



Social Mobility Policy Committee

Uncorrected oral evidence: Manufacturing, professional and construction sectors

Thursday 27 March 2025

10.05 am

Watch the meeting

Members present: Lord Ravensdale (in the Chair); Baroness Blower; Lord Evans of Rainow; Baroness Garden of Frognal; Lord Hampton; Lord Harlech; Baroness Hussein-Ece; Lord Johnson of Marylebone; The Bishop of Lincoln; Baroness Ramsey of Wall Heath; Lord Watts; Lord Young of Cookham.

Evidence Session No. 4

Heard in Public

Questions 32 - 42

In the absence of Baroness Manningham-Buller, Lord Ravensdale was called to the Chair.

Witnesses

I: Neil Morrison, Director of Human Resources, Severn Trent; Jo Fry, Group HR Director, Mears Group; Tom Lyas, Head of Resourcing and Social Mobility, Browne Jacobson LLP.

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Examination of witnesses

Neil Morrison, Jo Fry and Tom Lyas.

Q29 The Chair: Welcome, everyone, to the third evidence session for this committee, which is the special inquiry on social mobility policy. We are looking forward to hearing from employers today, the first of two sessions with employers. I am Daniel Ravensdale and I am standing in for Baroness Manningham-Buller, who is our Chair. Thanks very much to you all for your time this morning and for appearing before the committee. It is much appreciated. I will not introduce the committee individually, but we have Baroness Ramsey and the Bishop of Lincoln joining us virtually today. I ask our three witnesses to start by introducing themselves and we will go from there.

Neil Morrison: I am the director of HR and communications for Severn Trent. We employ 10,000 people in the Midlands. I also sit on the boards of the Youth Futures Foundation and IfATE, the Institute for Apprenticeships and Technical Education.

Jo Fry: I am the group HR director for Mears Group. Mears Group employs 5,500 people nationwide and looks after social housing with care.

Tom Lyas: I am the head of resourcing and social mobility for national law firm Browne Jacobson. I am based in Nottingham. We have 1,200 people and about £130 million turnover.

The Chair: Thank you very much. I will start with a question on definitions, which is perhaps not as straightforward as it first appears. We have spent a bit of time talking through this with many of our witnesses. First, how do you understand the term "social mobility"? Secondly, what do you see as the role of employers in social mobility?

Jo Fry: From our point of view, it is about improving socioeconomic backgrounds and providing people with lower socioeconomic backgrounds with meaningful employment, progression and opportunities for them to have meaningful careers to progress.

The Chair: On the second bit of the question, what do you see as the role of employers in social mobility?

Jo Fry: To act responsibly and to have an awareness of ensuring that they can provide opportunities, recognising that the opportunities need to be tailored in line with the individuals they are trying to attract and retain to get diversity within the workforce.

Neil Morrison: To build on that, I see it as ensuring that the situation that you are born into or grow up in does not determine your outcomes in later life. I suggest that that could be in either direction. With social mobility we often talk about enhancement and improvement but by definition, unless you are constantly increasing, that also means that there is movement in both directions.

We understand that employment and jobs is a fundamental part of socioeconomic status, so employers' role is to reduce or remove the friction that exists in the employment process, the hiring process or the promotional process that might prevent someone from progressing in either direction during their life.

Tom Lyas: For me, quite simply it is an individual being able to move between the different socioeconomic hierarchies, being able to move from lower to intermediate or intermediate into a professional classification. It is probably simply to do better than the situation that your parents were in.

I think that every business is here to create opportunities that should make career prospects better for individuals and provide opportunities that are attainable regardless of your background. Responsibility is placed on business to have a workforce that is representative of the communities in which they operate and the customers and clients they serve.

Finally, the role of business is to take socioeconomic diversity and inclusion seriously. There is undoubtedly evidence that a more socioeconomically diverse business adds more to the economy.

Q30 **Baroness Hussein-Ece:** How do you encourage applications from a wider range of people, including those from what we would term lower socioeconomic but also socially excluded backgrounds? How do you target them and are there any specific initiatives, such as work placements or perhaps taster sessions, that you have employed to further this?

Jo Fry: As a business, we work in some of the most deprived communities and it is important for us to have a workforce that is reflective of the community we are serving within. This probably goes to the last question a bit more than the question that you have just asked, but it is important that we can represent the community that we are working within.

On targeting, recognising that one size does not fit all and making sure that you can get out there within the community—whether that is working within schools or work experience, whether it is working with children or their parents—all those areas help to increase awareness and provide the opportunity. A lot of the time it is about building awareness within the community as to what you can do and giving the adults, whoever they are, an opportunity to progress within those spheres, whether it is working with T-levels or trying to create work experience. We have run taster sessions as well where we have encouraged parents to come along so that they can see what they would be doing. That is the key thing that I suggest.

Baroness Hussein-Ece: What about FE colleges in your area, for example?

Jo Fry: We run a lot of apprenticeships via colleges as well, yes.

Neil Morrison: We broadly split our approach into two areas. First, the Midlands is a hugely diverse region, so we have an approach that is based on place. We look at specific areas within the region that have higher drivers of lower socioeconomic outcomes and we look to work with the schools in those areas to raise awareness of opportunity, to raise confidence and then to offer specific targeted work experience programmes for those schools. We try to support the people throughout their time in that school rather than coming in at specific points.

We work with about 124 schools, colleges and FE colleges and we support about 24,000 students in one way or another each year and have about 500 actual work experience placements. The evidence is that you are six times more likely to be in education, employment or training if you have good-quality work experience, so those outcomes work there.

The second part is around people. We recognise that there are specific groups who may have particular disadvantages. Those with experience of the care system are a group that we have done a lot of work with recently to provide a tailored package in association with Coventry City Council for young people coming out of the care system to try to get them experience of work, but with young offenders as well. It is about access and opportunity.

The third part is about employability skills and helping young people, regardless of whether they spend time with us on work experience or a placement, to be able to get the confidence to go into other employers and to feel that they can apply to them for good jobs.

Baroness Hussein-Ece: I am so glad you have mentioned confidence because we all know—those of us who have worked with young people and others from socially disadvantaged backgrounds—that one of the things that will always be a problem is confidence, having that confidence and believing in themselves and being able to integrate and work, and believe that they can achieve more. I am pleased that you have said that, Neil. Thank you very much.

Tom Lyas: My job has two halves. I am responsible for all the firm's recruitment, so creating talent pools. Encouraging applications from the widest possible source creates a talent pool as opposed to a talent puddle. For us, there is also a recognition that sometimes, not always, individuals from a lower socioeconomic background will start from a place of, "It is not possible". It is incredibly important for employers to continue to push and create clear narratives showcasing case studies that highlight role models from lower socioeconomic backgrounds who have gone on to achieve careers that they may aspire to. It starts very much with setting that scene.

As for very specific initiatives, I must admit personally that to be sat in this room being able to talk about an initiative we started some years ago is an incredible moment, so thank you very much. We created a programme called FAIRE.

Baroness Hussein-Ece: I read that in the notes.

Tom Lyas: It stands For Fairer Access Into Real Experience. It was created back in 2019 and it was off the back of looking at some of the data we had, particularly around work experience, where back in 2018-19 about 96% of work experience opportunities at the firm were given to individuals who had previous work experience. They had connections to partners or our clients and it simply was not fair. It is no more than, "That was not fair; let us create FAIRE".

FAIRE is effectively a series of initiatives within the FAIRE bracket. It is in-person work experience. We make every single work experience placement we offer paid so that nobody can not afford to do work experience. We offer in the region of 80 to 100 paid places a year. We also do large-scale virtual insights. I said at the start that we are 1,200 people and we have in the region of 30 or 40 junior opportunities a year. There is only so much we can do in tangible career outputs, but the approach we have taken through FAIRE is to try to increase access and progression within the legal industry. The large-scale events are never driven by, "Come and work for us". They are not driven with a purpose of joining Browne Jacobson. They are very much, "What can we do to help you as an individual get into the profession?"

The first event we ever ran had 7,120 students. It was the largest live legal work experience event that there was. Every attendee gets a certificate for their CV and it is recognised by a number of law firms as genuine experience. We have been extremely lucky to have some very high-profile lower socioeconomic background legal role models attend the event because they want to give back. They understand the barriers they faced and they are trying to break the barriers down for the next generation.

Under the FAIRE bracket we have also done what we call micro mentoring. This is large-scale mentoring, 200 to 300 individuals for 45 to 50 minutes. A mentoring programme for six months is a wonderful thing but there is a finite number that can go through that. We also created an online employability hub where students can go on and practise things like digital interviews and mock interviews. In the last year, we had 42,000 students undertake that, 58% of whom came from a lower socioeconomic background.

The second initiative, a series of actions that we have taken that has made a tremendous difference to our workforce, is looking at the recruitment process—a very inclusive recruitment process. Back in 2016 we took the decision to remove the requirement of a 2:1 degree or an A and two Bs at A-level to even apply for a junior role with the firm. The reason we did that is we have rolled out what we call contextual recruitment. We partner with an incredible organisation called Rare. It is an algorithm and it looks at anybody who has been in education since, I think, 2011 and works out the school they went to, the average grades, what they achieved and some other socioeconomic flags such as free

school meals, first generation to go to university and low-income household.

In the first year since we applied that, 45% of offers were given to students who previously were not even able to apply. Back to what I said at the start, my job is to create a talent pool, not a talent puddle, and by anonymising CVs and removing the academic bars, those initiatives or actions have made a tremendous difference to the career prospects and career outcomes of the individuals who have applied to us.

Lord Evans of Rainow: What is FAIRE? Could you spell it out?

Baroness Hussein-Ece: It is in the notes.

Tom Lyas: FAIRE, and it stands for Fairer Access Into Real Experience.

Lord Evans of Rainow: The second question is the Rare algorithm. It sounds like you have some data there. How did they get that data?

Tom Lyas: Rare has been around for at least a decade. A number of leading employers use its contextual recruitment system. Its data and its algorithm has every UK school and it looks at the performance and the average grades of the school. The candidates who are making an application will disclose their data, not to us as an organisation but confidentially to the Rare system. The algorithm then effectively does what is called a performance score. Looking at the access to and quality of the education you had and your professional status or lower socioeconomic status, it will create a score and that score will effectively put you into, with every opportunity you have had, whether you have underperformed, about right performed or overperformed.

With the data that is quite special, we follow our recruitment process and we have those who will be progressed and those who will potentially be rejected. At that point we look at the performance score and if somebody has a number of social mobility flags or they have a very high overperformance based on their background, we will do what we call a second look. At that point, we look at whether there is something in the application or in the data that says we might have missed somebody or overlooked somebody who could potentially come back into the process. When we have done that, about 8% of individuals of the total applications that were set to be rejected come back into the process. Of the 8% who come back in, about 70% go on to be hired. Without that system, we would have definitely missed some fantastic talent.

Q31 **Baroness Blower:** Mr Lyas, what is the pay level for your apprenticeships into careers in law? Do you have data about how many of those apprentices actually get careers in law?

Tom Lyas: To answer the question, it is £25,500, I think, for the entry level. We have two versions of apprenticeships. We have those that are typically but not exclusively for school leavers, so post A-level. That is a six-year solicitor apprenticeship and it takes you from leaving school right through to qualification. That is obviously a long gestation period. As yet

I think that we have lost two from about 40 and we have had in the region of 10 qualify because we are just coming to the point where we started it five or six years ago.

The second apprenticeship we have is called the graduate solicitor apprenticeship, and that is for graduates. We only introduced that in 2024. They started in September and the academic element of the graduate solicitor apprenticeship just started in February. The reason we introduced that is that there has been a huge amount of change in the way solicitors qualify, with something called the solicitor qualification exams, the SQE. It is a challenge getting somebody to qualification, but the graduate solicitor apprenticeship, which pays £31,000 regionally and £38,000 in London, provides the classic apprenticeship structure, being able to learn on the job and be able to practically apply the learning as opposed to going away, studying, and just having the academic theory element without having the opportunity to practically apply it and embed that learning.

Q32 Lord Johnson of Marylebone: There is ongoing reform of the apprenticeship levy being contemplated across government, which might see level 7 apprenticeships defunded. What impact would that have on social mobility in your organisations?

Tom Lyas: Yes, we are very aware of that. I think that there is no question but that solicitor apprenticeships have had a fantastic impact on the legal profession and in driving social mobility. For us that is undeniable. We are aware that very shortly there is a review and potentially that level 7 funding could be taken away. I think that would be a mistake, as a personal view.

Will it change our approach? I do not think so. We are committed to the structure of an apprenticeship. We do not do it because it is levy funded. Of course that is always a bonus but it is not the driver, and I suspect that is the case for a number of other employers. With the generational shift at the moment, people do not necessarily want to go to university. They want to get straight in and earn while learning. They do not want the burden of the debt that comes with going to university. Sometimes they feel that they have done enough of the academic side and they just want to get into the workplace.

I suspect that the impact would be minimal for Browne Jacobson. We would continue anyway because the structure is a fantastic support, particularly to those from a lower socioeconomic background. For the profession more widely, I would be worried about the impact on social mobility.

The Chair: That brings us nicely on to the next question from Baroness Garden of Frognal, so we can cover some of the other discussion under that question.

Q33 Baroness Garden of Frognal: I think that Tom has pretty well answered my questions, which were about apprenticeships. Jo mentioned them as

well. They have traditionally been seen as a way of offering alternative routes into employment. We are well aware that schools do not tend to tell their young people about apprenticeships; they want them all to go to universities because that is what they are measured on. When you meet apprentices they are usually passionately enthusiastic about the fact that they have chosen that route and are enjoying things. What role do they play in your organisation? How do you think that they improve social mobility and do they work? Is there anything that is not working with apprenticeships?

Jo Fry: For us apprenticeships are key. We have apprenticeships that go from entry-level roles, trades, through to office roles. We engage 287 apprentices across our business and we are currently recruiting 120. We think that they are extremely important for us. From our point of view, we have contractual commitments to employ—we want to anyway—a number of apprentices from the local communities. Given the communities that we are working in, which can be quite deprived, we tend to attract more from the lower socioeconomic backgrounds. Apprenticeships work very effectively for us.

To the question asked previously about the removal of level 7, I think that that would disadvantage lower socioeconomic backgrounds. It is key for us. It would not stop us doing something but it could stop other organisations from looking to progress individuals.

Apprenticeships are important as far as we are concerned. We do a lot to try to support our apprentices as well, given that some come from difficult backgrounds and have different home lives and experiences, making sure that we can fund and encourage. One of the issues is digital access. We have provided Chromebooks. We provide tool allowances so that they can purchase tools. We try our best to put people on a level footing to be able to succeed. They are important for our workforce as they start at entry level and we look to progress and retain the skills within the business and watch how they grow. It is very important as far as we are concerned.

Baroness Garden of Frognal: Neil, you mentioned you are on IfATE. We are sorry to see IfATE go, particularly to be replaced by the Secretary of State, which we think is a very bad move. Anyway, you will know a lot about apprentices.

Neil Morrison: Yes. I will talk from a Severn Trent perspective if I may. We have long been a champion of apprenticeships in the Midlands. We have about 250 apprentices on a scheme at the moment on 40 different apprenticeship routes. About 60% of our levy is spent on level 2s and 3s, and we put a particular focus on investing in level 2 and 3 apprenticeships as a means of people getting into employment for their first time; 75% is levels 2, 3 and 4. We recruit at age 16. As an employer, we still bring people into the workforce aged 16. Increasingly, we are seeing some challenges around that.

We are an apprenticeship provider as well; we operate as an Ofsted-regulated provider of apprenticeships. Some of the challenges that we see are around functional skills. In the reforms that have been mentioned, functional skills requirements are being removed, but we have taken people on to our apprenticeships without the academic background. We train them to get GCSE and English and maths so that they can complete their apprenticeship properly. We guarantee them a job at the end of their apprenticeship. Everyone who comes on to the scheme is guaranteed a job at the end of it.

The value of that we see is in social mobility, because people are accessing our company at age 16 to 18 in level 2 or 3 and then they can progress their career thereafter through the organisation for the entirety of their working career, we hope. I have a slightly different view on level 7s, but that is perhaps because we do not do as much as an organisation. Some of the data suggests that the value of level 2s and 3s in the impact on socioeconomic outcomes is greater than perhaps some of the higher levels. That is what we do on apprenticeships.

- Q34 **Lord Hampton:** Going back slightly, on current affairs, we have the new Employment Rights Bill going through today. Have you had a chance to look at it? You are doing quite a difficult task; you seem to have taken this recruitment view and not gone from the low-hanging fruit upwards. One of the big, headline parts of the Bill is the fact that people will have rights from day one. Do you see that as a big issue? Do you think that that will be a problem across the board?

Neil Morrison: We try to be a good employer and to work well with employees. We try to have a good selection process that means that employment rights from day one—or year one or year two—should not be an issue. There are always situations where you get into disputes with employees over time, whether they are an apprentice or an established employee. Obviously, that changes the burden on employers; that is a matter of fact. It will not change how we approach bringing people into the workplace. It will not change our commitment to reaching out to areas of the community that might be considered a higher risk or gamble for employment. We will still continue to do that, and we will work with the legislation. However, without doubt, it will create a greater burden on employers from day one.

Jo Fry: I echo that inasmuch as it will not change anything we do. We try very hard to treat people fairly, to engage in good practice and to have a highly motivated workforce, but it is inevitable that there will be disputes. It is inevitable that the fact that people will have the right on day one to go to a tribunal, a system that is already under tremendous strain, will create a lot of additional pressures in the system.

Lord Hampton: You can treat people as fairly as you want, but it may not be that they behave in the same way.

Jo Fry: Definitely not; from experience, even if you have treated people fairly, they will go to the tribunal and see how the land lies when they get

there. Defending claims and so on is distracting from being able to do the right thing for your core workforce. It does not stop you doing the right thing and trying your best, but it will provide more distraction because there will be more claims.

Baroness Blower: It is, of course, a matter of balance. Many people have been very badly treated by employers—clearly not your good selves.

Jo Fry: No; I completely agree. People should have a right to bring a claim. I am not suggesting for any reason that they should not; it is just that there will be more claims, without a doubt.

Tom Lyas: If I may, I will leave it to the qualified HR directors. That is not my area of specialism.

Lord Hampton: Good answer.

Q35 **The Bishop of Lincoln:** I was very interested to hear what you were all talking about in terms of tailored opportunities for people from lower socioeconomic backgrounds—as well as the possibilities of access, which you talked about so finely. When you have employed people from such backgrounds and areas of lower socioeconomic activity, how do you make sure that they feel included and that they can develop and progress in the organisation? There are plans and protocols, obviously, but I am interested in the behaviours and cultures of your organisations that guarantee that inclusion over time.

Jo Fry: We have in place a good framework of mentoring, with good role model behaviour and good support mechanisms, to ensure that individuals have somewhere to go and someone to talk to, to guide them and to provide support for them. We have quite a structured approach to gaining employee voice across the business. We have an employee director who sits on our board and is supported by a deputy and a trade representative working in, as the name suggests, trades. Trying to make sure that we get communication and understand what is going on at the grass roots is key to us. We understand and know that having those structured mechanisms in place enables us to react and respond accordingly.

The Bishop of Lincoln: I will ask a supplementary about mentoring in a moment if others would like to come in.

Neil Morrison: This plays to two questions. One is around data. To understand the experiences of employees, collection of data is important. About 50% of our employees have given us information that helps us understand their socioeconomic background. That tends to be heavier on newer employees and lighter on longer-serving employees; if you have been in the organisation for 30 or 40 years, you may question why we are asking you to complete some of this. Some 81% of our senior management attended a state school, so we have running through the organisation a slightly different dynamic to many large FTSE organisations. Around 40% of our employees are from a lower

socioeconomic background. When we track that through, we see that, if you come from a lower socioeconomic background, you are 4% more likely to get a promotion during your time with us. When we look at retention, there is no difference depending on socioeconomic background. When we look at engagement—again, we measure employee engagement—there is no difference in our socioeconomic background scores, which are in the top 5% of companies globally.

The other thing I would mention is that we have a long track record of proud union partnership. We are unionised and have good relationships with our trade unions, which help us make sure that the environment is inclusive and that people feel supported. We have specific programmes where we need to do more in providing pastoral care, support and mentoring as people come into the workplace. We see that with 16, 17 and 18 year-olds, for example. We see that with people who come off our programme for those with experience of the care system and those who come out of the youth justice system. They sometimes need a higher intervention; in those circumstances, we put in more individual mentoring and support for people on those programmes.

Lord Hampton: Sorry—I completely forgot to declare my interest as a state secondary school teacher. I hope that that has not affected your answers at all.

The Chair: Tom, do you have anything to add?

Tom Lyas: From my side, making somebody feel included is critical. Every employer should aspire to not only bring people in but get people on. There are three things. To feel included, you need executive-level sponsorship so that the most senior stakeholders in the business are genuinely and authentically talking about socioeconomic inclusion. We have made socioeconomic inclusion a key pillar of our firm-wide strategy. Having something so visible has certainly increased the feeling of inclusion among our lower socioeconomic workforce. Finally, it is about having clear and transparent policies and processes around how you get promoted and how opportunities are filled. Everybody should have open access to the available work opportunities and vacancies, whether they are internal or external.

We did a survey in 2023 where we asked a number of lower socioeconomic individuals in the firm about their experience of working at Browne Jacobson. We asked questions around pay, progression, belonging and class microaggressions. From those discussions, three recommendations came out. The first, which may spark the next question, concerned more mentoring and career sponsorship—that is, having somebody at a senior level who sponsors an individual and talks about them in rooms when they are not in them. The second was on more visibility of socially mobile role models. The final one was on socioeconomic awareness and accent bias training. These were the three recommendations that came out of our survey.

We have also tried to help increase further the experience and the progression rates for lower socioeconomic individuals within the firm by looking at the onboarding process. We have made some significant revisions to that to make sure that lower socioeconomic joiners are better prepared and better integrated. I am not from a legal background. I had never worked in a law firm or the legal profession until I came to Browne Jacobson. Back in 2016, certainly, elite was perhaps the term that was regularly used. I am pleased to say that that is changing. One of the key things that we put in was a jargon buster; that has made a significant difference to the experience of lower socioeconomic joiners.

We have a high-profile social mobility employee resource group. People can get involved in helping to push the firm forward, make suggestions and have their voices heard. We try where possible to provide financial support and advances for somebody who may need that, so that they are not coming into work either getting into debt or being worried about something. We have the resource available there. We also look at flexible working and trying to create a way of working that best meets the needs of somebody who may have other commitments outside of work.

I have two other quick points to make. We had a fantastic partnership with the University of Nottingham. It started with the linguistics school. We ran hundreds of job descriptions through what we call “the machine”—an algorithm of some description, in effect—which picked out the words that were most likely to impact an application in terms of gender disparity, lower socioeconomic or professional. We are now applying that same methodology to the internal documentation around promotion so that it is a more inclusive document. We have created socioeconomic awareness and accent bias training and piloted that with those involved in recruitment; we are now starting to roll that out to those who are involved in the promotions process as well.

The other initiative that we are considering but are yet to roll out—a lot of employers do a lot externally; you can sometimes overlook the talent you have internally—is that we are considering introducing internal work experience opportunities rather than just providing work experience opportunities to those looking to join the company.

The Bishop of Lincoln: Thank you very much. You have answered my supplementary already.

Q36 Lord Watts: Your companies are not typical employees. You have talked about your recruitment procedures and having workers on the board. You are unionised. Why do you think more companies do not do the things that you do? It seems to me that you are leading the way in some respects.

Tom Lyas: You are correct in what you said. I did not want to come into this room today and not make the point or underestimate how much the passion, enthusiasm and purpose of a handful of individuals can do for an organisation. What we are trying to do is help other employers in every sector outside of the legal profession understand that socioeconomic

inclusion and diversity is not just a good thing to do; there is a tangible business case for this in the UK economy. You have to start somewhere. You have to start with passion. Find those people, enable them to flourish and make some choices that could be difficult.

For us, it was the removal of academic grades in the legal profession. I am not saying it was unheard of, but it was in the minority. I will never forget one of our former senior partners saying, "I am glad we did this because look at what we would've missed out on if we hadn't done it". Passion and commitment will go a long way, but it is about trying to help others to understand the commercial business case for socioeconomic inclusion.

The Chair: To pick up on that briefly and expand on what Lord Watts said, I note that many companies have aims for various characteristics, such as gender or race. My view is that fewer companies focus on the socioeconomic side of things. Do you agree that, generally, there is not as much of a focus on socioeconomics in large companies? Is that the case? Is there work to do here?

Neil Morrison: I have been doing this job for too long, and the work on socioeconomic background is relatively new. The report on access to the professions was in 2010; I was fortunate enough to contribute to that at the time. Our understanding of this as an issue has grown over the past 15 years in the corporate world; perhaps the championing of socioeconomic diversity has not had the same energy in organisations.

If you look at the Hampton-Alexander review and the Parker review, and what those have done to drive inclusion in other areas, there is less of that in relation to socioeconomic diversity so that sometimes gets forgotten. It is more complex in that you can be talking about white working-class males or young black men and women from inner city areas; it has more complexity to it in some ways. Even if you look at the questions that you ask employees to measure socioeconomic background, at this current stage, that still feels more unusual than it does to ask people what their ethnicity or gender is. It is a very fair observation and it is a complex area to lean into. Businesses are hard to run. People have limited amounts of time so, for organisations like us, our job is to give people footpaths to walk on so that they can understand how to do some of these things, rather than making it even more complex for them in the first place.

Q37 **Lord Johnson of Marylebone:** I should declare my interests as on the register, particularly those relating to the FE and HE sectors: I am a visiting professor at King's College London, the chairman of FutureLearn and a director of Access Creative College. We have heard that it is harder for smaller employers to develop and implement social mobility initiatives effectively. How, if at all, do you implement them in your organisations?

Tom Lyas: I agree. We are currently the joint number one-ranked UK organisation in the Social Mobility Foundation's employer index. I said at the start that we are 1,200 people, which is reasonably small for a law

firm. When you look at the other top five employers in that index, we have one-sixth of the annual turnover of the next biggest. So we are small but mighty; we have to punch quite hard to have the impact that we have had.

To do that, as I said previously, there is a lot of passion and commitment. We would do this if we were not paid to do it, I think, but, for us, it is about taking an industry-wide approach. We offer in the region of 30 or 40 junior opportunities a year and, while a significantly high percentage of those go to lower socioeconomic individuals, we aspire—I would use the term “greedy” but that is probably the wrong term—to have a significant impact beyond the four walls of Browne Jacobson. We want to change the profession and, where possible, change other industries as well.

A lot of the initiatives that we have put in place are as a relatively small employer sitting atop an incredible list of organisations that have made an impact on lower socioeconomic diversity. We run something called a social mobility incubator. We try to help other organisations and businesses learn from what we have learned around onboarding, recruitment and advocacy—everything associated with advancing socioeconomic inclusion—but it is more about helping them understand what we have done to convince our business that there is a commercial business case for focusing on social mobility.

The other thing, both upwards and downwards, is social value. Through a number of our client commitments, we have asked ourselves to deliver social value. There is a fantastic opportunity, through social value activity, to drive social mobility-led activity. Most organisations have a supply chain and, if you are business to business, you sometimes miss the opportunity in your own supply chain and among your suppliers to say, “I would like you to drive some social mobility activity”. For example, if recruitment consultancies or training and development providers are used, ask them to do a careers event or provide some pro bono training. If you are a small business and you have limited financial and human resources, get your supply chain involved. You can have quite a significant impact.

Jo Fry: I echo what Tom said about making sure that you utilise social value where you can in order to integrate what you are doing for smaller businesses and smaller employers and try to help them. We employ 5,500 people, so we are a bit bigger, but one of our key ways of trying to promote social mobility among people from lower socioeconomic backgrounds is through the supply chain, making sure that we act responsibly in accordance with that. It probably goes to a lot of what Tom has just said.

Neil Morrison: As a larger employer, there are two things that we can do in this space. One is our general employability scheme. The work we do with young people from all backgrounds to support them to get jobs is agnostic as to where they get the job; it is not just for us as a company. We can give help with confidence, skills, CV writing and interviews,

whether for the expectations of employers or simply in terms of how to get yourself in the right headspace before you go into an interview. We can help by giving access to small employers.

The other part is that we set up the Midlands Employer Alliance. The aim was to bring together employers from across the Midlands to learn how to lean into specific challenges within the Midlands and then to share those learnings with all organisations, regardless of whether they are part of that or not. An example is that, last year, we had a programme to support people who have experience of the care system. We worked with one other employer to take five young people and give them work experience, training and employability skills. We are now rolling that out to 100 young people with a range of employers across the Midlands across a series of different sizes. In some ways, we have done the heavy lifting for the smaller employers by doing the investment, the learning and the measurement. Then we can give them the road map to do it without having to do the hard work themselves.

- Q38 Lord Evans of Rainow:** Thank you, Tom, Jo and Neil; the three of you are an excellent panel. To back up what you were saying about the burdens that will be put on your companies through the Employment Rights Bill, Sir Charlie Mayfield, a former CEO of the John Lewis Partnership, was on Radio 4 saying that this tiny group of employers does not mean you should burden the whole of the private sector, which is in effect what this Bill will do. My question is: how do you measure and evaluate the impact of the initiatives you have described? What patterns and trends do you see in relation to social mobility?

Jo Fry: This is a point that I was going to make earlier but forgot. It is about tracking and making sure that you monitor, particularly with apprenticeships. Whether you are hiring or it is people progressing or leaving, make sure that you have clear monitoring in place to understand how people are progressing through the organisation. It is about having a clear matrix for measuring how people are progressing.

We engage in the Social Mobility Employer Index, which is an accreditation. For us, that is all about how we can get better. It is not about what our score is; obviously, we want good scores, but it helps to provide a framework for improvement. That helps drive improvement for us. It is really important. Generally, it is about looking to make sure that our interventions are working and that what we are doing is making a difference, and carrying that on and perpetuating it.

Neil Morrison: I have mentioned the monitoring of socioeconomic backgrounds in employment so I will not talk to that. Eighteen months ago, we set out a commitment to helping 100,000 people out of poverty across the Midlands in 10 years, so we wanted to look at how we would measure and track our ability to do that. We use two measures. One is simply the number of people we have reached and supported. To make sure that those are valuable interventions, we also have a separate countermeasure, which uses the Government's TOMs measure of social value. We base that purely on our employability scheme. We forecast

that we will deliver about £40 million-worth of social value over that 10-year period just through employability training. That sets a different cash value on different interventions for different groups. Independent of the work we do, that is set by government; we can then use that and say that, if we get an ex-offender into employment for 12 months, there is a social value to that. We can make sure that we are looking at that.

On patterns and trends, we touched on it earlier but I see that we are getting more specific about different groups with different needs as we work through our work on social mobility. What started as access to the professions in 2010 and was quite vague is getting more specific. We recognise that, although every individual has specific needs, the needs of care leavers are very different to those of the neurodiverse, which are different to the needs of people who have come out of the criminal justice system. We are getting more specificity in our interventions and, therefore, our measurements on the back of that.

Tom Lyas: I do not have a huge amount more to add to what Jo and Neil have said. The obvious things are hiring rates, progression rates, promotion rates and retention rates; that is the inward-looking piece. We are a reasonably small employer so the physical impact of those who join the business then progress is easier to capture. What is harder for us is that we take an industry-wide approach, we do a sizeable scale of outreach and, sometimes, we try where possible to track the educational or employment outcomes of somebody who has attended our events then gone on to do something. As Jo said, the likes of the Social Mobility Foundation or the Social Mobility Commission provide fantastic toolkits and guidance from which we learn.

However, on the trend, what is quite interesting—it comes back to a question asked a minute ago—is that we lead, or have led, with social mobility as one of the key pillars to focus our business on. Other organisations have led with race, women in leadership and other initiatives. On intersectionality in leading with social mobility, we have an incredible initiative called our REACH—race, ethnicity and cultural heritage—mentoring programme. We spotted very clearly in our data a few years ago that we did not have enough black lawyers, so this targeted intervention is aimed at creating opportunity and genuine employment outcomes for aspiring black solicitors and barristers. Some 85% of the individuals who came through that programme are from a lower socioeconomic background, but we did not lead with social mobility. Certainly, whether it includes lots of different underrepresentation, the intersectional piece is a trend that we have seen by leading with social mobility initiatives.

Lord Evans of Rainow: I have a supplementary regarding data, which is something that we picked up with you, Tom. The committee has to do a report. The excellent work that you do in your small—as you said—company and your sector is huge. If we look at the areas of social mobility, it is economy, local and regional, education, geography, place, family and community. Tom, you are a small business but the legal

profession is in every part of the country, so how can your example be shared as best practice? Jo, similarly, how can the example of your business be replicated throughout the sector it is in? Neil, for Severn Trent, every corner, NEET and individual has a water company. How can your best practice as an organisation be replicated throughout the water companies?

Neil Morrison: I think I am right in saying that every water company has signed up to the social mobility pledge to make measured progress on activities for improving socioeconomic diversity. Like any sector, there will be those who will move faster than others on all aspects of their performance. We try to work collaboratively and share where things have worked well. The care leaver programme is a good example of that. We can share that with my colleagues in Anglian Water or Thames—whoever it is—and talk about it. I suppose the flip side is that the regions in which they operate have very different challenges and problems. In the Anglian Water area, there is a lot of regional diversity between, for example, Cambridge and rural Lincolnshire. The challenge is a little different, although the solutions are probably quite similar.

Tom Lyas: The approach we take is so transparent. At times I think organisations can trip themselves up—not just on socioeconomic inclusion initiatives but on diversity and inclusion more broadly, full stop—by almost seeing it as competitive and trying to have the best initiative or the highest percentage workforce with a certain demographic. Nobody wins in that situation. From our side, we will share completely transparently and sometimes in our own organisation we have produced, as I said, sessions for other law firms to try to help the profession. Sometimes someone in the firm might say, “Are we helping our competitors?”, but they are not our competitors in this space.

It is about complete transparency on what you are doing, how you are doing it, what is working and what is not. I said at the start that I am delighted to have had the opportunity to come here today to share something that I hope helps inspire other organisations to be brave and to not fear turning the mirror on yourself to understand what you need to do to make your business and your profession more inclusive. We have a social mobility incubator with circa 80 other organisations in it, completely transparently, on how you collect data, what you do with it, how you do your recruitment, how you advocate, et cetera. We are doing everything we can to open those doors.

Jo Fry: Trying to share with your competitors is a good thing because the better you can be, the better the communities can be. I suppose if you are going to be really hard-line about it on public sector procurement, you would increase it more within the framework of how it is judged. Social value is very much in there, so if you separate social mobility within it and require that it is measured, that would get it done.

The Chair: Has that come up in any discussions you have had with the Government, how the social value component of procurement should be done and how social mobility might be brought into that?

Jo Fry: I will have to come back to you. Personally I will say no, but I would have to defer to others.

- Q39 **Lord Young of Cookham:** The discussion has been almost exclusively on NEETs and the work that your organisations do to reach out to young people who find it difficult to engage, and we have had some very good examples. I want to broaden the discussion a bit and look at the context in which you operate. I want to quote two sentences from the White Paper *Get Britain Working*, which specifically deals with this, and see whether you agree and have an answer: "However, there is no single public body with the powers, responsibilities and accountability to ensure that young people have access to a wide range of education, training or employment opportunities once they reach 18 ... delivery systems ... continue to operate in a disjointed manner, often pursuing conflicting objectives. As a result, many young people remain poorly served, with gaps in services and support that undermine the intended impact of these initiatives. This contributes to the growing challenge of young people not in education, employment or training." It goes on to say that we need a new delivery framework. Do you agree with the analysis and can you outline a new delivery framework?

Neil Morrison: I think there is no doubt that it is a noisy ecosystem. A lot of businesses do their own thing and there are a lot of third-sector organisations working with the same groups. Government—whether that is local government, combined authorities or national Government—is trying to do a lot of good stuff but often these things are hard for young people to navigate. What we have tried to do with the West Midlands Employment Alliance is bring together the West Midlands Combined Authority, the third sector and employers to try to reduce the amount of noise that exists in that space so that it is easier for young people to find the routes into employment. To give one example in the care system, when we were looking at care leavers we were initially able to fill only half of the spaces that we had for our employability programme because we simply could not access the people who needed the support.

It is definitely noisy. Simplifying it and making it easier would help those who are marginalised and employers have a role to play in that by coming together. If all three of us go out to the same town and we are all offering the same programme in different ways, it is very confusing for young people to understand which one to go to. Do they have to apply three times? That is a big burden if you are not very good at applying anyway.

While I would not profess to tell the Government how they should act, I think employers can act in a different way by coming together and making things simple. We can work with the third sector to get greater harmony in the outcomes that we are trying to get for particular regions. I think that, if we can do that, we can perhaps show government, both local and national, ways in which it can get involved more efficiently to deliver, but I would always try to lead from the things that I can control myself rather than the things I can purely try to influence.

Jo Fry: I am not even going to try to answer that. That was an absolutely perfect answer, Neil. I do not think there is anything else that I can add.

Tom Lyas: I was thinking it was a good time for a toilet break.

Jo Fry: We knew we asked Neil to go first for a reason.

Tom Lyas: It is a fantastic question that could go into a number of areas, and Neil answered it particularly well, but I think there is a level of disillusion among younger individuals at the moment. It is very complex. I have in the back of my mind an example from yesterday. I had a conversation with a London borough—obviously, I will not mention which one. As an employer, we had put a proposition together and I was asked to attend the call because somebody else was not able to make it. I simply said, "Here are all the things we are saying we will do for you and for your residents", and I took the opportunity to ask, "Is this really what you want and will it make a difference?" It was quite interesting that they said: "There is a lot of complexity in what you have proposed. We would like you to do this, which is half of what you are offering, but it would be twice as impactful."

The conversation needs to be had on what actually makes a difference. Employers of all sizes have some resource but sometimes it is more, sometimes it is less. It is about maximising what an employer can do to have the biggest possible impact. There is a lot of wasted employer activity because there is no north star, no single entity that can provide a framework that delivers simplicity but maximum impact.

Baroness Hussein-Ece: That interests me, having worked in a local authority and been a councillor for many years. Local authorities have more capacity but perhaps do not have the leadership or the focus on projects such as yours. Do you think there is a lack of leadership perhaps or a lack of consistency? You have obviously worked with public bodies as well.

Tom Lyas: I would not say there is a lack of leadership. I think, similarly to Neil, that there is complexity and that makes the navigation of certain things quite difficult. In the conversation yesterday I was explaining—forgive me, this may move on to one of the later questions—how difficult it is sometimes for an employer to even reach a school, college or university. The careers services provided and the resources available to them differ hugely. The individual in the borough yesterday described almost a tidal wave of employers trying to do something, and I think they have created a newsletter that they can feed into which is a single list of the available opportunities. That makes it much easier for the school to have a central point. I do not think there is a lack of leadership. I think there is complexity and simplification would really amplify the impact that employers can have.

Lord Evans of Rainow: On complexity, we were talking about the importance of data. Do you think the use of artificial intelligence could cut

through this complexity? I am absolutely not obsessed by AI, but the whole point of this committee is to look for new solutions and artificial intelligence is a revolution that is about to happen. It may not be able to help, but that is why we are asking the question. I am not obsessed by it.

Tom Lyas: It would certainly be worth looking at. I would be surprised if there was not a solution to enhance that process. I do not know what that is.

Lord Young of Cookham: We may produce some recommendations for Government. From what you have said, I do not get a clear message that there is anything that the Government should do to try to tackle what you call the noise and the ecosystem or the complexity. Do you think the structure at the moment is all right, with the DWP, the careers service, local authorities and the mayoral combined authorities? Do you think that is okay or should there be some umbrella organisation within the local area that is a one-stop shop to deal with some of these issues?

Tom Lyas: Yes, to answer the question.

Neil Morrison: There is definitely a need for clarity of objectives. If I can give you one example of where things get complex, there is high risk for people moving from the benefits system into employment. In the work that we do to support those with experience of the care system, for any group we would normally pay the real living wage for any kind of internship. It is a principle that we have as an organisation. With care leavers we cannot do that; we have to give them vouchers because paying them has an impact on the benefits system. I understand why both systems exist, but it does not feel like they are coherently working together to give people who have experience of care the confidence of earning a wage and coming into the employment system.

I am agnostic about whether it is a single body or a singularity of objectives and outcomes and the clarity of that across bodies, but I think that sometimes, for very good reasons, there are different tensions in different directions from different bodies.

Q40 **Lord Harlech:** It has been a really interesting discussion this morning. A lot of the research that we have done so far on understanding the problem has been theoretical, so it is great to hear that you are taking targeted interventions, internally and externally, to influence business, and about the measures you are taking to enhance social mobility. We have learned a lot from it. One of the themes that has been consistent with what we have heard, and has been touched on by Baroness Hussein-Ece's supplementary question, is the idea of regional disparity.

Neil, the Midlands is a big area—I am from Oswestry—and a very varied one. Even within what looks on the map like one area, there is a lot of regional disparity in terms of different socioeconomic backgrounds and social mobility. Could you elaborate on some of the different approaches you take in your region and also locally in terms of local partnerships with schools, councils and other employers?

Neil Morrison: I will start macro and get smaller. We have very strong partnerships with the West Midlands Combined Authority and now the East Midlands Combined Authority. The creation of both of those has helped us to find singular routes into regional government to talk about the work that we need to do, understand the challenges they are facing and how we can best help or where we might be best placed. When you go down to the next level, even with the West Midlands Combined Authority there is a huge amount of diversity. Areas of east Birmingham, for example, have some of the highest levels of deprivation in the country.

An important thing for us is finding the community groups that are trusted. Our experience is that in a lot of these communities corporate businesses like ourselves have come and gone too often. When we show up we might have all the good intent in the world but the expectation is that we will be there maybe for a photoshoot and get something for the annual report, and then we will be gone the next week. Working with trusted partners who are embedded in the communities, who have relationships, whether it is in the local community centre or the local mosque, is really important for us so that they can give us the badge of credibility and trust with the people whom we are trying to reach.

With schools, our work is trying to target the schools that are in the highest areas of deprivation and often are struggling with many other aspects of academic output. Our experience is quite often that careers adviser employability is deprioritised, for very good reasons, because academic outcomes—

Lord Harlech: We have heard that some schools do not have a careers adviser.

Neil Morrison: Exactly. The way we work with them is to ask them what their problem is and then we come up with the entire solution ourselves rather than looking to drag their resource. We will run discovery days and work experiences. For example, if they have year 10 work experience and they cannot get employers to give experience, we will take the whole cohort and give them work experience with Severn Trent all at the same time so they do not have to organise it and call the employers.

Then with local colleges—we touched on FE; I started my career as an FE lecturer, so I am hugely passionate about the area—again they are tapped into the needs of local learners. They will be very different in Derby than in Leicester, Coventry or Birmingham. It is working with individual leaders to support that.

It works on multiple levels, but starts with us trying to understand the problems they are trying to solve and then using our corporate capabilities, which are often boots on the ground and getting stuff done. That is what we are good at as a business—helping them achieve their outcomes rather than coming in and saying, “Here is the answer to your problem, we know what the answer is now”, and wondering why we are not trusted to deliver it.

Jo Fry: We work nationwide, so we have a presence across the UK and we are very appreciative that one size does not fit all. We are very in tune with understanding what is going on within the local community and trying to make sure that we can plan accordingly in line with that variation, whatever that variation may be and whatever the needs of the location may be. Trying to make sure that local social value plans support activity that targets social mobility as well is important for us, together with how we do that with schools and helping outreach and that sort of thing generally.

Tom Lyas: Thinking about in-person work experience, we have offices in Cardiff and Exeter and the temptation is that it is easy to think of a 10 or 15-mile geographical area within that, but we know that will not have the impact that we are looking for. It is making a change to how we support our in-person work experience. If you are in a valley or a coastal area in Wales, we will provide extensive transport and accommodation so that you are able to come and take up the opportunity of in-person work experience. We have a tremendous partnership with the Sutton Trust that covers rural Cornwall, Devon, Somerset and Dorset. That opportunity is spread quite far. It is even a simple initiative of looking at how you provide the support for your in-person work experience. That has made a real difference to us.

Q41 **Baroness Blower:** You have largely answered quite a lot of what is in this question, but are there any specific barriers that you face when trying to put your strategic plan for social mobility into practice? I am thinking about internal barriers; are there attitudinal issues? Clearly you have dealt with that, Mr Lyas, but I ask other colleagues. Are there any external barriers? Like Lord Hampton, I am not practising but I was a teacher and I know how difficult it can be to get into schools, particularly on any kind of systematic basis. What could be done or what have you done to solve the issues that you face with barriers to putting in place these strategies?

Jo Fry: One of the biggest barriers, which we have touched on, is where we started from—trying to make sure that people have the confidence to get involved in what we are talking about. Rather than let our social mobility sit outside, we have put it very much at the heart of our fairness and inclusion so that it is one big area where we look to make sure that nobody is disadvantaged, regardless of any protected characteristic or socioeconomic status. The minute you start separating those things out, that creates more division and the whole issue Tom was talking about—intersectionality across these things is really important to consider.

Some of the biggest challenges in offering apprenticeships are that we struggle sometimes to get the academic support in line with the apprenticeship that we are trying to offer. That partnership thing can sometimes be quite tricky for us to navigate, to make sure that it is a joined-up experience and is very cohesive for the employee to make sure that it can be better. Funding around outreach programmes and that sort of thing are all challenges for us that we need to overcome.

Baroness Blower: Mr Morrison, before you answer, I think it was you who said that you have done accent awareness training. I am interested about bias in accents and how that arose.

Neil Morrison: No, I do not believe it was us.

Baroness Blower: It was Tom. You can answer that in a minute.

Neil Morrison: I will touch on two things. You have mentioned contacting people, how you genuinely get in touch with the people who need the opportunities that we have and the ability to cut through, whether that is schools or the general population. That is a real external challenge that we still need to lean into, to try to connect employers that are doing good work with people who have the need. Internally we have a long track record of helping people from marginalised backgrounds come into employment, and people who are perhaps harder to employ. Our managers are very skilled at that and very good at providing the pastoral support.

As we get into deeper levels of disadvantage or historical deprivation, those challenges for managers become greater. We have a young person at the moment who has been in school between 10 am and 1 pm for pretty much the entirety of their late schooling. Their expectation when they come into the workplace is that it will operate between 10 am and 1 pm and the manager has to work with them to manage that. We have individuals who have come from the criminal justice system and from the care system who will disappear for a time because something else is going on in their lives. We cannot treat them under the normal employment processes to manage an individual who might disappear or go AWOL for that time.

It is having to constantly upskill our managers as we progress on our journey on this to make sure that they are properly skilled to support and provide that pastoral care.

Baroness Blower: Thank you. Accent bias?

Tom Lyas: Yes. On how that came about, I think I referenced before that we did a survey within the firm of those from a lower socioeconomic background and the creation of accent bias training was a recommendation that came as a result of the feedback from the survey. There is a perception around strong regional accents and at times—not within Browne Jacobson but certainly across the legal profession and I suspect among others—there are even examples of people saying, “We are not going to put you on to the pitch for the client” or “You are not going to be the client relationship manager”, simply because of their accent, which is completely unacceptable. Once you are into that cycle, you are not on the pitch, you do not win the work, you do not have the track record so you cannot get promoted and it then starts to unravel from a socioeconomic inclusion and progression perspective.

We have created a fantastic tool that certainly will change unconscious bias around accents within our organisation, but we will make it available to other organisations to help them as well. It is the classic phrase: you should not have to come to work and change who you are simply to exist in the workplace.

Q42 The Chair: We are pretty much at the end now but I have a final question. As we go through, we are starting to form our recommendations to the Government in the final report. Could each of you put one recommendation to us about social mobility policy and moving that forward?

Neil Morrison: Whether it is a policy or a mindset, there are still areas where there are questions about the intent of business in this space and what we are trying to achieve, particularly when funding is needed to deliver these programmes, and whether we should be funding them ourselves. I fundamentally believe that business can be a force for good in delivering brilliant outcomes for communities in tackling socioeconomic deprivation, but as we lean into the harder areas it becomes much more costly and resource hungry. That is where we need some support to do that if we are asked to do it. Perhaps it is about losing a sense of hesitancy about our intention and measuring us on our outputs, which is what we are good at delivering.

Jo Fry: I suggest that we encourage a national framework for social mobility that has some clear measures that encourage employers more generally. We touched earlier on public sector procurement and how that relates to this, and I think that could for the right reasons drive the right behaviours.

Tom Lyas: I understand it can be a bit uncomfortable, but I think that the Government should consider making socioeconomic backgrounds their 10th protected characteristic. I think that will bring it into the minds of every employer to take socioeconomic inclusion seriously.

The Chair: Thanks very much. It has been an incredibly rich discussion. It was great to hear about all of the initiatives you have going on across your companies and all the brilliant work you are doing. It has been hugely helpful for us to hear that and to feed it into the report and the work we are doing, so thanks very much. We have had to go through this fairly rapidly but if anything else occurs to you that you want to raise, please do write to us after the session as well.