has had on greater sharing of childcare later on through the lives of the children, participation in the labour force and more men working flexibly. Those things will take time to be evaluated. However, we do believe that there will be a link between the take-up of



HOUSE OF COMMONS

shared parental leave and those desired later consequences. If you look at the example of Germany, they have evaluated this. They introduced these measures in about 2007, and they have evaluated the longer-term impacts. It is looking promising. Fathers are requesting more flexible work and entering more part-time work. In other words, they are taking a more equal share of childcare through the years of the child's development.

Q105 Gavin Shuker: We will unpack many of these issues as we go around the table, but there are just a couple of final questions from me. First of all, what dataset do you have available? Do you have a good sense of the proportion of childcare that is being done by fathers at the moment? How are you tracking that?

Margot James: At the moment, the latest research shows that fathers are undertaking less than half the childcare provided by mothers. Over time, once these changes we introduced in 2015 are bedded down, we would expect to see that percentage undertaken by fathers increase, I hope significantly.

Q106 Gavin Shuker: Just on that, "less than half" is quite a large range. I hope it is a helpful question—I am just trying to get a sense of how you monitor that.

Margot James: Yes. I will allow myself to be corrected here, but it is just under half. Yes, I am sure: it is just under half, between 45% and 50% of what women provide is provided by fathers.

Q107 Gavin Shuker: Lastly from me, we have also taken evidence from working-age fathers from a variety of different backgrounds. One pretty clear message that we have taken from that as we have undergone this inquiry is that there is a particular issue around people who are perhaps in more rigid employment, on lower or more average pay. Is there any specific action the Government is taking to make it easier for people on low pay to participate in their child's life?

Margot James: I quite agree with your assessment. That is absolutely true. One of the very stark contrasts is the way employers enhance parental pay at the upper end of the income scale. That is far less prevalent at the lower end of the income scale. When babies are born, expenditure increases and there is more financial pressure on families.

You make a very good point. One of the ways we are doing that is to look to the Taylor review. We are about to respond to Matthew Taylor's recommendations. He has put some recommendations in place on how to provide greater security and greater access to benefits to low-paid workers. That is something we are looking at very seriously, and we will indeed consult on it after we have responded in the next few weeks.

Q108 Jess Phillips: In your written submissions, you told us that it was crucial that fathers play an active role, as you have laid out to us this morning. The fathers we met—and certainly this has been my entire life experience—were having to take annual leave or unpaid leave to top up



HOUSE OF COMMONS

their paternity leave in the initial days of their child's life. Is two weeks' statutory paternity leave really long enough to meet the Government's objective, as you have laid it out to us today and in your submissions, of enabling fathers to take an active and important role in the lives of their children?

Margot James: One of the reasons we introduced the shared parental leave was that we feel that more is required in terms of time involvement from fathers during the first year of the child's life. That is indicative. We do not feel two weeks is adequate to really see the step change that I outlined was our long-term policy.

Q109 **Jess Phillips:** Specifically in the very first weeks of a child's life, we certainly heard evidence that most fathers were taking annual leave. In most cases with shared parental leave—I do not have the data at my fingertips—there are certain physiological aspects that would mean a woman would largely take the first portion of that leave, with fathers taking the other end on the other side, but there is a really specific issue around the very first days and weeks of a child's life. For example, in cases of multiple births or if a child is premature and the mother has to spend a long period in hospital, is two weeks enough time for statutory paternity leave?

Margot James: Obviously, it is very much better than the non-availability of any paternity leave that preceded it. If you compare it to what we had before, it is a significant advance. You do mention some cases where I quite agree that it must seem inadequate—certainly after multiple births, and also the issue of babies being born very prematurely. Actually, there is an issue for maternity leave as well as paternity leave in the experience of a very premature birth.

Q110 **Jess Phillips:** Is there any room to make exceptions or allowances for these extreme cases? Almost everyone in this room will know about one of these cases. Is there any need to change the way we have statutory paternity leave? I recognise that it is better: one of my children did not have it; one of them did. It was definitely better to have it.

Margot James: As you rightly point out, there is always a need to keep policy under review. There is always scope for improvement. It does have to be balanced with affordability, but I am very sympathetic to the points you raise in terms of what we review next year. Mark, is there anything you want to add to that?

Mark Holmes: I just have a couple of points to add, if I may. First, you talked about mums tending to take leave towards the beginning and dads at the end. Just to be clear, the shared parental leave system allows both parents to be off work at the same time.

Jess Phillips: I know.

Mark Holmes: It does enable that choice. Secondly, on the question of—



HOUSE OF COMMONS

Q111 **Jess Phillips:** Can you tell me how many people take it together?

Mark Holmes: No, we do not have that data yet.

Q112 **Jess Phillips:** Will you have that data?

Mark Holmes: Yes, that is exactly the kind of thing we will want to look into in the evaluation.

Q113 **Jess Phillips:** Do you suspect that lots of people are taking it together? Do you have any indication? Are you just not sure?

Mark Holmes: We are just not sure. Such data as we do have is about the paid leave, and it may be that where people are taking it together there is probably a greater chance that one of them may be taking unpaid leave, in which case we will have no data on that at all.

Q114 **Jess Phillips:** I think it is unlikely that people are taking it together, to be perfectly honest, in lots of cases. I could not imagine that for any more than a couple of weeks.

Mark Holmes: Okay, that is fine. On the question of parents with premature babies needing extra time, we have been working with ACAS to develop guidance for employers on that issue. I realise guidance is not the same as an entitlement, but that guidance was in fact published yesterday¹, so that is progress.

Q115 **Jess Phillips:** What evidence do you have about the benefits to parents and the effect on employers of longer periods of statutory paternity leave? Let us say we were to extend paternity leave. Do you have any evidence that it would be really difficult for employers?

Margot James: We do not have any evidence either way, but when we evaluate that, in line with the evaluation on shared parental leave, one of the issues we will assess is employer views and employer experience. Employers tend to adapt to these new entitlements over time. Over time, they start to appreciate the benefits. Notwithstanding the issue of whether two weeks is enough, which I quite agree is an open question, fathers come back with more of a sense of fulfilment and more able to commit themselves to their work than they would have been if they had had to come back almost the day after their child had been born. I am very positive about the effect that these things have on employers, in fact.

Q116 **Jess Phillips:** What is the justification for statutory maternity leave being a day-one right for an employee but statutory paternity leave not being?

Margot James: That goes to the different physiological effects of childbirth on women by comparison to fatherhood. There are sometimes

¹ The Department has clarified that the premature babies guidance was published 5 September 2017. Maternity discrimination guidance was published on 21 November 2017.



HOUSE OF COMMONS

complications. There is a physical recovery to facilitate. There is the choice to breastfeed. If that choice is made, that requires support. Obviously, that is from day one. Those are the reasons for the discrepancy between maternity and paternity leave.

- Q117 **Jess Phillips:** It is not that there is not a right for fathers; there is, but it is just not a day-one right. If you were to start in employment and your wife gives birth the very next day, you would not be entitled to that. I am not sure that that has anything to do with the physical nature of it. As an employee, it seems that you just have more rights if you are a woman. That is not a sentence I say very often.

Margot James: That is the rationale for the differences in the way that mothers and fathers are treated in their leave.

- Q118 **Jess Phillips:** Is that a fair rationale?

Margot James: I do feel that there are differences. Yes, I do. I do feel that is a justifiable rationale. I do not know whether you should have to work for six and a half months of continuous service before you can have any paternal leave. Yes, I can understand that for men who find themselves in that position it can seem quite unfair, although I presume most men who find themselves in that position would have known prior to moving jobs.

- Q119 **Jess Phillips:** They probably do not know that, actually. What we found from the fathers we spoke to was that, aside from a notable example of the person who seemed to be running the paternity scheme for the entire organisation, they did not actually know very much about these things at all. Do you not think that the difference in standard, in terms of whether this is a day-one right for two parents, suggests that our onus is not on fathers taking responsibility? They are a secondary parent rather than an equal partner.

Margot James: I do come back to the point that I think for the first six weeks—that is what it is in law—or one or two months post childbirth, a mother's needs are different from a father's needs.

Jess Phillips: I am not disputing that.

Margot James: Therefore, that is the basis in law. I am, on the other hand, very sympathetic to the rights of fathers whether they have been in 26 weeks' continuous service or not. I recognise the point you are making.

- Q120 **Jess Phillips:** I can understand the physiological argument for the length of time. Let us say there is a six-week genuine recovery from a caesarean section. I can understand that. However, I have to say, Minister, that I cannot understand it for an issue over when you are entitled to it within your working life. I am not sure it stacks up.

Mark Holmes: Perhaps I can try to help. There are qualifying periods for quite a number of employment rights.



HOUSE OF COMMONS

Q121 **Jess Phillips:** But not maternity.

Mark Holmes: Not for maternity leave, no. The view that a number of Governments have taken is that in legislating on employment rights there is a need to balance the benefit to the employee and the uncertainty and the planning ability of the employer. When they are taking somebody on afresh, they should know what might happen in, in this case, the first six months. The Government have taken the view that you really should not apply that to mothers. You cannot possibly require somebody to be at work when they have just given birth.

Q122 **Jess Phillips:** Can you possibly require somebody to be at work when their partner has just given birth?

Mark Holmes: The view that the Government have taken is, as the Minister has already said, about the physiological difference in the recovery from childbirth.

Q123 **Chair:** Is this something you might be looking at when you look at shared parental leave?

Margot James: We are not scheduled to look at it, but I am certainly willing to take back from this Committee the need that we should look at it, yes. I do not know whether you are permitted to publish the evidence you took from the nine fathers recently.

Chair: We will when it has been anonymised.

Margot James: I will look forward to reading that.

Q124 **Jess Phillips:** Just finally, what is the justification for capping statutory paternity pay at £140.98 per week? Statutory maternity pay is not capped for the first six weeks, so mothers are entitled to 90% of their pay at this time.

Margot James: It is quite clear that the woman has to be absent from the workplace, and it is really much the same rationale as I gave you in answer to your previous question.

Q125 **Jess Phillips:** I can understand it for this. I can understand the six-week issue for physical recovery more for this.

Margot James: The woman has to be out of the workplace. I know there are exceptions, but the vast majority of mothers do need that time, they do need to be out of the workplace and so we feel that 90% of earnings is appropriate.

Q126 **Jess Phillips:** Would more men take six weeks off if they had 90% of their pay?

Margot James: I do think so, in fact, yes.

Jess Phillips: It is fairly certain.

Margot James: I do think that.



HOUSE OF COMMONS

Q127 **Jess Phillips:** If we want to encourage men to do this—if, from Gavin's line of questioning, it is the Government's desire to do this—should we not think about paying fathers 90% of their pay?

Margot James: This has to be balanced with the costs of introducing such a policy. At the moment, we do not have approval for assessing or reviewing that.

Q128 **Jess Phillips:** Have we done a cost analysis of what that would cost?

Margot James: I have seen cost estimates for equalising pay, including the shared parental leave month, of between £300 million and £1 billion, depending on how far you take it.

Q129 **Chair:** Would it be possible for you to write to us on that, if you have seen some evidence?

Margot James: We can certainly provide you with what we have.

Chair: That would be very helpful.

Mark Holmes: The piece of work we did on costing was in response to the Committee's previous report on the gender pay gap. We looked at the scenario in which you were to offer fathers and partners an additional four weeks at 90% of earnings and then a further eight weeks at the statutory pay rate. It depends heavily on take-up and a number of other factors, but we estimated the cost to the Exchequer of that would be in the high hundreds of millions per year, and the cost to business would be in the low hundreds of millions per year.

Q130 **Jess Phillips:** What would be the benefit to the Treasury of women not having a gender pay gap?

Margot James: There is not a simple, straightforward correlation between the two. We would not end the pay gap as soon as we introduced that payment.

Jess Phillips: Not as soon as, no.

Margot James: If you look at other countries like Sweden, which have had a more generous provision for fathers for almost 40 years, their gender pay gap is still about 13%. Although I did say at the beginning that we do see these developments as a step towards narrowing the gender pay gap, it takes a long time to actually close it, looking at other countries' experience. Obviously, there is a huge issue of occupational segregation and women working in lower-paid employment. That is a big determinant of the gender pay gap as well.

Q131 **Jess Phillips:** Of course, yes. Maybe some modelling would be useful. If it were to go down by whatever number of percentage points that it has gone down in Sweden, what would that mean to the Treasury in terms of increased taxation, for example?



HOUSE OF COMMONS

Margot James: It would obviously be a positive benefit, but we would not be able to evaluate it.

Chair: It would be a very positive benefit to society.

Jess Phillips: It would be a benefit to the world.

Chair: It would be a very positive benefit in terms of the sort of society we live in.

Margot James: Absolutely, yes. I strongly concur with that.

Q132 **Rosie Duffield:** You have touched on some of this before in respect of target take-up rates and things. In your submission, you said that care should be shared in the child's first year. Have you got a target for the take-up rate of shared parental leave by fathers?

Margot James: We do not have a target, but we do have an explicit commitment to look at policies that will increase the uptake of shared parental leave. That was one of our manifesto commitments, and we will be looking at ways of improving the take-up next year.

Q133 **Rosie Duffield:** In the gender pay gap report, we recommended a paid standalone period of leave for fathers. Would this better meet your objectives of fathers sharing care more equally?

Margot James: I am sorry. I did not hear quite what you said there.

Rosie Duffield: We were suggesting that there was a standalone period of leave for fathers. Would that help secure more take-up?

Chair: A "dads-only" period.

Margot James: If you look at international comparisons, the answer is that by and large it does. There are various countries and parts of countries that have introduced a requirement that part of the leave is taken by fathers, and uptake is significantly increased. There are some countries where there are other factors that you cannot necessarily divorce from it, but by and large it would increase, yes.

Q134 **Rosie Duffield:** We have heard that awareness of the shared parental leave policy, even among some large and high-profile companies, is still quite low. What are the Government doing to raise awareness on this?

Margot James: That is a very important point, because in some instances fathers are discriminated against. There is evidence to show that there is a greater discretion shown to mothers who request flexible working than there is to fathers who request flexible working. It is definitely the case. I am sorry, I have lost my train of thought. I do apologise.

Chair: The question was about awareness even amongst large employers.

Margot James: Thank you. I am sorry about that. Awareness is absolutely crucial, because one of the reasons employers are less



generous to fathers is because they are not quite so sure of their legal obligations to fathers as they are of their obligations to mothers. They think they can stand in the way more of what fathers feel they need to do at home, and that is wrong. We need to boost the awareness of their obligations.

On a positive note, we also need to boost the awareness of the positive impact on people's productivity of being able to play a proper part in family life as well as being a valued member of a company. When people are slightly less stressed about trying to manage that work-life balance, they are more productive. There are a lot of good messages we want to get across, and we want to work with the voluntary sector and non-governmental organisations, as well as ACAS and the EHRC. They are doing some very good work. We are working with other groups to try to get companies to try to be firmly aware of their rights and responsibilities. That is also true for fathers, because there is evidence to show they are not fully aware of their rights.

Q135 Rosie Duffield: I just want to say as well that we have talked a lot about fathers, but how does this affect same-sex couples? How would that even be categorised as a right if a lesbian couple had children and wanted to take leave? How would two women be treated by the workplace? Is there some kind of plan? Is it just all fathers? It just occurred to me that is what we are talking about in relation to same-sex parents.

Margot James: The same rules with regard to shared parental leave would apply.

Rosie Duffield: It is not gender-specific.

Margot James: Yes, exactly.

Chair: It is probably worth being clear that we named this inquiry "Fathers and the Workplace" because we felt that that was a group who had particular issues, but of course the findings would be important for second parents of whatever gender.

Mark Holmes: Paternity leave and pay, as well as shared parental leave and pay, apply equally to partners of any nature.

Q136 Chair: Before we move on in our questioning, Minister, do you think you should have done more, when this policy was launched, to make people aware of shared parental leave?

Margot James: I seem to remember a great deal of publicity about it, but then that is probably because I am interested in this and I understood it before it had come out. Probably, yes. There is no limit to the amount of effort that Government need to make to make people aware of a lot of the changes. As we know, it is always difficult to build awareness of policy, especially when the policy represents an improvement and is not very controversial. It is hard to break through, on social media or traditional media. We do need to work at it.



HOUSE OF COMMONS

Q137 Chair: It seems like this is something that you have really spent a lot of time thinking about. When might we hear more about your plans for shared parental leave in the future?

Margot James: First, we will evaluate the operation of shared parental leave over its first three to four years, next year. That is going to be very important to what we end up doing in response to it. Before that evaluation, I hope by the end of this year we will be able to announce some plans we have for raising awareness about the benefits of shared parental leave and the role of fathers.

Chair: That is really helpful.

Mark Holmes: Over time, I would hope employers' awareness is raised by the fact that fathers and partners are asking for leave. The awareness among employees and employers will, to an extent, go hand in hand.

Q138 Gavin Shuker: What level of take-up of shared parental leave would you consider to be a success?

Margot James: Bearing in mind it only started in 2015 and it probably took a year to bed down, we are really only evaluating three years in. At the moment, the take-up is disappointing.

Gavin Shuker: It is bad.

Margot James: It is under 10%. I would regard 25% as successful. I would regard anything over 20% as very encouraging. We are not going to see those figures, so it is going to demonstrate that we have a lot more to do.

Q139 Gavin Shuker: The obvious end of that thinking is that if you are not reaching successful levels with the policy as it is designed, you might think about adjusting the policy to make it more successful.

Margot James: The purpose of doing the evaluation is to find out what is going on, what sort of men are asking for it and using it, what sort of employers are doing it, whether there is any correlation in the types of employers that are granting it, and the barriers that fathers face. All of those things will be evaluated, as well as the actual numbers on the take-up. Depending on what we find out, we will make some judgments about the policy implications.

Chair: That is very encouraging, Minister. You sound like you are going to be looking at the evidence and acting, which I am sure colleagues will be very pleased to hear.

Q140 Angela Crawley: The Committee has heard evidence from organisations that fathers had very low awareness of unpaid parental leave. What evidence do you have about how many fathers have taken up that entitlement?

Margot James: What evidence do I have about how many fathers have taken up the entitlement?



Angela Crawley: Yes.

Chair: This is unpaid parental leave.

Mark Holmes: You mean parental leave as distinct from shared parental leave.

Angela Crawley: Yes.

Mark Holmes: The short answer is that we have no data on the take-up of parental leave. Because it is unpaid, we rely entirely on survey evidence for that kind of information. The last survey was conducted before it came in. That is another one where we will be gathering data next year.

Q141 **Angela Crawley:** Okay. Can I ask specifically what you are doing to promote the concept of unpaid parental leave as a policy?

Margot James: We promote the role of fathers and the rights that fathers have in the workplace. It is true that we have promoted shared parental leave more than paternal leave, because that is the newer of the benefits. We perhaps ought to do more to promote paternal leave than we do. As I say, we do more to promote shared parental leave. We are working with the "Working Forward" campaign of the EHRC. Although that was initially designed as a maternal campaign to end maternity discrimination, that campaign is now enveloping a broader approach. It has just published some guidance for fathers on how they should be exercising their rights in the workplace.

We are supporting campaigns like that. We also do our best to support existing organisations—indeed, this is something we can also do more of—such as Working Families, where they have a solid research base that demonstrates what fathers are taking up at the moment. They have a campaign to encourage greater flexible working, and they work with employers. Those employers that embrace the Working Families programme are found to be granting far more flexible working than employers that are not part of the Working Families programme.

As a Government, we will lend our support to things that are out there in the community as much as we can.

Q142 **Angela Crawley:** That is great. Thank you very much for that. Fathers told us that ultimately they could not afford to take unpaid leave. What considerations have you given to paid parental leave or carer's leave beyond the child's first year?

Margot James: I am not surprised to hear that is what fathers say. We know that men are engaged in higher-income occupations than women, and therefore there will be more pressure on men in the family to continue earning, which reinforces the obligations of mothers to take the greater amount of parental leave. It is a difficult issue, and we are looking at it. As my colleague Mark has said, there is quite a substantial



HOUSE OF COMMONS

cost implication. It is not something we are going to rush into, but it is something that we are looking at, and we will look at it further when we evaluate these policies next year.

Q143 Angela Crawley: Could I just add one supplementary question to that? Based not only on the concept of parental leave but on the concept of carer's leave, which could happen at any point in a person's career, have the Government done any cost-benefit analysis on the impact that has on other resources and budgets of Government, i.e. health, social care etc.?

Margot James: I am not aware of any such cost analysis. Are you, Mark?

Mark Holmes: There is work going on across Government on approaches to social care more generally. Looking at the best ways to support informal carers is a necessary part of that.

Q144 Tonia Antoniazzi: The Prime Minister has called for companies to advertise all jobs as flexible from day one unless there are solid business reasons not to. This is something that our predecessor Committee recommended in its report on the gender pay gap. Does this change in policy mean the Government does not believe the right to request flexible working is being implemented properly?

Margot James: It definitely indicates that we feel that we have not got to a point where enough employment that can be flexible is flexible. That is something that Working Families, which I mentioned earlier, have a campaign around. They are trying to get employers to offer flexible working so that people do not have to ask. That would be a good state to end up in.

We know that more fathers than mothers feel inhibited from requesting flexible leave. There is also evidence to suggest that when you have an environment where flexible working is the exception rather than the rule, employers make assumptions about people who request flexible leave. Even if they are positive towards granting it, they can make assumptions that an individual is prioritising their family, or whatever other reason they are requesting it for, over their career. That sets in train some very damaging reinforcement of the gender pay gap and limiting opportunities for predominantly women's career progression.

Q145 Tonia Antoniazzi: What evidence are the Government collecting on the effectiveness of this policy?

Margot James: We will be evaluating it. I do not know whether we have evaluated it yet.

Mark Holmes: No, that is right.

Margot James: Certainly, at the roundtables I do, the anecdotal evidence I hear indicates to me that there is a good awareness of the



HOUSE OF COMMONS

right to flexible working, but that it is not really been accessed adequately.

Obviously, some people might not want to work flexibly—and that is absolutely fine—but what we would not want is a situation where people feel inhibited from asking even though they have a legal right. It is a more difficult thing to evaluate, with the terms on which employers can refuse it as well. They can refuse it, obviously, if there is a sound commercial reason. We feel we have to protect that in law, but of course it can create a rather opaque situation that is not easy to evaluate.

Q146 **Tonia Antoniazzi:** I assume, then, that you will be trying to collect the evidence.

Margot James: Yes, we will.

Q147 **Tonia Antoniazzi:** Will this be fully disaggregated by sex, parental status, age and socioeconomic status, so the full picture can be understood?

Margot James: I would certainly hope so. As far as we are possibly able to do so, we do need to break it down by precisely those categories that you have outlined, for us to have a complete understanding of how we need to address the issues that I feel we will see arise.

Mark Holmes: The Government have committed to evaluate the right to request flexible working in 2019. That will be informed by a robust representative survey to gather the kind of data you mention.

Q148 **Tonia Antoniazzi:** That is brilliant. What action do the Government plan to take to ensure the Prime Minister's call for a step change becomes a reality? Will it legislate if other measures do not work?

Margot James: It is hard to predict where we will be in terms of our economy and what we will find during the evaluations. We are now looking at probably 2020 and 2021 when we would be responding to such an assessment. But we would never rule out legislation.

If you can effect change a little more gradually, with more substance and taking more employers with you on the journey, even if it takes a bit longer, that is a more solid foundation to see these policies reach their ultimate goal. I would prefer to take a little longer before we reach for legislation, which is always at our disposal.

Q149 **Chair:** Before I bring in Angela, I just want to comment on that a little bit further, if I could. The modern families index found that twice the number of fathers compared to mothers believed that flexible workers are viewed as less committed and that working flexibly will have a negative impact on their career. Minister, it sounds like you have quite a mountain to climb. It is surprising that you would not have a more defined plan in place to promote flexible working if you are going to be evaluating it in 18 months' time.



Margot James: I can assure you we are working on plans to boost awareness not just of shared parental leave but of flexible working. It is a key imperative for the Department and for the wider Government, as exemplified by the Prime Minister's statements. We have been doing a lot. We have been working with the EHRC, ACAS and other groups to promote flexible working. Indeed, we are working within Government to make sure we are putting our money where our mouth is, as it were. Although we are working on plans for next year, that does not mean we have not been doing anything. The extent of the progress we have made thus far has not just been about the legislation; it has also been about the attempt to shift the culture. Cultural change is absolutely vital. I completely accept that legislation only plays a part.

Q150 **Chair:** We will come on to culture in a moment. To press that before I bring Eddie in for another supplementary, one of the biggest challenges this country and this Government face is productivity. I was hearing evidence from employers yesterday, from major employers in this country, that shows that increased flexibility increases their productivity in teams by between 2% and 10%. That is a prize worth having. Should this not be getting more attention in your Department? I do worry that Brexit seems to dominate everything your Department does. These sorts of important issues about the future of our economy are getting sidelined. Can you reassure me that is not the case?

Margot James: I can reassure you that is not the case, but I cannot sit here and not acknowledge that Brexit is placing a very heavy burden on my Department. The business Department is responsible for a huge proportion of the legislative requirements that Brexit is bringing about, and it is also inputting into the negotiations. I can assure you that is not causing very important matters such as those we are discussing this morning, productivity and the link between the two are being sidelined. I really do not feel they are; I can assure you of that. However, there is no doubt that there is a heavy burden, as you point out.

I quite agree with what you have said, and I would just like to quote from the Taylor review on flexible working. We will be consulting on this, and we are also putting in practice some of his recommendations without consultation. He said, "Encouraging flexible work is good for everyone and has been shown to have a positive impact on productivity, worker retention and quality of work. The proportion of employees saying that flexible working was important to them when they initially decided to take up their current job has increased over recent years and in our survey of people working through platforms and other similar companies, 75% said they were satisfied with their ability to set their own hours, with 68% satisfied with their work-life balance".

There is a huge link with productivity, as I said earlier, as well. I do believe that, and that is one of our most powerful arguments to take these policies to the next stage.

Q151 **Eddie Hughes:** There are lots of evaluations to be done. In terms of



HOUSE OF COMMONS

your Department, as an employer, how are these policies taken up by the people within your team? I wonder, Mark, whether you have any particular view as to whether flexible work stops people reaching your heady heights in terms of employment prospects.

Margot James: I will let Mark answer as well, but the civil service has adopted all these policies to the full.

Q152 **Eddie Hughes:** How is the implementation in terms of take-up, though? The policies have been adopted, but have they been taken up?

Margot James: Just anecdotally, I had a meeting yesterday afternoon on the industrial strategy with four officials. There were two fathers. They were both about to take their element of their shared parental leave within the next 12 months. Yes, it is being taken up. I do not think for a moment that it will have any effect on their career progression.

Mark Holmes: I agree with that. My own team has a great deal of flexible working; it has almost every kind I can think of in a relatively small team. I can think of people, at least in the former BIS, who were working part-time at board level. I could name a number of colleagues who have left higher-paying jobs to join the civil service because of its flexible working offer.

Q153 **Chair:** Just following up from that, would it be possible for you to provide us with any information on the take-up of flexible working in your Department or, indeed, across the Government? It might be interesting to see.

Margot James: I can certainly provide you with the policies that have been adopted in my Department and across the Government. I do not know whether take-up has been measured yet, but it should be being measured. I will ask our HR department.

Chair: That would be helpful.

Margot James: We will send you whatever information we have.

Q154 **Eddie Hughes:** You can imagine that it would be difficult to ask other companies to provide details of their take-up if we are not doing it ourselves.

Margot James: Absolutely. I quite agree with that. I am a great believer in that.

Q155 **Angela Crawley:** I am pleased to hear that you are taking the role of the civil service into consideration, but of course in the evidence we have received a number of fathers who were self-employed found that they were not eligible for these entitlements. For fathers who are self-employed, can you tell me what the benefit for them would be of having a paternity allowance, similar to a maternity allowance? Can you give any justification as to why fathers should not get this support?



Margot James: There has always been a difference in the treatment of people who are self-employed and people who are employed for tax and benefits purposes. The access to paternal leave and paternity pay is a function of that different treatment. We are not able to make changes overnight.

However, the general direction the Government are taking is towards a great equality between self-employed and employed people. Access to the full state pension is one such example. The Taylor review has recommended that the Government should address the outstanding inequalities. We will be consulting on those recommendations.

Q156 **Angela Crawley:** I am pleased to hear that. Do you have any plans to extend employees' paternity entitlements to other workers? If not, how do you justify the lack of rights and support for fathers who are workers to manage their childcare responsibilities?

Margot James: Mark, would you help me on the distinction between the workers' rights here and the rights of the self-employed person? I appreciate the distinctions, but I would not want to get a detail wrong. If you do not mind, I will ask Mark to answer that question.

Mark Holmes: The question of different rights that accrue with different employment statuses is such an important and complicated one. That is exactly why the Prime Minister asked Matthew Taylor to conduct his review.

It would not really make sense simply to look at parental leave and pay entitlements for workers versus employees versus self-employed people. It really does need to be seen in the round. We have a comprehensive report from Matthew Taylor. The Minister said in the House that we will be responding before the end of the year. That is really the right context to sit it in.

Q157 **Angela Crawley:** Can I press you on that, then? In the spring Budget of 2017, the Chancellor said the Government would be consulting in the summer on options to address disparities in parental benefits between employed and self-employed workers. This was a recommendation, as you have mentioned, of the Taylor review of modern working practices. I believe we have already established that that consultation has already been published. Is that correct?

Chair: The Taylor review has been published, but not your response to it.

Margot James: Yes.

Q158 **Angela Crawley:** Can I press you, then, to ask when we can expect your response to the Taylor review? Do you have a specific date?

Margot James: We are towards the end of November, and I am absolutely committed to publishing it before the end of the year, so it will be within the next two or three weeks.



HOUSE OF COMMONS

Q159 **Angela Crawley:** Do you agree, then, that there has to be a wholesale review of self-employed workers' rights? It is not just about paternity, shared paternity or other rights; it is about a wholesale review of their rights to ensure that they have parity and equality, as you mentioned.

Margot James: We will be consulting on all of the Taylor review's recommendations around employment status, which will include people who are self-employed.

Q160 **Chair:** When will that consultation be published?

Margot James: We plan to publish the consultation at the same time as we respond to the Taylor review's recommendation.

Q161 **Chair:** It will be towards the end of the year.

Margot James: Yes. Hopefully those two requirements will be met concurrently, i.e. we will publish the consultations at the same time as we publish the response.

Q162 **Chair:** It will be before we break for Christmas.

Margot James: Yes.

Q163 **Chair:** That is an important line of questioning, because you have set out that the Government's objective is to progress towards equality in the role of men and women at work and at home.

With such a large number of people now being classified as workers, particularly those who are lower paid, to have these discrepancies is not really consistent with your strategy as a Government, hence we have pressed hard on this.

Margot James: Certainly, the employment market is changing. We are helping the low paid with the national living wage. We are trying to do things with the personal tax allowance as well to assist people in low-paid occupations.

The Taylor review looked carefully at some of the workers who are in very flexible employment—the 2.8% on zero-hours contracts and the almost 1.3 million working in very flexible employment. The review found that they did face a lot of issues around their security. Matthew Taylor identified that he felt employers were transferring too much of the commercial risk to the workers.

You have the additional issue of whether someone is self-employed or whether they are a worker. Notwithstanding Matthew Taylor's recommendations and our response, the courts and the tribunal system are really firming some of those issues up as we speak. There has undoubtedly been too much self-employment that is not genuinely self-employment. These people are entitled to the employment status that their actual working conditions and arrangements imply they should have, and they are not always getting it. We will definitely consult on how we address that issue and the others I have mentioned.



Chair: That is really helpful.

Q164 **Gavin Shuker:** In answer to my colleague from Canterbury, you said there was evidence that fathers were being discriminated against. You said there was evidence of discrimination. Why is maternity a legally protected characteristic but paternity is not?

Margot James: It is to do with the fact that women give birth. There are a lot of issues that can arise out of that process that provide for the essential need for protection. That is the reason why paternity is not a protected characteristic.

Q165 **Gavin Shuker:** We are okay with fathers being discriminated against but not mothers because of their physiology, because they undergo childbirth. Is that a good summary of what you are saying?

Mark Holmes: Fairness in the workplace is plainly very important, and not just in relation to the characteristics that are protected in the Equality Act. We can all think of a number of reasons why we would not want people to be discriminated against but which are not embedded in the Act itself. There is a need for proportionality in working out which things need that kind of protection and on what basis that should happen. I can absolutely see the point.

Q166 **Gavin Shuker:** From the evidence that we have taken—and actually just from our lived experience—we know that employers are not making it easy for fathers to access these rights at work. Minister, you suggested there was evidence of discrimination that you have seen. Is it an area where Government might look to see whether or not it should be a protected characteristic, given the aims of Government policy you laid out at the start of this session?

Margot James: In the first instance, we would want to drive more awareness of the benefits of encouraging fathers to access these entitlements and drum into companies, first, their legal responsibilities and, secondly, as I mentioned earlier, the productivity benefits of so doing. We want to do that before we start looking at increasing the protected characteristics.

We could probably achieve more by that route, in fact, because quite a lot of this is cultural. The more change that happens, the more companies that are laggards, if you like, will catch up. There is far more we need to do in terms of celebrating the role of fathers and demonstrating—this could be through the sort of work Working Families do with their member companies—the value of employing men and women equally with a more holistic approach to their work-life balance and their family needs, and that that is a positive for all. There is a lot we can do to improve things through those dynamics before we look at protected characteristics under the Equality Act.

Do not forget that mothers and women had to fight long and hard for these protected characteristics and all the benefits that go with it. What



HOUSE OF COMMONS

we do not want to see is that fathers face the same prejudice and issues that mothers did 30 years ago when they seek to access their rights. We certainly do not want to see that.

Q167 **Gavin Shuker:** But in summary your view is that the discrimination—"proportionality", to use Mark's word—does not reach the threshold at which you view that further action under the Equality Act is necessary.

Margot James: We are not yet done with maternity discrimination, of course, as this Committee found when it did an inquiry earlier in the year or last year. That is still a live problem, so we have to tackle both areas with all the arms at our disposal, really.

Q168 **Gavin Shuker:** More specifically, on shared parental leave, I understand it is available to fathers but only when the mother relinquishes a degree of her right there.

Margot James: Yes.

Q169 **Gavin Shuker:** Can you explain to me why?

Margot James: That was seen as being a necessary first step. We consulted on this, and at the time it was introduced it was felt that we did not wish, at the time, to carve out a proportion of leave for shared parental leave out of the mother's entitlement without her being the determinant of that choice. That was the view at the time. These views evolve.

Q170 **Gavin Shuker:** Does it not reinforce the idea, rather than challenge it, that child-raising is the preserve of the mother?

Margot James: No, not necessarily. There is a journey to be undergone here. These social attitudes are very deep-rooted. They are not going to be resolved quickly or by single policy interventions. The fact we have started with this approach does not imply we are forever wedded to the mother being the principal caregiver. That is not the case; it is a journey.

Q171 **Gavin Shuker:** Who in Government is the Minister for fatherhood?

Margot James: There is no Minister with specific responsibilities for fatherhood. There are Ministers with responsibilities for areas of policies that impact directly on fathers: there is me in my role; there is also Minister Anne Milton in her role as Minister for Women and Equalities; and to a certain extent the Department for Work and Pensions would have an input here as well. It is spread across Government.

Mark Holmes: To my mind, it is important that we mainstream it into the work of Government policy across Whitehall. There are three Departments with responsibilities for childcare policy, for starters, because it is embedded in the work that they do.

Q172 **Gavin Shuker:** Back in October, we were fortunate to take evidence from the Minister for Women and Equalities, who said there is now an established diversity and inclusion ministerial group. Would you be able



HOUSE OF COMMONS

to tell me how often that has met, what it is looking at, what the set-up of that group is and what its aim is?

Margot James: I chair it, so I ought to be able to tell you something about it. We established it in September. It has met once; it will meet again within the next couple of weeks. We are just getting the date. I think it is going to be a week on Monday.

The principal objective that initiated the group was my feeling that we had had several reports into discrimination on grounds of gender, race and ethnicity. We had also had the very important work on women on boards; I know you, Chair, were very involved in the initiation of this. Three of these bodies had reported in a reasonably similar timeframe. I felt there was a need to draw on the collective experience and really put some push behind implementation of some of the measures that were being recommended. That is the underlying rationale for the diversity and inclusion group.

I am very much aware that this area is also key. There is no reason why we should confine ourselves to the original remit indefinitely.

Q173 **Gavin Shuker:** You might be able to do this now, but if not perhaps you could write to us: if you could tell us the membership of that group, it would be helpful.

Margot James: Yes, I will. The membership is drawn from the Hampton-Alexander review of women on boards, the Sir John Parker review of people of colour on boards, and the Baroness McGregor-Smith review of ethnicity in the workplace and the barriers to people of ethnic minorities getting in at appropriate levels and getting on. Those people are all represented, and then we have the chair of the EHRC and we have various other bodies represented. I will write to you with the full list.

Q174 **Angela Crawley:** I am immensely grateful, of course, for your time and your candid and very honest responses. I just want to ask you a question. Is it your ambition as a Minister simply to bring about legislation that people can adhere to, or would you like to exceed that ambition and try to create that cultural and social shift you spoke of?

Margot James: Thank you for your kind comments about my answers. Yes, I am ambitious. This agenda has been something I have been committed to for many years. I was committed to it as an employer as well before I came into politics. I am very committed to it, so I do want to see the legislation work. I want to see the cultural change go forward. I recognise that legislation is only a part of that. However, if the legislation is not playing as full a part as it should, then when we come to review it I would be arguing for change as needed.

Q175 **Gavin Shuker:** Is the fundamental issue here the money? We have talked about a lot of different policies today, but either the state has to cover more cost for fathers to be able to give up time from work to go and care; or the business needs to do that; or the family needs to accept



HOUSE OF COMMONS

a lower level of living standards, or, if they are on a very low income, perhaps poverty levels of pay. Do you not have some sympathy with the fundamental view that the rest is kind of window-dressing?

Margot James: You paint a very bleak picture there.

Gavin Shuker: This is the Women and Equalities Select Committee. We like doing that.

Margot James: I will answer the question in two ways. First, I do feel that money is important, of course. Especially when children are born, expenses go up and time is at a premium. If you are on a low income, those pressures become very acute. I do not sit here and say that it is all the other factors that are the most important thing and the money will take care of itself. That is not the case, but neither is it only about money.

When I look back to my early years in business, when women accessed their rights fathers would joke, "I would not stay at home if you paid me. I would not look after the children if you paid me". That is a big thing we have changed. A lot of that has changed. There is still some work that needs to be done to change those attitudes. Even in the Working Families research, it is still only half of fathers who feel they need to spend more time with their children. We have a long way to go, and it is not all about money. Neither can we do it without money.

Chair: That is great. Thank you so much. Minister, we have a lot of ministerial sessions, and we have had ministerial sessions on this subject matter before. I have to say your responses today have been incredibly encouraging, particularly that you have taken the initiative of setting up an inter-ministerial group to deal with a lot of the issues we are particularly interested in. We look forward to following your progress on that. Thank you both for your time today and for your very succinct responses.

Margot James: Thank you very much, Chair. Thank you for your kind comments, and thank you for doing this important inquiry.

Chair: Thank you very much.