

Women and Equalities Committee

Oral evidence: [Gender pay gap](#), HC 584

Wednesday 10 February 2016

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Written evidence from witnesses:

- [Department for Education](#)

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Members present: Mrs Maria Miller (Chair); Ruth Cadbury; Maria Caulfield; Jo Churchill; Angela Crawley; Mims Davies; Mrs Flick Drummond; Ben Howlett; Jess Phillips; Mr Gavin Shuker

Questions 224–296

Witness[es]: **Rt Hon Nicky Morgan MP**, Secretary of State for Education and Minister for Women and Equalities, Department for Education, and **Nick Boles MP**, Minister for Skills, Department for Business, Innovation and Skills, gave evidence.

Q224 Chair: Good morning and thank you very much for joining us today. We really appreciate you giving us your time to come before the Committee to give evidence. We know that both of you have extremely busy diaries and we are always extremely grateful for the opportunity to be able to question you closely on the work that we are doing. Thank you on behalf of the Committee. You know that we have a rather hectic morning in Parliament and one of the Ministers has asked whether he could just slip out for a while during the proceedings.

Nick Boles: No, that is fine now—unless a UQ is granted.

Q225 Chair: We would be perfectly happy if, when a couple of other MPs are slipping out to another event, you wanted to join them; we would be very relaxed about that. I will leave that with you, Mr Boles. We have a number of questions we want to ask you around our inquiry into the gender pay gap. We know that there is going to be a lot of interest in this, so we want to use every moment that we have with you to the best degree. Please say your name and your role before we start, but very briefly, so that we can get into the questions.

Nicky Morgan: Nicky Morgan, Minister for Women and Equalities for the purposes of this morning.

Nick Boles: Nick Boles, Minister for Skills, for the purposes of every morning.

Q226 Mr Shuker: Ministers, it is great to have you in front of the Committee. If I could start on a negative, so that we can move on to the positives, it is fair to say that the

Committee is quite disappointed that the draft regulations that we hoped to be scrutinising today have been pushed to 12 February—especially considering the consultation finished on 6 September. In answering this question, perhaps you would be able to explain what the delay is. Can you explain the exact mechanism in your mind as to how gender pay gap reporting, as you have envisaged it, will work to reduce the gender pay gap?

Nicky Morgan: Thank you very much indeed for the question. On behalf of Nick and me, it is a privilege to be back in front of the Committee on this very important subject. It is something that people are talking a lot about. I want to be clear that attacking the gender pay gap is an absolute priority. Although we have the lowest pay gap on record, we are not in any way complacent.

Like you, Mr Shuker, I am also disappointed the regulations have not been published, but they are coming in the next couple of days. They will then be out for consultation. This is one of the first things we said we wanted to tackle after the election last year, and we think transparency is at the heart of the regulations. It is about concentrating companies' minds on the gender pay gap that we suspect—and evidence shows—exists in many companies. We are going to start with companies with 250 employees or more. This is also going to apply to the public sector, using provisions in the Equality Act 2010.

Obviously, we had 700 responses to the consultation. I think it closed in December, not September. Even so, we would obviously want to get on with this. We have had 700 responses; we had to work our way through all of those. What has been interesting—and I hope will come out this morning—is the appetite for companies for transparency. Those already doing something in this space are seeing their own gender pay gaps and distribution of men and women in their workforces, which leads to discussions. That is very much at the heart of what we want to drive through these regulations.

Q227 Mr Shuker: It is clear we would all welcome transparency. We can understand the vagaries of how transparency might drive change, but much of the evidence we have received has suggested the voluntary transparency piece is insufficient on its own. Can you explain why you did not choose to go down a route of having organisations introduce action plans to tackle this at the same time?

Nicky Morgan: In the last Parliament, we had the Think, Act, Report process. Over 300 companies have now signed up, covering over 2 million employees. That was voluntary, but I hope the Committee has seen the *Trailblazing Transparency: Mending the Gap* report published by Deloitte on Monday, which obviously the Government Equalities Office has been heavily involved in, too. That just shows that the benefits—even with voluntary transparency—in what companies have realised in terms of their workforce and how men and women are paid within their workforce.

Of course one of the reasons we are introducing the regulations—and they will not be voluntary for companies with over 250 employees—is exactly that: to drive the cultural change. Companies will be able to explain why they do or they do not have a gender pay gap and what they are going to do to tackle it. I can give some examples to the Committee of companies that have already started those actions and the improvements they have made.

Q228 Mr Shuker: I know 300 are going through the Think, Act, Report process. Only around five or six end up reporting their gender pay gaps. Is that correct?

Nicky Morgan: It is. A lot of this is revealed internally, but you are absolutely right: in terms of actual publication, numbers fall, which is why we are now moving to regulation.

Q229 Mr Shuker: That might cause you to question the transparency approach without some additional sticks to go with it.

Nicky Morgan: We may come on to that. I am not always in favour of sticks, but I do think in this case—although there was an appetite for companies to sign up to Think, Act, Report—the regulations come in with regard to the publication of the gender pay gap. It will be required by those companies and it will be public, so that people will be able to search—Members of Parliament and, equally importantly, current employees and future employees of those companies, because a company’s gender pay gap should be a critical employment decision. I say, also, it is going to apply to the public sector—so, “What is this organisation’s gender pay gap? Is this a place where I want to work?”

Q230 Mr Shuker: Minister, you said this would cover organisations up to 250.

Nicky Morgan: 250 and above.

Q231 Mr Shuker: What proportion of the workforce does that cover?

Nicky Morgan: It is going to be about 11 million employees and it is going to affect 40% of the UK workforce: 8,000 employers and 11 million employees.

Q232 Mr Shuker: What signal does that send to the 60% of employees who will not be covered by your new regulations?

Nicky Morgan: It is important we start somewhere. There is a worry; the Committee has already heard evidence from some business organisations about the reporting and what that is going to do—systems that need to be developed. Larger companies will be able to demonstrate very quickly that they are able to do this easily, and then obviously we will have to see. There is nothing to stop other companies doing this voluntarily. There is nothing to stop employees in other companies asking for their employer to do this. But it is important to start somewhere and get that principle of reporting adopted.

Q233 Mr Shuker: Do you think other measures will be taken that will affect that 60% group—in other words, the smaller organisations?

Nicky Morgan: We will have to see. Nick might want to comment. Looking at analogous Government schemes, with things like apprenticeships, we sometimes see larger companies working with companies in their supply chain in terms of recruitment practices, development of apprenticeships and training. That may be something that we absolutely see here. I would be delighted if larger companies said to companies in their supply chain, or larger organisations like Government Departments—people that we work with—said, “The gender pay gap matters to us; we would like to know what yours is, too.”

Q234 Mr Shuker: Specifically, because we do not have the regulations in front of us right now, can you tell us if there will be disaggregation by full-time, part-time and age groups within these figures?

Nicky Morgan: I cannot go into the details of the regulations; they are being published on Friday. I am very happy to respond to further questions from the Committee after they have been published, and either come back or do it by letter.

Q235 Mr Shuker: Finally from me, on the general point, this is obviously an aspect of tackling the gender pay gap in your mind. Could you give us a sense of whether you believe that these regulations are central to your strategy or peripheral, and how much change you think they will bring about in tackling the gender pay gap?

Nicky Morgan: They are a very important part of tackling the gender pay gap for the reasons we have already discussed, which are transparency, concentrating the mind and helping people make employment decisions. We see a number of different causes for the gender pay gap, and part of that is often about women, their place in the workforce, their seniority in the workplace, time that has been spent out and whether they are working part-time or full-time. But it is also about career decisions that are made by women and men when they are younger based on careers advice and the ability to carry on with training, for example. With my other hat on, as Secretary of State for Education, I am thinking very hard about careers advice, making sure that girls in particular are thinking about going into higher-paid occupations. That is something else that is critical in tackling the gender pay gap, but I hope the regulations are central to making employers, public and private sector, think very hard about the gender pay gap in their current workforce and what they can do to improve that situation.

Q236 Mr Shuker: I think the whole Committee would be pleased to hear that you view this as a positive measure. If I were being cynical for a moment, I might suggest gender pay gap reporting in the form in which it certainly looks like it will be introduced is a mechanism that in the past has not been massively embraced by employers. We struggled to demonstrate what the exact mechanism would be that would reduce the gender pay gap, and it is front and centre of the Government's strategy when it is probably a very small part of other practical measures that might be put in place. What is your response to that?

Nicky Morgan: I would not say it is a small part. Government passing regulations to get employers in the public and private sector to do something is quite a significant step, as we have worked very hard over the last five or six years to get our economy going, to get employers recruiting and to encourage enterprise and people setting up their own businesses. We also realise that the symptoms of the gender pay gap are cultural and they can be long term. I say a lot in evidence to this Committee and elsewhere that there is only so much in these things that Government can do. We can provide big nudges and requirements for transparency publication, but what came out in the Deloitte report, for example, is that we also very much need employers to do their part, as well as making sure there is good careers advice and that girls are taking subjects at school that mean they are going to get into higher paid occupations.

Q237 Angela Crawley: To recover the point about employers with 250 or more employees, the Scottish government had committed to 150 or more employees, and they have now revised that and considered the possibility of 20 or more employees for the public sector as a way to encourage the public sector to lead the way in this area. Is this something the Government would also consider?

Nicky Morgan: It is important to start somewhere. It is going to be bigger companies that tend to have the reporting requirements and the information. In everything we do in terms of placing regulation on business, we have to think very carefully about the balance between achieving our aim—which in this case is tackling the gender pay gap—and, as we all know as constituency Members of Parliament, smaller businesses that frankly want to get on and run their businesses and are concerned about the costs of compliance. By first demonstrating that this is not an onerous reporting requirement—it is possible to do with software that companies already have—we would take that look to see whether that should be extended.

Q238 Mrs Drummond: One of the things that we are looking at in particular is older women—women over 40 returning to work—in the gender pay gap. You have talked about reducing it in a generation, but we are a bit concerned that may not involve the over-40s or the older ones. In the report from Deloitte, the Chartered Management Institute said the gender pay gap is getting worse than it was a decade ago for older women. I wanted you to comment on that and what you thought the economic gain was of having women over 40 getting bonuses and things at the same rate.

Nicky Morgan: We have been very clear that the gender pay gap regulations will extend to bonuses as well. There is quite a significant pay gap in bonuses—a huge pay gap. To push back on the pay gap for older workers, the information we have—

Chair: It is older managers.

Nicky Morgan: Okay. The information we have for those over the age of 40, for example, is the pay gap has come down, certainly for those between the ages of 40 and 49, and 50 and 59.

Chair: The point Mrs Drummond is making is it has not come down for older managers, and it is a piece of evidence that has been given to us and is also a piece of evidence that you have produced in the report.

Q239 Mrs Drummond: In your Deloitte thing, it says that it is getting worse than it was a decade ago.

Nicky Morgan: This issue of women being in senior positions is symptomatic. A critical issue that we have been looking at with the Women's Business Council, for example, is about women staying on in jobs and how difficult it can be when you are juggling family responsibilities. I am very keen that we do not just talk about childcare. That is important, but we also see that most women have care responsibilities for older relatives as they get older as well. I am sure that has a significant impact on the hours they work and their retention in the workforce.

In terms of the regulations, clearly that is going to concentrate employers' minds, but I also think there is more we can do. We have done things like the carers' pilots, in terms of helping women to juggle those care responsibilities, but there is also the work Baroness Altmann has done in a report on older workers, about up-skilling older workers, revisiting talent management schemes and more flexible working. Deloitte, for example, have a return-to-work scheme, specifically to help women who have been out of the workplace

for a while to gain that confidence and those skills to come back in and take up their places again.

Q240 Mrs Drummond: We have heard evidence that some companies are treating men and women equally, as in parental leave and parental caring things. Is that something you are going to include in reports or advocate?

Nicky Morgan: Nick wants to talk about that. Briefly, I would expect that if companies are reporting on their regulations and want to explain things, they would want to explain the policies they have for supporting both men and women with other responsibilities.

Nick Boles: Obviously, it does relate very specifically to bringing up children, but shared parental leave is a pretty important step and it is obviously a relatively recent step; the culture has not yet changed to fully embrace it—it only came in last year. We can be hopeful that it will get embraced by more and more people. We are proposing to extend it to grandparents in 2018. That sends a pretty strong signal that we think couples—where there are couples—and other family members should be treated equally, not just in their ability to care but also in the importance of them retaining contact with their employer and being seen as somebody who still has a career, ambitions and potential. That is an important first step in changing the culture from one that viewed genders in different roles.

Q241 Mrs Drummond: Has the Government done any cost-benefit analysis about getting older people back into work and the shared parental care?

Nicky Morgan: Generally, the fact is that there are more older workers than there were. The employment rate for women aged over 65 is 7.8%; it has never been higher. We know, obviously, keeping more people in the workplace is good overall for productivity and for all of us. Those are the carer pilots that we have been doing, which report back in 2017. The Carers in Employment project has been helping local authorities to support carers to stay in paid work, alongside caring responsibilities. Nine pilots started in February last year and will report back next year, as I say. It helps in all sorts of different ways usually older workers to juggle those caring responsibilities that are not focused on children.

Q242 Mims Davies: In terms of the reporting of the figures, is the gap perhaps slightly distorted because of childcare vouchers? Is that area being taken into account?

Nicky Morgan: I would have to take advice, but I believe so.

Q243 Mims Davies: That was raised with me yesterday—that in some ways maybe things look worse because of that scheme.

Nicky Morgan: I will happily come back to you if that is not the case, but my understanding is that would be taken into account.

Q244 Maria Caulfield: You have talked this morning about encouraging younger women to enter higher paid jobs and higher skilled jobs, and there is evidence of some progress in that, because the gender pay gap is less in women under 40. We have heard evidence from a number of sectors that women who take a break for whatever reason, whether it is childcare or looking after a relative, significantly struggle to get back into work and often have to down skill or take lower paid employment if they want to re-enter the market. Do you agree with

that and, if so, what policy measures are the Government trying to introduce to enable women to get back into work using the skills and qualifications that they have worked so hard to achieve?

Nick Boles: You have your finger on an incredibly important and very real problem. Before getting into what our policy responses are, I found myself, in preparing for this Committee, thinking of when I used to run Policy Exchange—a think-tank that some of you will have heard of. I can assure the Committee that I would pay men and women equally for every position, but I will be blunt with you: I was able to recruit better women into those jobs than men. That was because they were women who valued the fact that it was possible to do the job flexibly and that I was always very explicitly upfront: they were putting an explicit economic value—or economic and social value, or quality of life value, perhaps—on the fact it was flexible. Therefore, in a sense, these were women whose qualifications and prior experience would have enabled them to get a much better paid job, but they nevertheless chose this job because it was flexible and probably relatively interesting. I am very much aware of that from direct experience.

I am going to perhaps sound as though my pet scheme, the apprenticeship levy, is the answer to every single problem in government, but I think it has a very important role to play in this. First, there are a number of people who have suggested that apprenticeships should be focused on young people, and we have always very explicitly disagreed; we think it is a very important step for young people but it is an all-age programme. It is quite interesting that, even before the reforms we are doing, a greater proportion of apprenticeships starts are by women over the age of 40 than by the entire 16 to 18 age group. For all that we think of it as a young person's scheme, only about 7% of all apprenticeships are young people under the age of 19. Over 10% already are women over the age of 40. That is a decent proportion, but probably not as high as we would like to see.

When you introduce the apprenticeship levy you are going to see an interesting effect. You have some very substantial employers, whether in the health or social care sectors or retail or education, across the public sector who will be paying a very large amount of money every year in apprenticeship levy, and whose finance directors will basically be saying to them, “We want you to be using this.” Basically, the system is going to work—I do not know if the Committee is aware of this—such that, if you pay the levy, you are going to get that money in an account that you then get to spend on apprenticeship training for your employees. All of these big employers who are paying the levy are going to be trying to think, “How can we maximise the use of this?” Interestingly, a lot of them have been coming to see me and have been talking about this. They would like to see it as a way of upskilling existing employees, maybe people who have perhaps been working part-time for a few years but who are now ready to get stuck in again full-time. You are going to see many opportunities for apprenticeships to take people in their 40s and 50s to whole new skill levels and then hopefully to better earnings as a result.

Q245 Maria Caulfield: Following on that from that point, which is encouraging news, is that I have been around many of the small businesses in my constituency and they say to me that they value an older apprentice—someone who has life skills or maybe people skills from a previous job. What apprenticeship funding is there going to be to make that happen?

Nick Boles: Basically, there will be a lot more than there has been historically. We do pay a higher rate of funding for 16 to 18-year-olds than 19-plus, and probably we would agree that was sensible because the level of supervision and support required for somebody who is 16, 17 or 18 is always likely to be higher. Once you are 19, whether you are 19 or 49, the amount that the Government contributes towards the cost of your apprenticeship training is the same, and that is something we intend to continue. The employer is then faced with a choice: “Do I take somebody who I know, who is mature, who is reliable, who has had a demonstrated commitment to our business or organisation and put them into a scheme that is going to take them up a level, or do I recruit somebody new?” To some extent we want them to do both, but I genuinely believe many of them will be trying to maximise the opportunities for existing employees.

We intend to insist that this is not just a Mickey Mouse scheme where they are being badged as on a scheme they barely know they are on; there have been problems with Train for Gain and other schemes in the past, which were abused. So long as we insist on it genuinely taking you a whole step higher, lasting more than a year and having 20% off-the-job training content, it should be of huge benefit.

Q246 Maria Caulfield: We have heard the news today that there is a shortage of teachers. One group that struck us in a previous evidence session was women who have maybe taken significant periods of time off. It is so difficult to re-enter the teaching profession. We have also heard from GPs who want to come back and work as GPs, and we know there is a shortage there as well. We heard from nurses in our evidence session when we went to Bournemouth. They have to pay for the courses. It takes a significant time—months if not years—to re-enter. What work can we do to help people who want to return to practice do so as quickly and as easily as possible?

Nicky Morgan: In terms of teaching, there is absolutely no reason we should not embrace part-time teachers in our schools up and down the country. Many teachers will do that. I know from visiting schools and talking to staff that there is absolutely flexibility, but we can absolutely encourage and highlight best practice on this and make it very clear that what applies in other sectors absolutely should apply in terms of teaching. We saw more returners coming back to the teaching profession last year than we had before. That is an encouraging sight and something we very much want to see.

I probably have to defer to health colleagues in terms of GP and NHS recruitment, but, again, there must absolutely be positions. We want the best qualified people in and that is really at the heart of this, isn't it? If you have got somebody who has been really well qualified and then has taken time out to bring up a family or to do something else for whatever reason, we want them to come back into the labour market. We want them to come back in at the level at which they left. There might be a need for training or help in re-entering that job market, but if many professions have already done it, there is absolutely no reason others should not be able to do it, too.

Q247 Maria Caulfield: We heard from a number of teachers who do not go through the re-entry programme and just work cheaply as teaching assistants, and they are not really being paid fairly for the skills they have. Likewise, nurses just go and work as underpaid carers, again not using their qualifications and experience. We need to make it as easy as possible.

Nicky Morgan: I entirely agree, and any talented head teacher would spot somebody who clearly has great experience and would have a conversation with them about, “What would you like to do in this school? How can we make best use of your skills? How do we reflect that?” Obviously schools now have a lot more flexibility over pay and pay structures than they have had in the past. We should also not forget—and I suspect anecdotally we have all got it—people want to have a choice as well. There are times when it is right to perhaps work fewer hours or work in a different job while you are getting back to work and getting used to juggling all your different responsibilities.

Q248 Ruth Cadbury: I want to stick to returners, because you have touched on flexibility, which we are going to come on to as well. Secretary of State, you have talked in very general and positive terms about individual work that a manager or head teacher or whoever could do to encourage returner schemes. You said that training schemes would be wonderful, but what specifically is your Department doing in terms of schools and education? Minister, what is your Department doing to promote, fund and support returner courses particularly in areas of skill shortages such as teaching?

Nicky Morgan: As we know, there are subjects in areas of the country where we need more great teachers, and that is something we are working very hard on. There are people who do not need to have lots of courses to go back. They have the skills; they have the knowledge; and what they need is a supportive boss who is prepared to offer them the hours that will enable them to juggle their work. We absolutely make it very clear in the Department that is what we expect to see.

Schools are autonomous, and we know the best people to run the school are the heads, the teachers and the governors, and we want to give them that flexibility. There are schemes on offer as well that people are able to pursue if they want to—perhaps they have been out for quite a while and the subject specification has changed, and they want to go and make sure they are happy with that.

Q249 Ruth Cadbury: Can I just confirm you are leaving it to the head teachers to devise schemes?

Nicky Morgan: No; there are all sorts of national schemes offered by training providers. Schools themselves make the decision about the training that they wish to send their staff on.

Nick Boles: I guess I am slightly questioning if there is a specific course that is right for returners, as opposed to wanting returners to have the opportunities to take part in courses that are either going to help them acquire higher levels of skills or, as you say, to refresh. There are basically two main ways that would happen. There is obviously the apprenticeships programme that I have talked about, where there are now many more standards being created. It is interesting that, within the sectors you have been focusing on, quite a lot of very interesting work is being done to try to develop standards that are higher level in healthcare that you can get to through an apprenticeship, so not everything has to be through a degree route. That would be very attractive to some women returning to work.

The other main scheme is obviously adult education, and the way it works is that we give very substantial budgets—which I am glad to say the Chancellor has protected in the

spending review—to colleges to put on a whole range of adult and community learning programmes. As an older learner, you can gain access to them. It slightly depends on your prior qualifications: sometimes you can gain access to them for free; sometimes there is what is called co-funding; and then we dramatically expanded the availability of what is called Advanced Learner Loans. This scheme enables anybody over the age of 19 to get a loan on the same subsidised terms as a student loan, so you only pay it back if you earn over £21,000—all of the same conditions apply. The availability of those loans has now been made much wider and the budget for them has been dramatically expanded. In a sense it will be for the individual to approach their local college and find the various courses available to them, if they feel the need to have a formal bit of training before returning to the workplace.

Q250 Ruth Cadbury: Thank you; that is helpful in terms of what is available for the individual considering returning to work. How does that link to encouraging and supporting employers, not just in terms of courses but marketing the idea to encourage particularly older women to come back to work by working for them? What would they need to do to make that look attractive for applicants?

Nick Boles: There I would return to the apprenticeship levy, because we are going to have the 20,000 largest employers in the country paying a very significant sum to the Chancellor, which they can only spend on apprenticeship training. They are going to be looking to maximise the benefit from that, and it is not going to be easy for them, to be blunt. For some of the particularly big retailers or big hospital trusts or the like it is going to be quite hard to work out how they can use up the apprenticeship funding in a way that is also going to be useful for the organisation. Offering schemes to bring people back into work through an apprenticeship will be good for them and good for those people, so you are going to be finding that there is going to be quite a lot of active recruitment by employers of people who can then take advantage of those apprenticeship schemes.

Q251 Chair: Can I just ask for a point of clarification before we move on to Angela's supplementary? Some of the aspects of the way of apprenticeship works can be off-putting to older workers, particularly off-site working. Many of the people we are talking about will not be existing employees; they will be people who have fallen out of the labour market. Can you just explain what flexibility employers will have to appeal to older workers and take these things into account, but also what encouragement you will be giving to reach out to people who are not currently employees?

Nick Boles: Firstly, you are absolutely right: in some apprenticeships you have day release—you go to college for a day a week—and maybe that is what you are referring to as something that may be less appealing to some older workers. For many apprenticeships, the training provided is off the job but is in the office, as it were. You would be given time, and maybe an assessor or teacher would come to the office and deliver some of the training and look at the work that you have done.

Q252 Chair: Do you think people can get round that?

Nick Boles: It can be got round. All we insist on is that there is 20% off-the-job training content over the life of the apprenticeship. We do not insist on where it is provided—that it is necessarily provided in college.

In terms of new recruits versus existing employees, from our point of view, we are completely neutral. Employers will be able to put existing employees on, and recruit new people through, apprenticeships programmes. I think they will be likely to try to maximise the use of apprenticeship programmes as a tool of recruitment, because bluntly, as I say, they are going to be able to fund the training that every new recruit always needs—almost at whatever level, you need to train people when they first start. They are going to be able to use apprenticeship money to do that with new recruits, so I would have thought that they would have all of the incentives necessary.

Q253 Chair: You are saying the opportunities are there.

Nick Boles: Absolutely.

Chair: It is for employers to shape that.

Nick Boles: Exactly.

Q254 Angela Crawley: To come on to the point you made earlier about flexibility, and that women would choose to work in a certain employment if it offered more flexibility, do you agree that if more employers offered real flexibility it would offer women more of a real choice in the workplace as well?

Nick Boles: Absolutely. That is why we brought in the right to request flexible working, and while it is a right to request, nevertheless we expect employers to take those requests very seriously. The culture is beginning to shift, but you are absolutely right: probably much of what I was anecdotally talking about—and benefiting from—was a product of the fact that there were too few other employers who were able to offer that same combination of interesting work that was also flexible.

Q255 Ben Howlett: You were quite right earlier on to say the Government has an opportunity to push in a direction, but it also has the responsibility to regulate as well. Particularly picking up on your two portfolios outside of the equalities brief, on the one side with teachers—following on from Maria’s point earlier—if you were a deputy head teacher and you have had a child, turning up to the 8 o’clock meeting with the staff is nigh-on impossible. That has obviously had implications, and thus is there a point here whereby we need to be looking at Ofsted guidance? When Ofsted are going into schools and regulating, are they taking flexibility into account?

Similarly, from the apprenticeship side, obviously the Government are looking at introducing more vigorous regulation around apprenticeships as well. Is there a sense that, with the extension on public sector apprenticeships and also extending apprenticeships to hit the larger targets, regulation will be looked at to improve and bolster the opportunities for older women accessing those apprenticeships, too?

Nicky Morgan: If I start with the teaching—an example that you have given—it applies not just in terms of teaching but in all things. Think about Members of Parliament juggling and the demands and everything else. There are lots of people who need to be on a shop floor at a certain time in order to start their shift, and that is the challenge for all of us with any other responsibilities: how do you get there, and what do you do when something goes wrong in the morning and you need to be at a very important meeting?

As the Education Secretary, I would not ask Ofsted to do that. Going back to the point I made to Ruth, I firmly believe the best people to run schools are the heads, the teachers and the governors. They will be making the decisions about the right person to recruit. In terms of changing a culture, what you want and we want to see is them realising that the person that can work part-time will reward you by working very hard. I take Angela's point about what real flexibility means. You find that if you, as a boss, give people flexibility and trust, they work not just in the hours they are there but often put in that extra time. I would like to see heads realising that that deputy head who might struggle to make every 8 o'clock meeting is brilliant in other ways, and that is what they are going to bring to the school. I would not get Ofsted involved in making that sort of decision.

Chair: We have some more direct questioning around flexible working. I know Jessica's keen to come in, but maybe you want to hold fire. On the day that we have headlines about a crisis in teacher recruitment, and many of us have had conversations with head teachers about part-time working and the fact that it is not on the agenda, this is something we would be keen to hear more from you on. The rhetoric sounds good, but the practice does not seem to be there on the ground at the moment, so I can understand the line of questioning. Can we move on to the more direct questioning around flexible working, Ruth, particularly the importance of Government policy?

Q256 Ruth Cadbury: This morning, we saw the NAO report released around the teacher recruitment crisis, which some of us had been raising in the House in previous months. The big issue for teachers is being able to come back and apply for part-time working or flexible hours—obviously, homeworking is not appropriate for teaching. The DfE is consulting on the draft staffing and employment advice for schools, and the 23-page document has nine pages of advice on appointing staff, but not a single mention of part-time working, flexible working or job sharing. Do you not agree, Secretary of State, that this might be an area in which your Department could provide more encouragement?

Nicky Morgan: I do agree. Let us start that by talking about the NAO report this morning. We have the largest number of teachers we have ever had in this country, over 454,000. As said in an earlier answer, we have more people returning to the profession than we had last year. The NAO report also makes very clear that the teacher-pupil ratio has barely shifted. We have people talking about half the profession wanting to leave; we see that 90% of the profession stay after the first year of qualification, and 75% after the first five years. I have been very clear, and I have said to others, that we recognise some parts of the country and some subjects definitely have challenges in terms of recruitment for head teachers. We are working on that very hard with things like the introduction of the National Teaching Service and also, obviously, with our programme of teacher recruitment. We rightly keep putting up the numbers of teachers we are trying to recruit. That means the target is ever-moving.

We also know that, as we have a recovering economy, there are more opportunities for graduates to go into other jobs. Whilst on the one hand I love the fact that we have a recovering economy, as an Education Secretary that obviously brings challenges in terms of other opportunities for those leaving university to go into other professions. We do, of course, have very generous bursaries—up to £30,000—for some teachers in some subjects. However, I do agree—and I am happy to go away and look at the guidance—because we are very clear, combining my two roles, that the role of women in education must not be underestimated. I am disappointed that there are not more women in senior

leadership positions in education, particularly given the high proportion of women in the workforce, both in primary and secondary. We would like to have more secondary head teachers who are female. Through this Committee and elsewhere, we can absolutely give the encouragement for part-time and flexible employment. Your point is well made—not all teaching is suitable for homeworking, so that is something. That is where talented employers will have discussions with employees about the hours they are able to work.

Q257 Ruth Cadbury: Thank you. Mr Boles, given your previous experience as an employer offering flexible working, in your current role, what is BIS doing to support employers in offering flexible working?

Nick Boles: The short answer is a lot. I do not have it on the tip of my tongue, so I am going to try to find it, but they gave me a whole lot of stuff they were so proud of themselves for doing. “BIS government internal policies”—gosh, it is a whole lot of jargon. Your particular question is the number of people working flexibly, is it?

Ruth Cadbury: Not within the Department.

Nick Boles: Do you mean within the civil service?

Q258 Ruth Cadbury: That is a legitimate question as well, but I was asking you about your Department encouraging employers in the UK.

Nick Boles: Sorry. That has been very clear. On the right to request flexible working, there is a habit in this place that we fight for something and, once a Government is finally persuaded to do it, then immediately assume it has all happened and the effects of it have rippled out across society, and we move on to the next seven things we are going to do. The reality is that was a very significant and relatively recent step. These cultural changes take a long time. The message from this Government—both through the right to request flexible working, and through shared parental leave and the Chancellor’s announcement of extending shared parental leave to grandparents from 2018—is those are very significant interventions. They all aim at ensuring that people can combine other responsibilities with work and employers are encouraged to support people who want to.

Q259 Ruth Cadbury: Thank you, Minister. That is helpful, but my understanding is that one can only ask for those rights when one has been in a job for 26 weeks. Of course we are talking about the gender pay gap; we have been talking about women returners; and one of the biggest barriers to getting a decent, well-paid job is at the point of recruitment. Would the Government be considering looking at allowing those flexible arrangements on offer of employment rather than having to have been in the job for 26 weeks and all the problems that involves? That is a barrier to people applying for jobs.

Nick Boles: I do not totally accept that, because the point is that on applying for a job and on being interviewed, it is absolutely open to anybody to say, “I want to work flexibly.” It is not unreasonable for the employer, given that 26 weeks is six months, to know, “Okay, this is somebody who wants to work flexibly and wants to work flexibly right from now, not from at some hypothetical date in the future.” They should know that when they are recruiting them. If you have been in the job for six months and your situation or circumstances change, or even if you just decide that you want to do this, you can then request.

It would be wrong to suggest that an employer recruit someone and literally from the very next week they can say they want to request a different working pattern than they were recruited for, because obviously every employer has to be able to plan a workforce. In particular, smaller employers do not have armies of people that you can move around to adapt when somebody's working pattern changes. If somebody has raised it in the recruitment process, they can deal with it, but for the employer there is the security of knowing it is not going to be raised again for six months. I do not think that is unreasonable. We have to remember this economy has created more jobs than any of our competitors'. There is a reason why, and that is we make sure that the rules—for all that we are trying to help people in their lives—work for small employers and large.

Q260 Ruth Cadbury: With respect, you started this session by saying that in your previous role as an employer in a small business you got the best applicants, who were women, because you were offering flexible working at the outset in the advert. Do you not agree that many women would be resistant to applying for a job unless they knew that the employer was welcoming to flexible working? When we go for jobs, most of us do not want to make life difficult for ourselves, because we really want the job.

Nick Boles: Sorry—perhaps I was not clear. The story I told underlined the point: if you have half a brain cell as an employer, you realise that by offering flexibility you can often get better applicants. It does not need me to regulate it. If you are at all alive to the possibilities as an employer, in your own interest you should be maximising the flexibility that you can make in your proposals.

Q261 Ruth Cadbury: Only 6% of jobs paying over £20,000 are advertised as open to flexible working. Surely, more than 6% of jobs can be done flexibly.

Nick Boles: I am sure that is right. Our only disagreement is that I do not believe that is going to happen, because we impose a regulation on all employers that they, from day one, have to make clear that they are open to requests for flexible working from the first day of employment. Frankly, if you ever recruit someone, you know you are not going to make any money out of them if you are a business or get much value from them for the first six months. Let us face it: we all know that within the first six months you invest more in the person than you necessarily get out as an organisation. Every employer knows that after six months they are going to have the right to request flexible working. It is the right point to put that requirement. If you brought it in much earlier, it would do something that would be tremendously damaging to the interests of people who want to benefit from that flexible working, which is that it would put people off recruiting people who might be likely to request it.

Q262 Chair: Minister, why do more businesses not follow your example? Maybe they do not have half a brain, as my colleague has said, unlike you Minister, but why do more businesses not follow that example? Why do they not advertise jobs as flexible from day one?

Nick Boles: I do not know the answer.

Q263 Chair: Should you not know the answer?

Nick Boles: No, not necessarily. We live in a free society. We set broad rules and broad expectations, but ultimately employers and individuals are free to then respond to those. All I am saying is there is no doubt in my mind that, given that the law is clear that after six months everybody has the right to request flexible working, and given that the benefits of employing people flexibly are absolutely evident, the culture will change. However, cultures are slow to change. Gosh knows, we have seen it in other areas that we are all working on together, whether it is women in senior positions or whether it is recruitment of people from black and minority ethnic groups. There are many areas in which cultures change slowly, but you do not change them by putting employers in a position where you are fundamentally undermining their ability to create jobs, and over regulation would do that.

Ruth Cadbury: With respect—

Nick Boles: I love the words “with respect”, Madam Chairman.

Q264 Ruth Cadbury: With respect, the 26-week rule is a regulation.

Nick Boles: Yes.

Q265 Ruth Cadbury: Would it not create the right signal to review and do away with that regulation and leave employers to decide at the outset when they are recruiting whether or not they want to offer flexible arrangements at the start or impose their own internal limit on the time in which people can apply? Why not reduce that in the regulation?

Nick Boles: It is refreshing to hear a member of the Labour party calling for a free-for-all and a rollback of regulatory interventions. All I am saying is that we need to strike a balance between a proper regulation setting the expectations for a change in the culture of employment, which the right to request has done—and it is beginning to work but obviously there is masses more progress we want to see—and overregulating employers. I do not agree with your suggestion to scrap that regulation. It is a positive one, but I would also oppose making it even more stringent by bringing it forward in terms of it being under six months.

Q266 Chair: I have two other colleagues to come in here, but I do want to press the Minister further on this before I hand it over to Jess and Jo. Minister, when I asked why more business do not advertise more jobs flexibly, you said, “I do not know.” Given that one of the biggest problems women face is a part-time penalty—in terms of coming back into work, particularly after having caring responsibilities—our data would suggest that all women face a gender pay gap, whether or not they have had time out of the labour market for having children. Do you think your Department should know the answer to that question? You should be pressing more effectively for businesses to offer flexibility, which could include part-time working, from day one as part of the job, rather than—as you may rightly or wrongly say—introducing it after a job has been given to an individual. You should know the answer to that.

Nick Boles: I am sorry, Madam Chairman; I have the greatest respect for you, but I do not agree that somehow Departments need to enquire into the soul of every citizen and every employer. I do think we need to set an example, we need to take the lead and we need to make some well-targeted interventions to change the culture. That is what we have done with the right to request, the publication of the gender pay gap for organisations employing over 250 people and shared parental leave. We are absolutely acting to lead the

way, but I do not think we should be sending out endless surveys to employers asking, “Why on earth are you not offering more jobs flexibly?” Firstly, I am not sure whether those surveys generate truthful answers, because I am not sure if people really know why they do things. They do things because of deep-seated attitudes that we are trying to shift.

I would rather focus on the effect of what we are doing and how we roll out that change in culture much more than just enquire as to why the bad old ways have persisted for as long as they have.

Q267 Jess Phillips: I will first of all apologise for being late. The DfE funds the Holocaust Education Trust, where I was yesterday, and they flew me back to Birmingham, not London. That is far from here. Going back to the point around teachers first of all, I wonder how the Secretary of State can square the changing terms and conditions that teachers are facing in academisation. A single mum in Birmingham came to me this week with a tale about how the academy sponsor of the school she works for has recently taken away all paid parental leave, so now if her children are sick she no longer gets paid when she goes off. That is becoming common; it is a very large academy chain sponsor in Birmingham. What is the Secretary of State doing to monitor where that is happening and how that fits in line with her role as the Women and Equalities Minister? You have been campaigning, along with us here, to make sure that women do not have a penalty when they have children and go back to work, and also that they equalise their pay. What will happen, in the cases of these academies doing this, is that will women will have to start working part-time in order to maintain their caring responsibilities, and that is the case that was brought to me this week.

Nicky Morgan: I am very happy to, of course, look into that individual case. It has not been raised with me directly. Jess, you said “paid parental leave”. Do you mean maternal leave?

Q268 Jess Phillips: No. When their children are sick from school and/or their parents are sick, they used to always get paid when they were employed by the LEA—or whatever it is called these days—and now they no longer get paid. It is not the individual case; I am happy to fight it. What are we doing in our education system, a huge employer of women, and what are you doing as the Secretary of State to monitor the change in conditions of this enormous group of women in the workforce, which I am now telling you is being badly affected when it comes to women in work?

Nicky Morgan: There are obviously statutory rights, as well. We conduct surveys into pay and conditions for staff at local levels at all kinds of different schools all of the time. Anecdotally, apart from all my visits to schools up and down the country, officials are engaging with local authorities, multi-academy trusts and individual schools all of the time. You are absolutely right to say that, as a large employer of women, we want to encourage—exactly as we were discussing this morning—more women to stay in the workplace and take on senior leadership positions. Thank you for bringing that to my attention. I will happily follow it up.

Q269 Jo Churchill: I apologise for being late. I came to this place as a small-business owner. I would agree with the Minister: no more regulations and no more ONS surveys to find out how we are thinking. However, I also came to this place and have advertised my positions as flexible from day one. It is about mindsets and changing those mindsets. Schools are now largely run like small businesses. As a chair of governors, you are very much aware

of what is going on and how delivery and outcomes are important. How do we enable senior leadership within organisations to take risks? That is the big thing. Job sharing a head's role would be easier than a frontline teacher's, so we could really start to think in a special way here. Within small business, rural companies have problems with childcare. How can we start to think creatively and how can we de-risk it by dropping those barriers?

Nicky Morgan: A lot of it goes back to the changing of cultures. I suppose this question is whether there can be incentives, but we all know that our ability to offer financial incentives or tax breaks is of course limited by wider economic circumstances. A lot of what we see in education in terms of getting schools to do things differently or to be innovative is about the sharing of really good practices between schools. That is one of the greatest things we see in our education system. I was at the Leicestershire Academies Group conference last week, where schools, regardless of the types of schools they are, are all beginning to work together to share really good practice. In my experience of things like job sharing, it comes from one employer seeing people doing it, juggling that responsibility and making it work, and then being very open when somebody else says, "This is what I would like to do," and, "This is how we are going to make it work."

Of course in childcare—we have not touched on childcare this morning—there has been significant amounts of investment by this Government in terms of the offers for two, three and four-year-olds tax free.

Q270 Jo Churchill: The rural delivery of it is still a big barrier, though.

Nicky Morgan: We have the pilots, the early inventors, and they are right the way across the country, and we are particularly looking at different areas, rural being one of those challenges. How do we incentivise providers in rural areas to make sure they are offering the additional 15 hours, for example? We will keep a very close eye on that.

Q271 Mims Davies: I have one quick question and point in terms of the language. Is flexibility ultimately being looked at as less valuable, less productive, in terms of still battling with a presenteeism issue? That is certainly what we were hearing when it comes to evidence on how men are perhaps seen as agile workers, but women are seen as flexible, part-time, not really cutting the mustard when they come back, because they are still plying their trade differently. This is particularly in areas where we see problems with bringing women back in to really important roles for the community, such as taking on GP roles, where we have got a recruitment crisis. Could the Ministers look at flexibility in terms of language and really explaining what we mean in terms of productivity? That is where business and workers are falling on different sides of the argument.

Nicky Morgan: Language is terribly important. We all know that, for every man's assertiveness, the woman is deemed to be aggressive. We have to challenge this all the time. We all know that men look at job adverts and think, "Oh, I cannot do three of those things, but I can do the rest of it. They will be lucky to have me." The woman is thinking, "There are three things that I cannot do, so I will not apply." We have to change these cultures. That is what this Committee is about. That is what our roles are about. That is what we need to do as women in this place.

In terms of productivity, most bosses would probably say that when they have somebody working supposedly part-time, they tend to be incredibly productive. When I was working

part-time before I was elected to this place, for the four days I spent in the office it was head down and straight on, because you have to leave at a certain time to go home and to do other things. Again, it goes back to being very explicit. Evidence from this Committee and elsewhere shows just how productive those working less than full-time hours are, why businesses and employers should absolutely embrace them, and why it is important to be flexible to get the most out of your employees. I have never understood why employers do not give more encouragement to people, because if you invest in your workforce, if you trust them, they will work very well and they will stay with you for longer and be much more committed employees. That is the culture that we need to change.

Chair: We have been talking a lot about the drivers of the gender pay gap, but as yet, Ministers, you have not mentioned the low-paid sector as an important driver of that. This is an issue that Ben would like to pick up on.

Q272 Ben Howlett: Avoiding the point that these probably should not be highly feminised sectors, nonetheless there is an issue that we have not focused as heavily on low-paid sectors. They are highly feminised sectors as well. Do you feel that the Government has overly focused on professional women and particularly looked at bonus reporting, for example? Should there also be more of a focus on low pay, and what policies would you put in place in order to solve the low pay, gender pay gap—aside from the higher executive pay?

Nicky Morgan: It goes back to the point that we made right at the beginning, which is that transparency is important, but there are some underlying factors that drive the gender pay gap. One of those absolutely is women not going in to higher earning occupations. I was just trying to look in my brief for the statistics. Again, the Deloitte report talks about the number of women who are secretaries or in the care sector, compared with the number of women who are, for example, engineers. I have not got it now, but we all know that women tend to be concentrated in certain sectors. There is a very good statistic in the Deloitte report about STEM, which talks about science and maths being essential for a wide range of careers and carrying a wage premium. With my education hat on, we know we do not have enough girls taking STEM subjects to higher levels. That is slowly changing. For example, we have 12,000 more girls doing STEM subjects at A-level, but we really have to rev that up. It goes back to being much more explicit about the careers that those subjects lead to.

To answer your question about supporting low-paid workers, one of the biggest things we have done in the course of the last Parliament and this one has been the lifting of the income tax threshold, in terms of allowing people to keep more of what they earn. There has also been the introduction of the national living wage. That is going to disproportionately benefit women because they tend to be in the lower-paid sectors.

Q273 Ben Howlett: Whilst you are on that particular point, according to the Low Pay Commission, yes, there has been a rather large reduction since the introduction of the national minimum wage—from 12.9% in 1998 to 5.5% in 2014—but the introduction of a living wage is estimated to reduce the pay gap by only 0.8%. That is tiny, given the potential increase. Why is that going to be the case?

Nicky Morgan: Two thirds or 68% of those benefiting from new the national living wage will be women. As I say, it is a step. I did not outline it at the start, because I think there are other much more systemic changes that we need to make to the jobs that women and girls go in to. There was Nick's point about apprenticeships and upskilling—I am sure

there is a better word, but that is the word we all tend to use—when in the workplace. The point you also made at the beginning about the concentration of women on boards or women at the top of companies and organisations is important, because it is important to have women at the top of these organisations and making decisions and representing female views. But of course we want to make sure we are supporting women at all parts of the workplace. Things like the income tax changes and the national living wage are important in supporting women, but that is not going to drive the systemic change. It is about career choices and then enabling people to stay in those careers for as long as possible. Those are the things that are going to tackle the gender pay gap.

Q274 Ben Howlett: Moving on, and hopefully introducing Minister Boles into this as well, the ONS data obviously shows that we are 20% behind when it comes to productivity. I know all Departments have been tasked with the opportunity to reduce that down. There is a question around industrial strategy here and the work that, Nick Boles, you are doing in the Department for Business. Ultimately, the question comes down to: what are you doing in that industrial strategy to focus your attention on the gender pay gap and also particularly low-paid, highly feminised sectors?

Nick Boles: It is not a specific element of the industrial strategies because, of course, we want to help all of those industries we are actively working with to become more competitive and employ more people. We want them to be able to offer those opportunities more broadly and, as I said, if they have their wits about them, they will realise that a huge under-exploited resource is that of women, particularly perhaps older women returning to work and not being properly used. It does inform a huge amount of our other work on, as I said, the main part of my job, which is skills provision. Yes, we can get the pay of people in low-paid sectors up by introducing a national living wage, and we should not underestimate the benefit of that to people, but ultimately the way to get their pay up is by giving them the skills that enable them to deliver more productive value to their employers, so that they can command those wages—by competing in the marketplace they can secure those wages as a just dessert for their work. The best way of doing that is enabling people at all levels, while in work, while working part-time or while out of the labour market, to secure those skills. Apprenticeships are not the only way of doing that, because obviously there are also the adult skills courses at colleges—where we have been able to protect the funding—but apprenticeships are probably going to have more impact than any other element of the strategy.

The only thing on which I would slightly differ is that I do not think it is part of the industrial strategies, as such. It is more about the skills strategy for the Government.

Q275 Ben Howlett: Absolutely. Following on from that, when the Department for Businesses is making a decision over which sectors of the economy it needs to focus its attention on in terms of the industrial strategies, how do they go about making that decision? There are some sectors that are absolutely vital to our economy, such as the care sector, that are incredibly feminised. Yet the care sector does not seem to have an industrial strategy attached to it, potentially because the general sense within Government is that siloing happens and that is a responsibility for the Department of Health, and thus is not necessarily integrated into the workings of the Department for Business. How do you go about making those decisions?

Nick Boles: That may be based on a slight misunderstanding of the point of these industrial strategies. They are driven by the identification of those sectors in which the UK is best placed to compete globally over the next 10 to 20 years, and how in those sectors we support innovation, greater export and the rest. We have an automotive strategy and we have an aerospace strategy. It is that kind of thing. That does not for a second imply that nobody in BIS or elsewhere is thinking about how we get the skills, and therefore earning potential, of people working in the care sector up, or worrying about how we ensure that, when the national living wage comes in, which is a very welcome step, nevertheless those organisations are able to compete. There are a lot of people thinking about that, but it just does not specifically constitute an industrial strategy. The care sector would be a bit surprised to be considered an industry with a need for a strategy by BIS. It needs help with the skills of its workforce, so that it is able to provide excellent care and pay people higher wages.

Q276 Ben Howlett: If you are looking at the increase in productivity in our country and competing against our neighbouring countries, when Germany, for instance, is making an industrial strategy, it does take into consideration the needs of carers, because ultimately it has a huge impact on the workforce and the productivity of that workforce as well. Within each of those industrial strategies, do you take into consideration the wider impact on the workforce when you publish those strategies?

Nick Boles: To give you an example, the Secretary of State has talked about the need to get more women into engineering. If you talk to the nuclear industry, the automotive industry and any industry you can find, it is an absolute crisis for them, partly because they are all competing with each other for the same skills. It is about working on getting more young girls to keep going with physics, because if you do not make that choice at a really young age, you are then shutting all of those doors to you and helping shape attitudes about what are attractive future careers. It is vitally important. I am just trying to suggest that the way we approach it is through all of our work on skills, technical and professional education and apprenticeships across the whole economy, rather than somehow thinking about it in industrial silos.

Ben Howlett: Yes, absolutely. I am really pleased to hear you say that.

Chair: I know there are a lot of colleagues with supplementaries on this, but I am conscious we want to also talk about another area. Is there anything that is absolutely burning?

Q277 Maria Caulfield: Can I just bring up one issue? We have heard about it in various evidence sessions and I am going to be devil's advocate here: do we have it the wrong way around and we undervalue women's work? Instead of trying to change women and push them into different careers that perhaps they do not want to do, value the careers they do want to do. We just assume that carers are people who could not get a job anywhere else. In fact, as a nurse—I worked in the NHS for 20 years—I had to do science, physics and biology. I was doing much of the work of a junior doctor, I had a master's and I was paid just above the minimum wage as it was then. Is it that we have our priorities wrong and we do not value teaching and caring enough, and if we paid people better, they would not need to change careers?

Nicky Morgan: That is a very good question that we could probably have an entire evidence session on. You are right in terms of changing cultures; it would be a very

positive step. It requires quite a societal shift. People have enormous respect for teachers, carers and nurses. People realise how vital those sectors are. Obviously, Government sets the pay for the public sector. We do not set the pay for people like engineers or IT consultants and that sort of thing. Again, you could probably have a whole evidence session on that. That is why those people perhaps tend to earn more: there are fewer of them—I do not know—where that drives the higher salaries. At the end of the day, it is that issue of salaries and earnings.

Q278 Jess Phillips: It is because they are men.

Nicky Morgan: That goes back to a whole thing about the role of men and women in society, and this is something that has happened over many years.

Q279 Mr Shuker: Mr Boles, your Department chooses to intervene through a modern industrial strategy on aerospace, agriculture, automotive, information economy, international education, life sciences, nuclear, offshore wind, oil and gas, professional services and business services. Is it not the reality that all of those are highly genderised in favour of men and you do not support a single highly genderised feminised sector?

Nick Boles: No. As I tried to explain and I will now re-explain, I am entirely uninterested in what sectors have an industrial strategy when I am thinking about the productivity of the workforce, their ability to command a high wage and their ability to access opportunities to gain better skills so that they can get better jobs. That is something we are doing across every sector.

Mr Shuker: Your Department makes the choice.

Nick Boles: I am sorry; I reject your suggestion that that implies that somehow we do not value other sectors or do not want to increase productivity in them. I am the Skills Minister. I do not do anything more for any of the sectors that you listed, in terms of their skills development, than I do for the care sector or teaching or nursing or anything else. We have an apprenticeships policy; we are doubling the amount of money going into apprenticeships, and it is going to apply to every single sector, every single occupation, everything, in sectors where there are more men working and in those where there are more women working. I completely reject the implication. You are getting hung up on something that is much more about those sectors where we have the greatest potential to export in the future. I am focusing on the skills of everybody across the whole economy.

Q280 Mims Davies: We touched on shared parental leave earlier. Could you outline the Government's goals in terms of introducing that? Do we really want men taking significant amounts of time out of the workplace to share childcare? Is that really what we are trying to achieve in terms of parity, or is what we are doing just muddying the waters?

Nick Boles: I do not know what the official answer is, but my answer is yes.

Nicky Morgan: My answer is yes.

Nick Boles: I absolutely want more men taking time out of the workplace. I hope that we will end up seeing more couples, of whatever genders, decide to share parental leave than those who decide not to. I would also say that it is a pretty significant intervention. It only

came in last spring, so let us give it a little bit of time to start rippling through society because it does require a change in attitude.

Nicky Morgan: It is interesting—I do not know if you are talking to employers—how many men have started to ask about shared parental leave in terms of things like interviews. Certainly, from talking to some of the larger professional services firms, they are able to push this significantly more because they are larger. The important thing is it is about choice. It is about recognising that childcare and juggling childcare responsibilities are not just for women. It has to be about both partners in a relationship having the discussion about who is best placed to take time out at the beginning, the middle, the first year, whatever it might be. Other companies are beginning to think creatively. I think it was Deloitte, where I was on Monday evening, which now has a thing where anybody, at any stage in their career, can request an unpaid one month per year in order to do whatever. Employers are recognising that they have to be more flexible. We are starting it with bigger companies and we want to get it running right the way through the workforce.

Q281 Mims Davies: The initial poor take-up is not of long-term consequence then.

Nicky Morgan: It is something to watch, but Nick is right; it was only introduced last spring and you have to give time for people having children to think about this as an option, to make sure to push their employers and for employers to come up with schemes. Employers are doing this, certainly the ones that I have had the conversation with, but it goes back to getting this working in big companies and small, too.

Q282 Mims Davies: Are you comfortable with large employers taking the burden of that and leading the way? Is that the way you see more take-up happening?

Nicky Morgan: I do not know about BIS, but I would expect that it is large employers that have HR departments; they will be thinking, “How is this going to work? Can we make this available to all of our employees?” The report has “trailblazing” in the name because these are obviously companies that are blazing a trail, and the example they set is very important for others as well. Of course this has to apply to the public sector, too.

Q283 Mims Davies: There is strong evidence that the non-transferable paternity leave is costly and difficult, but it might be the only way to get men to take up this leave, so do we need to start using the stick on this as well?

Nicky Morgan: I have not seen the evidence. If that is the evidence that has come to the Committee, I would be very happy to look at it, and read the report and the Committee’s conclusions. Shared parental leave is going to be another important answer to that. Again, it goes back to the issue of choice or compulsion. It is much better to respect individual families and individual parents’ choices on this in terms of the way they want to structure the leave they take in order to juggle childcare responsibilities.

Q284 Mims Davies: We have talked a lot about part-time or flexible or agile or not being ever-present. In terms of barriers to parental leave on a part-time basis, we have heard that lower income areas are exactly where we need to make some changes in attitudes. Do you think there is any way that Government can see this being done?

Nicky Morgan: We would always look at the evidence. We would look at what we would need to do to help with changing cultures. It goes back to the point we made at the start,

which is that with a lot of this stuff you can pass so many regulations, but if you really want to get it adopted, it is about working with employers. It may very well be larger employers that have a really wide workforce across different earnings potential and everything else. That is something that I would be very happy to look at further. It goes back to the point about people taking this. Do not underestimate the importance of having senior people taking paternity leave, for example, or shared parental leave. The message that sends throughout an organisation is very important.

Nick Boles: One of the aspects of shared parental leave that is most interesting is that you can take it in blocks, so you do not have to do three months and three months or whatever it is; you can each take three blocks. Also, there is this concept of split days, I think they are called, of up to 20 in-touch days, where you can go back to work for a day or two, whether it is to attend a particular meeting or to be involved, so that neither parent completely loses contact with their workplace. It is a very innovative programme and we now need to try to get as many people as possible to know about it first and then have employers encouraging them to take it up.

Q285 Mims Davies: We have a new carers strategy; it was something I was involved in before I came to this place in terms of looking after parents. There are lots of people juggling and making decisions and people, like me, who fell out of the workforce and felt that there was not that support system there. We have heard about the caring pilots and the report in 2017, but do we have the gender pay gap strategy right when it comes to caring responsibilities?

Nicky Morgan: It goes back to the point that often it is older people in the workplace, older women, who will be juggling those caring responsibilities. There was some statistic about the number of women over the age of 50 who are carers. We are doing the pilots to figure out what works. Of course we have things like flexible working. We often think about that in terms of looking after children, but with between 90% and 97% of UK companies offering some form of flexible working, there is absolutely no reason people should not ask for that in terms of looking after older relatives as well. If the pilots reveal there are more really effective things we can do, we will look to introduce those.

Q286 Mims Davies: I felt it was not acceptable a couple of years ago to go to my employer and say, "I am really struggling here because I need to go to the doctor's with my mum." Are we at a point now where people can work differently because they have those caring responsibilities? There are people who also have young children, such as I did, and older parents, and that is absolutely the worst place to be; perhaps you have come back into the workplace and that extra layer comes on top. Other than the multinationals or the bigger companies, do you think by saying, "I need five hours off once a month to make sure that I am shopping with mum or doing what is needed," people will not just laugh you out of the building and say, "You are not taking your job seriously."?

Nicky Morgan: I would hope that people would not laugh you out of the building, but of course there are going to be people who react in different ways to requests. That is why things like flexible working and the right to request is so important, because they cannot laugh; they have to consider it. That is where we are constantly pushing on the culture. I go back to my point that a talented employer who wants to get the best out of their workforce will realise the benefit of having that flexibility and saying, "Yes, if you want to take an afternoon off or whatever it is that makes it works for you in terms of juggling

hospital appointments, doctor's appointments, shopping, whatever it might be, then absolutely," because they know that the rest of the time you are going to be working hard.

It also perhaps depends on the age and outlook of employers. It is quite remarkable sometimes when male bosses start having their own children: suddenly their attitude towards supporting women with their own caring responsibilities changes quite remarkably, and maybe that is the case with people who have older relatives as well. If we can gently push that on, as the Government, that is exactly what we would like to do.

Mims Davies: Going to Maria's point earlier about undervaluing the care sector, it is very often not until you experience that as a family that you perhaps see the value that adds to the community.

Q287 Chair: Ministers, could I just take you back to your answers on shared parental leave and probe a little further? It is really good to hear your commitment to shared parental leave, but your policies will deliver only a 2% to 8% uptake of that. Are you satisfied with that, given how committed you are to it as a policy and given that time out of the labour market is such a driver of the gender pay gap? The whole reason we are here today is because of the Prime Minister's commitment in this area. You have a policy that is going to have a 2% to 8% uptake. Should you not be doing more? Should you not be looking at Germany, where they have a 30% uptake on their shared parental leave?

Nick Boles: We certainly do not want to rule out that we will end up doing more, but we have only just brought it in. We have made a very clear commitment to review it in 2018. It is quite a significant intervention and you do need to allow employers time to work out how they are going to work with it and then, also, individuals to work out how they are going to take advantage of it. I certainly would not rule out that after that review in 2018 we might well want to look at going further. All I am saying is let us not rush to judgment yet on the effectiveness of a policy that was introduced less than a year ago.

Q288 Chair: I am not rushing to judgment. I am simply quoting your figures. You are predicting that the take up will be only 2% to 8%, which does not sound a very progressive policy.

Nick Boles: It is the thin end of the wedge. Knock it in and you will end up changing society, but it takes a bit of time and you have to start somewhere.

Q289 Jess Phillips: Across all of the areas there is an element in some of your answers—and the Chair has questioned the results we are going to get—of the triumph of hope over experience: we just hope it is going to get better; we just hope that more women are going to get involved in physics and go into STEM; we just hope more men are going to take the time off. As somebody who is waiting on the receiving end of the trickle-down, I am impatient and lots of people are, and when you are one of the groups that has to wait, it becomes irritating. You were saying to Gavin about how you do care outside of those industrial strategies. What exactly is BIS doing—exactly—to get more women into those jobs? I went to the CBI lunch in the west midlands the other day and they were talking about the gap in skills and about construction and about aerospace, and I said, "You are ignoring half of the population, so there is your gap sorted." What are you doing to make businesses go into schools, beyond KPMG going into private schools and offering fancy deals for kids to go to university, which

I got when I was at school? What are you doing? I want to know what is happening to change it.

Nicky Morgan: In terms of the schools, we set up the Careers and Enterprise Company. We now have the LEPs appointing the enterprise co-ordinators, working to appoint the enterprise advisers, who will be appointed to every school to make sure that we have engagement between employers and schools—not just tick-box work experience but real inspiration. You have people like the fantastic women working on Crossrail, the female engineers there, pairing them up with schools to go in and say, “This is what you need to do to get a job like mine. It may not be the kind of job you want, but let me tell you.” We also have the EBacc policy to make sure that we have 90% of pupils taking the core academic subjects, boys and girls, so 12,000 more girls doing STEM A-levels, for example. There is a lot, but obviously I cannot wave a magic wand and suddenly magic up thousands more pupils taking a particular subject in one year. In terms of the work to tackle that pipeline of people being inspired about careers and taking those subjects, there is a lot.

Q290 Jess Phillips: I accept that the Department for Education is dedicated to getting girls achieving. I just want to know exactly what BIS’s policies are about stopping this happening—exactly what you are doing.

Nick Boles: You are absolutely right to be impatient, and this Committee is right to be impatient and, Madam Chairman, if you are not being the most impatient person in government then probably the Committee is—

Chair: I am not in government, Minister.

Nick Boles: No, I am sorry—in Parliament. We entirely accept the need for constant prodding. All I would say is that we have to allow some time to see policies implemented, to see where they are taken up and, where they are not taken up, why not. Please carry on being as impatient as you like, with me, anyway.

Q291 Chair: Minister, can I be impatient and prod you a little further on non-transferable leave for parents then? Is paid non-transferable leave something you will look at? You said you are going to have a review in 2018; is that something you will commit to looking at?

Nick Boles: Absolutely, I am very happy to look at that. You raised the point about whether only fathers can take it up, to lever change, or whether the offer of shared is enough, so that will be something we look at together.

I did not answer Jess’s second question about what we are specifically doing. My main focus is on the rolling out of apprenticeships. We are doubling the amount of money and we are creating new standards and there is a combination of things, in a sense. On the one hand, you want to encourage more women to be taking up, as you say, the apprenticeships that will lead to those jobs in engineering and manufacturing, and we are making some progress from a very low base. We had 1,600 women starting engineering and manufacturing apprenticeships in 2009–10, and it is 4,800 in 2013–14. As a percentage increase, I could have blinded you with that, but I thought it was probably better to be honest about the absolute numbers, because the absolute number is woefully small still, but it is progress and we are going to continue with it. Also, it is important to be

developing standards, so that those who are working in sectors that currently employ very large numbers of women—the care sectors, the education sectors and others—will be able to progress and acquire new skills and better paid jobs in those sectors. We do not want the message to be that the only way to be earning more is to become an engineer. We want you also to be able to earn more in whatever line of work you have chosen already.

Q292 Mrs Drummond: Going back to the impatience bit, Sweden waited a bit and it did not work, so they brought in much stricter regulations about parental leave and things. Is that not something we could emulate, take their example and just go for it?

Nick Boles: I can give you the commitment that all options are on the table for our review in 2018, but equally nor are we pre-committing to any further action, because we have only just taken these quite significant steps, and I would rather go out and sell them. You gave me the range of our own projection being 2% to 8%. Let us make sure it is 8% not 2% and then let us see whether we need to go further.

Q293 Ben Howlett: My point is very quick and you know my passion for this area after I ran the “women in STEM” debate the other week in Parliament. The general sense from those, literally, thousands of people who were on online media and also those people who contacted me follows on from Jess’ point. Namely, yes, there is a passion; yes, there is some headway; there is a lot of work still to be done; but a lot of different organisations of government are doing their own separate thing. I saw last week DWP are now pushing on a new agenda to say that we want to encourage more girls to get into STEM from their Department, then there is BIS doing their work, Education is doing their work, then you have STEMNET, then you have this organisation. It is almost starting to seem like there is a desperation to get there without any cohesive, joined-up thinking and an overall strategy and plan. If there is one plea I could give you it is to join them all together, because ultimately, if we do not join them together, there are mixed messages and it becomes a very complicated system. I do not know what your thoughts are on that.

Nicky Morgan: We do talk to others, and I think you are right. Obviously, we all look at slightly different things, schools versus those who are in jobcentres looking for work and everything else, but of course the Your Life campaign was an umbrella in terms of bringing things together. They published a report only last Friday, which makes fascinating reading. It tells us there is a lot more to do and there is perhaps a call to bring everyone back together again under that umbrella.

Ben Howlett: If you could lead on that, it would be great.

Q294 Chair: A final question from me, Secretary of State. We were interested to read in the press over the weekend that you have appointed Philip Hampton to lead the post-Davies work. Did you consider a woman for this role and, if so, why did you not appoint one?

Nicky Morgan: We considered all sorts of different candidates for the role. Sir Philip Hampton is hugely experienced and he was absolutely up for the challenge. He is working with Dame Helen Alexander, who herself is a very distinguished businesswoman. Philip is chairman of one of the biggest companies in the world, and every company board that he has been on has had more women by the time he left than when he started, so he has a great track record to carry on. In terms of some of the criticism, if we truly want to advance equality we need both men and women to be in this space, and the UN campaign,

men as agents for change and HeForShe typify why that is necessary. We have two really great people in Sir Philip and Dame Helen Alexander.

Q295 Chair: But the man beat the woman to the job.

Nicky Morgan: We appointed the person who was absolutely up for the challenge, who had the time and the wherewithal to do it. It could have been anybody, but at the end of the day the person who came out top was Sir Philip.

Nick Boles: I hope you think, Madam Chairman, because I certainly do, one of your greatest achievements as Secretary of State was legislating for gay marriage. You did not need to be gay to realise that was a bold and progressive step, and you probably did a better job of taking it through Parliament than any bloke would have done.

Q296 Chair: That is a very interesting observation, thank you. I fear we probably have to draw this to an end and let people get on with the rest of their day. I really do thank you for a very vigorous questioning session, but I think from that you can feel from the Committee an enormous passion for the subject and, perhaps because of the evidence that we have received, a real desire to see further change on this, and I hope you will be reading our report in detail when it is published.

Nicky Morgan: Of course.

Chair: Thank you very much.