

# Women and Equalities Committee

## Oral evidence: [Unequal impact? Coronavirus and the gendered economic impact](#), HC 385

Wednesday 16 September 2020

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Members present: Caroline Nokes (Chair); Sara Britcliffe; Theo Clarke; Elliott Colburn; Peter Gibson; Kim Johnson; Kate Osborne; Bell Ribeiro-Addy; Nicola Richards.

Questions 45–104

### Witnesses

**I:** Liz Bayram, Chief Executive, Professional Association for Childcare and Early Years; Victoria Brownlie, Director of Policy and Public Affairs, National Hair and Beauty Federation; and Mary Robertson, Senior Policy Officer, Trades Union Congress.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



## Examination of Witnesses

Witnesses: Liz Bayram, Victoria Brownlie and Mary Robertson.

**Chair:** Welcome to this afternoon's session of the Women and Equalities Select Committee as part of our inquiry into coronavirus and the gendered impact. I will invite members of the Committee in turn to ask our witnesses their questions.

Q45 **Bell Ribeiro-Addy:** My questions are mainly for Liz Bayram, if that is okay. What would you say were the main challenges facing childcare providers prior to the pandemic? What Government response do you believe would have mitigated this prior to the pandemic?

**Liz Bayram:** The main and ongoing challenge for registered providers, be they childminders, preschools or nurseries, has been the very threadbare financial existence that they have had to cope with due to the prolonged absence of long-term strategy from Government for children and young people. In particular, there has been an ongoing challenge of underfunding the various free entitlements that families of children under five can benefit from for their early education. The pandemic has exacerbated that. It has made it more challenging for many providers that rely on that, alongside private fees, to survive.

Even today, we are dealing with those challenges with providers that are coping with temporary closure. Hundreds of people on our social media feeds today cannot get tests. They have to close, send children away from their settings and refund parents when those children cannot use the setting. They are taking a week to resolve these issues rather than the day or so that we would hope for. Underfunding for the sector has been an ongoing historical problem, which is now being put into sharp focus by the challenges that Covid-19 has brought.

Q46 **Bell Ribeiro-Addy:** We know that the childcare workforce is predominantly young, female and low-paid, as discussed. The childcare sector faces significant losses, as you have just laid out. Do you predict the childcare workforce to change overall following the pandemic? What impact do you think this will have on families who use these childcare provisions?

**Liz Bayram:** That is a really complex question, but I am going to do my very best. I would start by saying that the workforce is predominantly young and female, but there are significant communities of older women in the workforce as well. One of the key challenges we have faced is an ongoing reduction in the number of qualified individuals working in the sector. We have a big issue about individuals in their 50s or above who are likely to leave the profession in the next few years. They are leading these settings and ensuring quality care and experience for children. We do not see where they will be replaced.

We have evidence in a number of places, but most recently the EPI research, on the levels of pay and conditions that individuals working in



these sectors experience. Their data showed that individuals working in childcare are likely to be less well paid than people working in retail in the next few years. There is lots of evidence of people who are there relying on in-work benefits to make ends meet.

The challenge for us going forward is that childcare and early years was not an attractive profession to join even before the pandemic. There used to be the standard line that it was “hair or care” if you did not do well in school. Colleagues in hair might tell me differently, but we now have the perception that hair has actually got quite complicated and challenging. It remains the case that people who work in early years are less valued and less well paid. Therefore, the retention issue is hard for people working in the sector. More importantly, attracting new people into the profession, particularly younger people, is going to be very difficult. There is nothing really there to give you the reward to progress and stay.

**Q47** **Bell Ribeiro-Addy:** To follow up on recruitment and retention, we know that it has been an issue for the childcare sector, as you have said. New qualification requirements, a lack of career progression, low wages and a lack of employment benefits have all had a negative effect on recruitment in the sector. What do you think are the consequences for the sector and for society if problems surrounding recruitment and retention persist? What support do you think the Government could put forward to help to alleviate this?

**Liz Bayram:** Of course, I think the biggest impact is ultimately on the children themselves in those settings. We know this from all the research: the better qualified the workforce, the better the experience is and the better the outcome for children, particularly disadvantaged children. We know how important early education is for those young children.

There are also challenges around sufficiency of childcare. These settings are struggling to maintain the services that families need in order to go back to work while balancing home and care. As it is harder to recruit people into the settings, you ultimately cannot meet the ratio requirements or offer the level of places that you should be able to offer.

As I said at the beginning, we really need the Government to put a long-term strategy in place for how it wants children and young people to be supported in education and care, and how that fits into the economic plans for our recovery from Covid. Childcare cannot be seen as an add-on and an extra. It is core for families to be able to balance work and home. It is core for children to be ready for school and to be able to have that strong, rounded sense of development by the time they reach five and enter school.

We need a workforce strategy that helps us to understand how qualifications support people to progress in the profession, and helps them to understand that it is not just about joining the profession at the age of 16 or 18 when you leave school. We have much evidence of



parents who have turned to childcare and early years as a job when they have their first children. It is a matter of recognising the multifaceted nature of this profession and the many different ways in people enter and join this sector.

I ultimately think that everyone who works in early years adores it. Seeing a young person grow and develop in your care is the most rewarding career you can have. All the other things about being able to pay your bills and see yourself progressing over the next five to 10 years are holding people back.

**Q48 Bell Ribeiro-Addy:** Do you think the lack of men working in early years is a challenge to the sector and to children and families using the sector? What more can be done to encourage men to get involved and work in early years?

**Liz Bayram:** We know from the evidence that there is a real underrepresentation of men in early years and childcare when you compare it with similar professions, such as teaching assistants and other roles. There are obvious challenges, including pay and conditions and all the things that are challenging for women who join the profession.

The sector is also looking at what it can do to encourage society's attitudes to welcome and understand the important role that men play in early education. It understands that the societal concerns around how men might be perceived in childcare are changing. A lot of settings do a lot of work to try to encourage dads as well as mums to be part of the community that setting offers, be it a childminding or preschool setting. They are looking at ways in which that can be adjusted and addressed so that early education is welcoming to both parents and that childcare is not seen as Mum's job, but as parents' jobs. Through that, more men will see the value, opportunity and joy of working in early education.

**Q49 Bell Ribeiro-Addy:** I want to ask about Government guidance. We know that a number of workplaces have cited that Government guidance is quite confusing, particularly for those working with children. As Members of Parliament, many of us on the Committee have received emails from teachers and school staff stating that reopening under these new social distancing guidelines was a difficult task. How would you assess the Government guidance in your sector, early years, and the support offered, both during lockdown and after providers were able to open on 1 June?

**Liz Bayram:** It is not an easy job to get the guidance right. I recognise the challenges that Government have faced in trying to get that balance right when dealing with such an unknown and a virus that we are learning about every day.

One challenge for our sector has been that Government have thought about schools first and then tacked early education on afterwards. Early years settings, preschools, childminders and nurseries are different. One



of the challenges that we have faced is not recognising that those sectors have different experiences and needs. The other challenge has been that the guidance has often come out very late. It has meant that these underresourced, underfunded services have had to change very rapidly.

The other, broader message that I would give is that the guidance is often not followed up with funding and support to help implement that guidance. We have evidence today around home-testing kits, for example. Schools and FE colleges can get home-testing kits. There may be challenges about supply, but they are allowed to get them and they are provided. They were not for the early years sector. The inequalities across the types of education provision can make that challenge even harder when guidance is required of you: what is seen as statutory, and what is sometimes seen as statutory when it is delivering entitlements, but is seen at other times as a private business.

We at PACEY have been part of the DfE's group providing advice on that guidance. Sometimes the tension has been the balance between what is being said for schools and what is different for early education. That has certainly manifested itself on many occasions. The biggest challenge the settings have is not so much the guidance, because they are ultimately professionals. They can use their professional judgment well and decide what best to do. The biggest challenge is resourcing it and being able to pay for extra cleaning, staff off sick and extra provision during the immense time of lockdown during which settings were opening for key workers and vulnerable children. There were perhaps only one or two children in the setting, and that presented viability issues.

**Q50** **Bell Ribeiro-Addy:** I understand that the Labour Government in Wales currently provide 30 hours a week of Government-funded early education and childcare to working parents of three and four-year-olds for up to 48 weeks of the year. In England, it is 30 hours of free childcare per week for only 38 weeks of the year. That has to be within term time, although it can be extended to 52 weeks if you use less than the 30 hours. It is quite confusing, but what are your thoughts on the disparity in the current childcare policy? Is it flexible enough to meet modern demands? What would you hope would change?

**Liz Bayram:** This issue of what different nations are doing is obviously part of devolution. One of the big challenges we have with the funded entitlements within England is that it is quite disjointed. We have the 30 hours that supplement the 15 hours of entitlement funding for all three and four-year-olds. We also have funding for 40% of disadvantaged two-year-olds for 15 hours. There are different types of funding for different qualifying eligible families. They pay different levels depending on the type of funding that you are delivering. In England, we also have tax-free childcare for families who work 16 hours or more a week and earn up to £100,000 a year.

We know that this fragmented process of funding causes families confusion. For example, many two-year-olds are not benefiting from the



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funding for disadvantaged two-year-olds and have not taken up that funding. The 30 hours' funding is very different in different local authorities as to how flexibly it is delivered and how providers can provide that flexible provision for families. As you quite rightly say, childcare is needed all year round, not just in term time. It is another example of what I said before. This system is designed for schools and maintained nurseries to deliver it when they are open during term time only, not for the modern childcare service, which is operating seven days a week in some instances for families who are working atypical hours.

We really need a review of the funding system, the mechanisms and the amounts, so that we have a much more joined-up system that supports families and does not result in the pragmatic system we have now in which funding for entitlements does not meet the cost of delivery for providers. As a result, families find that their private childcare fees are increasing because people have to cover their costs somewhere along the line. They cannot continue as they are.

There are similar challenges in Wales. Their 30 hours is certainly more flexible, and that is a positive, but there are even challenges in Wales in terms of the amount and types of funding available. It is very complicated and it could be far simpler.

**Q51 Bell Ribeiro-Addy:** Thank you. That is very helpful. Finally, changes to the coronavirus job retention scheme on 17 April meant that providers with uninterrupted public funding available to pay staff wages were unable to claim additional financial support via the scheme to cover those wages. I remember that this U-turn was met with a lot of criticism from childcare providers, who said that some providers would be forced to close as a result. Are you aware of any providers who were forced to close or stop operating permanently as a result of this change to the job retention scheme or a general lack of support overall?

**Liz Bayram:** I am certainly aware of some settings that have had to close. I do not know whether it is directly as a result of that or a combination of factors, but it has proved very challenging for some preschools. The evidence of how many settings have closed is hard to see yet. We are firmly of the belief that the big challenge will come in October and November when furlough ends and families who are currently able to pay for their childcare face redundancy and have to make choices about what they do in terms of childcare.

The job retention scheme has certainly helped some settings, but those who were receiving the free entitlement funding we were just talking about had a lot of stress and challenge about how they submitted claims or if they could, because they then had to subtract all the funding they got for the free entitlement. It was not a straightforward process, combined with the fact that there was very little flexibility around how staff were furloughed on and off at the beginning. That has now changed. The ability to help them work on a part-time basis has made a difference. Overall, a huge worry for many settings, at a time of great stress and



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tension while operating under the Covid restrictions and feeling confident that they were going to get some funded support, was made worse by that U-turn.

I would like to point out that not everybody in early years and childcare runs a business as a company. We have 37,000 registered childminders who are self-employed individuals; they have no ability to benefit from that scheme whatsoever. While the self-employment scheme helped some of them, it did not give the vast majority of them the help and support they needed. They had to wait a very long time to find out whether they were going to get help. We are still aware of individuals who have had no help right through this crisis because they were newly registered and could not present the tax evidence that they needed to.

Looking to the future, we are still facing situations in which, if providers have to close because of a local lockdown or case, they might face weeks of being closed, currently under testing, without any funding or support to continue. That is very challenging. We know from the Competition and Markets Authority that you should refund parents if you close because of an issue within your setting due to Covid, because they cannot use your service, but you still have to pay those staff as well. It is very much about being placed between a rock and a hard place. On top of that, these are settings with very limited financial viability being put under ongoing pressure.

I suppose my real message to you and the Committee is that the funding crisis for Covid-19 is in no way over for many settings. They are living and breathing rapid needs to close and change how they are delivering services today, and they will be doing so in months' time. That is why we need longer-term funding and proper steps in place to give them sustainable funding upon which they can deliver the quality care that children deserve.

**Q52 Chair:** Can I press you on the point you made about independent childminders? I think you said that the majority had not received any support—correct me if I got that wrong. Do you know what specific numbers of independent childminders have had no support from the Government?

**Liz Bayram:** We have asked. If I am honest, it is not easy to find out. We have done surveys in which we have been given quite significant evidence of individuals who were suffering because they were newly registered, so did not have the history to demonstrate their ability to apply for the scheme. One of the pragmatic facts around childminding is that many registered childminders who have some element of PAYE earnings are suffering as well, particularly since the 50:50 rule allows them to register as a childminder and deliver a service, but also work in another setting some of the time.

It is a very hard one to answer. We hear from our members that many of them did not receive help for those employment factors. Many of them



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also did not receive help because it is a low-paid job. When asked to present their profits for the last three years, many of them had not made a profit. They could not evidence the requirement to get some benefit back from the scheme because it was based on yearly profit, and many registered childminders do not earn profit.

Q53 **Chair:** You said “the majority,” but you cannot quantify that.

**Liz Bayram:** No, I cannot. We have asked for evidence of the numbers who applied for the scheme and were successful. It is not available. It would be great if you could ask; that would be a really good thing to find out.

Q54 **Chair:** There are ways in which we can ask the question. I was certainly very disappointed that there was no reference to childcare included within the Chancellor’s summer statement. There is no reference to childcare in the recovery plan either. What are your thoughts on that? How would you best like to see childcare framed as part of the recovery plan? What could the Government do to make sure that the sector gets the assistance it needs so that it can then go on to play a role in supporting the rest of the economy by allowing parents back to work?

**Liz Bayram:** I sound like a broken record, so I will start with what I have said briefly already. It is recognising that childcare and early education are part of economic recovery, not just because parents need them to be able to go to work. Covid-19 has brought that into sharp highlight with all of the families home schooling and trying to work from home, proving that that was challenging. It is also important in terms of economic recovery because it supports our future generation of employees, employers and workers to secure the educational outcomes they deserve by having that really good start. It is really recognising childcare’s integral part in supporting not just families now but future generations, in terms of how they are able to achieve their full potential in work.

Secondly, again, as a bit of an old record, we need this long-term strategy that recognises Government have to invest in early education. Government have to do that in a joined-up way that allows a very fragmented sector of self-employed individuals, voluntarily run services and very small providers operating in local areas, at very low sustainability levels, to invest in their services enough to allow families to get the flexible, sufficient childcare places they need at an affordable rate. Without that, people find it hard to go to work. They make difficult choices about what they can and cannot do. Those are really the two overarching messages for me.

Q55 **Chair:** You mentioned simplicity in one of your earlier answers and the fact that it is not simple. It is incredibly complicated. It is a fragmented service and there is much demand for it to be fragmented because people have different needs and requirements for their childcare settings. Is there any one thing that can be done to make the funding simple while recognising that the picture of provision will itself stay complicated?



**Liz Bayram:** You are right that the fragmented nature of the types of provision is because families need different things. That is very important not to lose, because there is quality in the types and differences of provision and care that different children need at different times in their lives.

The funding system needs to be more simplified. The main way that we would love that to happen is to move to a much better, more joined-up approach of funding children on a universal basis. Families would then be able to achieve what they get through the funded entitlement for the 15 hours for three and four-year-olds from an earlier age across all types of age of child rather than what we currently have, which is much more targeted service provision for different types of children at different stages.

That makes it very challenging for families to keep up with. As we know from the offer for disadvantaged two-year-olds, it can put some families off actually taking up their place. Even when the system is universal, as with the 30 hours, the complexity of how you demonstrate your eligibility on a quite frequent basis stops some families taking time to take part in this funding as well. The old adage is to try to find one system that allows families to demonstrate their eligibility if that is really required. I would argue that children deserve early education to be delivered with quality regardless of their family's income levels.

I would encourage the use of much more simplified systems so that families can apply for that funding and utilise it through the taxes, so that we do not have to keep verifying—with 30 hours, it is every so many months—that they are still eligible and able to take that funding down. It just blocks the system up, causes confusion and gets families in a place where they cannot access the full system in the way that they would otherwise be able to.

Q56 **Chair:** Can I bring Mary in, please? I have some questions. Unfortunately Alex Davies-Jones cannot be with us today, as I think her area has just gone into local lockdown. That is perhaps pertinent to some of the comments that Liz has already made.

There have been calls from parents for those who are already on maternity leave to be given an extension, in effect, to their paid leave because they have lost out during the pandemic and lockdown. Given that there has been a reduction in the availability of childcare throughout the pandemic, is there merit to the calls for an additional three months of paid leave for those who were already on maternity leave when the pandemic struck?

**Mary Robertson:** Absolutely, for the reasons you have just put very well in your question. The impact of the pandemic on women who work has been particularly hard: those who have children to look after at home, and those who have lost out on maternity leave. We would support calls to rectify that.



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Q57 **Chair:** This is a really specific question, which might be difficult to answer, on neonatal experiences and parents who have children who end up in neonatal units. What are your thoughts on the Government's delay in implementing parental leave for neonates?

**Mary Robertson:** I have not been prepared for this question, sorry. I was expecting to speak about social care, but I can look into it and get back to you.

Q58 **Chair:** This is a very specific area of questioning that I think Alex has a great deal of interest in. We would certainly be interested to hear from the TUC if it had any perspective on that. If you wanted to feed that in afterwards, that would be absolutely fine.

**Mary Robertson:** Sure, I would be happy to.

Q59 **Chair:** More widely, should more be done to support parents from the TUC's perspective?

**Mary Robertson:** Yes. We are extremely worried about the situation with childcare, and we would agree with a lot of what Liz has just said. We are seeing a situation in which the Government are encouraging people to go back to work but childcare services have not been re-established. That is going to particularly impact women who work, who we know carry a disproportionate share of childcare responsibilities. We are calling on the Government to take that into account in calling on people to go back to work. We are calling on them to extend the furlough scheme, which is particularly necessary for women who cannot go back to work because of childcare shortages.

Q60 **Sara Britcliffe:** My question is to Liz. It is regarding the local restrictions we have seen, particularly in the north-west. We have seen it in my patch in Hyndburn and all over the country. Do you have any statistics on whether there has been an uptake of childcare providers in these areas? There is obviously a strain on working parents who are not able to rely on grandparents due to the restrictions on households. Do you have any specific statistics on that? Have we seen an uptake there?

**Liz Bayram:** I do not have any specific statistics on that; I am really sorry. As our organisation is a small charity, there is only so much resource. I do know that Ofsted is regularly looking at opening and closure rates and has started to publish that data.

From the feedback we got from our members during local lockdown, the message at the beginning was that everything was locked down, including schools and childcare. That was particularly challenging for providers that had just opened and then experienced complete shutdown, as you mentioned in your area. The latest guidance is clear that schools and childcare are the last services to shut down in any tiered response to a local lockdown, but we also have to deal with parental concern and worry about their children going back to those settings during lockdown.



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My anecdotal evidence is that you do not see a large uptake of childcare places during lockdown because of the inability to use grandparents and informal care. You find that parental anxiety around children attending any setting kicks in. We therefore do not really have much evidence that there is a growing demand for childcare during lockdown.

We have certainly seen growing anecdotal evidence, and we hope we will see more of this through Government surveying, that childcare use is changing. We are picking up a lot more demand from families for childcare in places nearer to home rather than nearer to work. The sufficiency issue that I mentioned earlier about where childcare is needed is changing, too. If the theory is that more people will balance more time at home rather than being at work all the time, many families that had that tradition of taking their children with them to work, dropping them off at a childcare setting near their work and then coming home at the end of the day are now looking for childcare near to home. We are picking up trends around quite a lot of movement in terms of the types of service that families are looking for.

**Q61 Theo Clarke:** Liz, you talked a lot about the challenges that families are facing during coronavirus and for childcare providers. You talked a bit about the role of Government support, but do you have any evidence or data that demonstrates the impact of the Government's economic recovery plan on the childcare sector?

**Liz Bayram:** We have evidence that I am more than happy to share with you on the immediate impact of the Covid crisis in terms of business confidence for staying open and the sorts of challenges that they were facing. As I said, I am certainly aware that we are working on ongoing evidence to understand the levels of sufficiency and how much childcare provision is now needed in some areas more than others.

It sounds mad to say it, but one of the challenges we have is that it is still early days for many providers. We had a very strong message that there was a lot of challenge over the summer as people started to reopen. We found through research from Ceeda and others that their capacity was much lower than it had been pre-Covid. They saw 40% attendance rather than 70% or 80% attendance of children, which presented an impact in terms of viability. A lot of providers are banking on September returns and new children starting, and hoping that that starts to pick up. I have not seen the data from Ceeda for September returns yet, but the hope is that that starts to grow.

The key challenge that remains is what happens when furlough ends and families have to make the choice of paying for additional childcare hours or just relying on their free entitlement if they are at risk of redundancy. My honest answer is that I cannot tell you the reality of that yet. I want to be able to evidence that in October through to November. I think that is when the real challenges for the sector will kick in.

**Q62 Theo Clarke:** You mentioned long-term funding and what happens when



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the furlough scheme ends in October. Have you thought in any more detail about what funding you think is specifically required for the sector going forward to ensure that it can recover? If so, how much funding do you think is needed?

**Liz Bayram:** The core issue is that we would want Government to be in a place where it is genuinely assessing whether the funded entitlement is properly funded and covers the full cost of those places. If more families are facing redundancy, we suspect more and more families will rely on it as private childcare changes or reduces. There are some other Covid-specific issues for us about the cost of all the additional measures and being given additional support to cover those costs. But the genuine core issue is that that funded entitlement has never covered the cost of delivering those places and it needs to.

Q63 **Theo Clarke:** That is really helpful. As a final question, I was talking to the principal of a local nursery school yesterday. The example I have been given by constituents is that a lot of local authorities were not providing nurseries with any financial support when a bubble or a whole setting has been closed for 14 days due to a positive coronavirus test. I totally appreciate that this will cost a lot of settings in the region of tens of thousands of pounds and could even cause their permanent closure. Do you think the Government could do anything specifically to resolve that?

**Liz Bayram:** There are two issues there. We are clear that the DfE is committed to funding all settings at pre-Covid levels through its funded entitlement until at least the end of winter term in March. It is planning on taking the census of the children in settings in January. As we understand it, the DfE is still keeping an open mind, but it is making the assumption that it will move back to funding on the number of children who are actually in a setting from then on. There is a critical issue here about how far settings will be up to capacity by January.

In addition to that, you are right, there are no additional types of support or advice available to childcare settings that have to close. We are seeing evidence of them having to close for 14 days, as you say, but people are even waiting a whole week just for a test. That is a whole week of earnings gone. The Government need to think very carefully at how they support key services and businesses to operate during prolonged periods of closure, as they look through to the next stage of Covid recovery.

We have evidence of childcare settings that have shut for a week because they could not get a test and then had to wait for the results as well. Those settings are supporting people who have children in care, parents who are working in the NHS and teachers. Those NHS workers and teachers cannot go to work either, so it really is an important issue. Covid is not over and it is not going away. This pragmatic closing and opening depending on cases is really going to add strain to an already underfunded sector.



Q64 **Kim Johnson:** Hi, Liz. I just wanted to ask a question about the impending increase of informal childcare, given that we know there is going to be a jobs tsunami around the corner when furlough ends. Has your sector given any thought to that, given that we have looked at the professionalisation of the childcare sector over the last couple of years in terms of childcare workers having the relevant qualifications?

**Liz Bayram:** There is a role for informal childcare, certainly in terms of wraparound care. We would not in any way expect families not to value their family community as part of helping children to have that opportunity. We are absolutely clear that long hours in childcare with an informal, unregistered person is not safe. There are laws in place that make it clear that that should not be the case. The most almighty risk is that children's wellbeing and safeguarding are at risk if that starts to happen.

We are also well aware that the strain families are placed under, particularly when on universal credit, will add to and exacerbate that. We are currently looking at evidence and are working on the issue that parents who are returning to work have to pay their childcare up front and then reclaim it back from universal credit, if they are able to get a job. That is a very difficult thing to do if you have no money available to do so. There are many other barriers, even for those who are trying to return to work but are unable to do so.

It is very hard to quantify the size and scale of informal childcare. It does have a role, but it does not have a role if it is your main way of caring for your children while you are at work. That is the key issue for us. The role of free entitlements is important because it is a way of supporting families to value early education and access it; that is why I keep on about making sure that is funded appropriately. That becomes much more of support and interest to families where they are faced with difficult choices around their financial income. It is the private childcare fees that they will find hard to pay.

Q65 **Sara Britcliffe:** My question is to Victoria. Prior to the pandemic, how resilient would you say the hair and beauty industry was to economic downturn, and why?

**Victoria Brownlie:** Good afternoon. Thank you for your question. In terms of how the industry was pre-Covid, we were actually in five of the top eight areas within the UK economy that were showing overall growth. We were in a very positive position. The beauty industry in particular had seen a 74% growth over the previous five years. Across hair and beauty, it was 45%.

This led to challenges of increased competition. There were problems in regard to not being able to increase prices, et cetera, due to the sheer level of competition. Challenges definitely existed pre-Covid. These still exist now, but with the exponential other Covid-related problems that we face.



Q66 **Sara Britcliffe:** What, if any, significant challenges did the hair and beauty workforce face prior to lockdown?

**Victoria Brownlie:** Prior to lockdown, the main challenge that we faced was that we were within the top 10 lowest-paid sectors. I think we feature at number 8 and number 10 in the top 10 lowest-paid professions within the UK. A large majority of our workforce is young. I think one in five are between the ages of 16 and 24. You would have seen the latest ONS statistics saying that that is going to be one of the most heavily impacted workforces, so that is of real concern to us.

Generally speaking, beforehand, they made up a large part of our workforce through apprenticeship programmes. We were one of the largest providers of apprenticeships, and that is a real problem that we are facing now. There were definite problems regarding apprenticeships and the way in which they were marketed to school-age children. Bringing them through from school into the sector, to train them up and grow this sector going forward, was a challenge for us.

There has also been a move to a more self-employed model. As a way of circumventing VAT charges, a lot of businesses were moving to a self-employed model in which they simply rented space within their premises and members of their team would essentially be self-employed. They therefore would not have to worry about employer contributions, national insurance contributions, holiday pay or sick pay. That has led to a lot of people now being self-employed within the industry. I think it is currently at 54%; it has gone up 10 percentage points in the last five years. These people are now largely left with little to no support as a result of the Covid crisis.

Q67 **Sara Britcliffe:** Lockdown began on 23 March 2020 and the Self-Employment Income Support Scheme was announced on 26 March. Given that a large proportion of those working in health and beauty are self-employed, what impact did that gap have on those working in the sector?

**Victoria Brownlie:** As I am sure you can imagine, the absolute uncertainty of it was very difficult, being a particularly low-paid sector. From the point of view of the sector as a whole, the period itself was difficult for everybody. We would not like to say that we were different from the wider sectors of hospitality, leisure or retail. Everyone was going through a particular period of worry.

The NHBF worked very closely with the Government to really push for support for self-employed people. There was always the communication from us that we were helping and campaigning heavily for that. There was always a glimmer of hope that something was on the horizon from the conversations and the communications coming from Government. That delay and not knowing caused no end of anxiety, as you can imagine.

Q68 **Chair:** Victoria, you mentioned the high number of self-employed people



in the sector. You drew the parallel with other sectors where there was uncertainty such as hospitality. We have seen some very significant schemes for hospitality, including the VAT reduction and the Eat Out to Help Out scheme. Why do you think hospitality has been treated differently to the hair and beauty sector? Is there a case for similar schemes to be put in place, for example a VAT reduction, which could see a stimulation of demand in the sector after all those months of lockdown?

**Victoria Brownlie:** Absolutely, we were banded within the hospitality sector at various times throughout the lockdown period. Unfortunately, whenever reliefs were actually introduced, we were suddenly not part of the definition of "hospitality". That caused much confusion and frustration for the sector. As a sector that has probably been closed for one of the longest times, we have been given access to the same level of support as businesses that have now been open for two to three months. For example, the £10,000 grant for some of the shops and salons within our membership has gone. It does not even cover rent for the large majority of those businesses. The support available to them was very limited.

The hospitality industry needed the level of support that it was given, but the latest research that we have found shows that our sector is equally on its knees without similar support schemes. For example, I know there are calls for high street vouchers from people such as the Resolution Foundation and the Federation of Small Businesses. Without similar voucher schemes for the hardest-hit sectors such as ours, our latest research says 41% of businesses do not know that they will last until Christmas. That is a really serious message for us. Christmas is usually one of our busiest times and we may not even make it over the hurdle to get to that point.

You mentioned the VAT scheme. A cut to 5% would also have been a massive boost to our industry. We have been calling for it across this whole time. Going forward to the comprehensive spending review, the business rates reviews and the various inquiries that have been going on, that is one point that we really think is necessary, in addition to other things such as the extension of the 100% business rates relief. There is a real concern that the industry itself, which is 95% female and employs 250,000 people, will be on its knees without measures like this.

Q69 **Peter Gibson:** Good afternoon, Victoria. Thank you for being with us. As an MP for a constituency with more hairdressers per head of population than anywhere else in the UK, this is a subject of great interest to me. I wonder if you could tell me a little more about the challenges that the sector has faced in accessing the Government schemes. Could you comment on where the schemes have met need? What further schemes and support would you like to see?

**Victoria Brownlie:** In terms of access to the schemes, we have had the feedback that 74% of those who were eligible for the support found it hugely helpful. They were very grateful to the Government for the support packages that were available to them. As Liz highlighted, our



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industry is similar in a lot of ways. A large majority are self-employed people and over 50% of our workforce is also part time. There were some problems with eligibility for the Self-Employment Income Support Scheme.

Things such as director dividends that businesses paid themselves also meant that they were not eligible. If they were in shared premises, they were not eligible. That created some real problems. Unfortunately, the many different angles from which we tried to pursue this with the Chancellor, making allowances for people such as directors who paid themselves dividends, seemed to fall on deaf ears. That is a real source of frustration for people who feel that they have legitimately contributed for many years and are ultimately left out in the cold.

In terms of support schemes that we think are necessary, as much as the Government seem very reluctant to look down the route of extending the job retention scheme, we genuinely think that sector-specific extensions to the job retention scheme and the Self-Employment Income Support Scheme are going to be vital. It is ultimately not a level playing field here. Businesses have been back for different lengths of time. For example, businesses in the beauty sector have only been open for a matter of weeks but are already expected to start contributing to their employees' wages, national insurance contributions and pension contributions. Their landlords are asking for three months' rent that they have previously been owed up front. Now that they are able to reopen, they have various general costs for reopening their businesses, yet the support is completely gone. The job retention scheme and the additional support are rapidly being removed.

We feel that certain sectors do not have the capacity to start contributing to the same degree as those that have already been open for several months, not only in terms of the reopening times, but also with the restrictions to the way in which they can trade. The close proximity guidance that the hair and beauty sector is following in order to reopen massively restricts the number of clients they can serve and the number of staff they can have on their premises. Even if you are operating at a full book, which I am sure you know is the way we term it in our industry, most businesses can only operate at a maximum of 50% of pre-Covid levels. To say, "Now start contributing in exactly the same way as you were pre-Covid" is completely untenable economically. That is one of the main problems that we face.

**Q70 Peter Gibson:** I just have a couple of further questions, specifically in respect of some statistics. I appreciate that you may not have these to hand, but you could follow up with a letter if you have them. You have referred to those hairdressing and beauty salons that operate on a limited company model with their principal effectively acting as a director, drawing salary and dividends. I wonder if you have statistics in the sector as to who has been impacted in that way.

I am also acutely aware that many hairdressers effectively operate as



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sole traders in a shared salon, or indeed a salon may be part of a bigger premises, which is the hereditament that gets the business rates. Those premises would not have qualified for the business grant. Do you have any statistics on those places that operate and are not the rateable premises, but which did still qualify for a discretionary grant from the local authority, and those that did not? I appreciate those are quite technical, data-driven questions. If you do not have the information to hand, I would be grateful if you could write to us with the specifics on that.

**Victoria Brownlie:** I would be more than happy to write to you. I think I have the majority of those from various surveys that we did throughout the lockdown. I will go through them all and make sure I send them to you.

Q71 **Peter Gibson:** Further, could you tell me how easy you or your sector found it to follow the guidance on opening up?

**Victoria Brownlie:** We worked with the Government on the creation of the guidance. As Liz outlined, we did not expect that the Government could get it completely right straightaway, so we expected there to be some problems. We were able to give feedback at the early stages on areas where we felt that they went wrong. Some of those were listened to; some of them perhaps were not.

In terms of the level to which PPE is required within our industry in comparison to other industries, and the scientific evidence to show why these guidelines are as stringent as they are, it has been confusing. The sector already followed very high hygiene and safety standards. It is taught from day one in all the training you do when you go to college and get these various qualifications. The levels of standards and hygiene continued upon reopening. They were operating at a level that was perhaps more familiar to them than a lot of other industries that were just getting used to these increased hygiene and safety measures.

For example, regarding the increased level of PPE, we were all expecting face masks to be a requirement when the guidance was published. In the publishing of the guidance it became obvious that face masks would not be allowed. It would be visors, but our attempts to ask them to publish the scientific evidence as to why they were favourable instead of masks just fell on deaf ears. That led to a lot of problems. In his daily updates, Boris Johnson had asked all businesses to prepare for reopening on a rough estimated date. The preparations they had done by sourcing and purchasing PPE at a cost to themselves ultimately meant that thousands had bought face masks that were entirely redundant because face masks were not allowed and visors were. That became a real issue.

Q72 **Peter Gibson:** Have you gathered any evidence and data about the longer-term implications for the sector post-Covid, and can you share any information from that data gathering?



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**Victoria Brownlie:** Our latest data unfortunately makes for very bleak reading. It reflects low morale in the sector generally, in terms of the hoops it has had to jump through in order to reopen and the damage it feels the delay to reopening has done to the wider public's overall perception of how safe the sector is.

Three quarters have found that business is down in comparison to this time last year. Two thirds have said that the upcoming business in the next few months looks even quieter than currently, with a third of those genuinely concerned about how quiet it looks to be in the coming months until Christmas. As I said previously, 41% have said that they genuinely could not say whether they will be able to last and operate until Christmas.

There has not been a particularly high level of redundancy at this stage, but there has been a high level of staff hours being reduced, which is of concern. Apprentices are not being taken back on. Almost all said that they do not see the ability to take on apprentices, despite the Government's attempts at incentives in recent weeks. They do not see any way that they would be able to bring on apprentices or, indeed, take on any new staff.

There are also problems with 40% who said they are not earning enough to cover their outgoings at the moment. We obviously cannot continue on that basis. Something has to give in terms of Government support. The coming winter challenges that we face every year, the new rule of six, and the various other restrictions mean that our normal pick-up period when people go to get their hair done and various beauty treatments in preparation for Christmas parties and staff events looks likely not to happen. It is likely that the pick-up that we normally see at Christmas will not happen.

We therefore need some kind of Government provision, whether that is a hardship grant or grants for diversification and training to move people into different areas, due to the restrictions in the services that they can provide because of the Covid restrictions and the guidance. We need something from Government in that respect to keep the industry going until such time as they can reduce the restrictions on the number of people who can come into salons and barber shops or Covid is relaxed and more workable on a day-to-day basis.

Q73 **Peter Gibson:** That brings me very neatly to my last question to you, Victoria. What do you and your organisation, on behalf of the industry, believe it needs to bounce back in terms of its support for the recovery? Are there things that you have not yet mentioned that you would like to see in terms of further Government support? This is effectively your opportunity to give me your shopping list.

**Victoria Brownlie:** I have mentioned most of them: the high street voucher similar to the Eat Out to Help Out scheme, VAT reduction and the extension of the business rates relief. Even if we get to a period



better than the current one, where 40% of businesses are not even covering their outgoings, when banks start looking for repayments to the bounce-back loans, we are going to need some kind of student loan-style repayment scheme. That could mean not being eligible to start repaying them until the companies are in profit or a lower rate of interest. Something along those lines needs to be looked into. I know a lot of other organisations that work within the retail sector are really on board with that.

I also mentioned diversification and training grants. There are various diversification initiatives that the Government already does. We could extend these to our sector to allow people to reskill and retrain into other areas until such time as they can move back into our sector. There are various different things along those lines that I perhaps have not gone into in as much detail, but those are the crucial ones.

**Peter Gibson:** Thank you, Victoria. Your evidence was full of statistics, which is what we like to see. Thanks very much.

Q74 **Sara Britcliffe:** Victoria, you said there were certain aspects of the guidance that you would change and that the Government and those you were working with did not listen. Could you name some of the specific points that you said would need to change in the guidance to help the sector?

**Victoria Brownlie:** We might all remember beardgate, which is one of particular note to us. There was a question of sexism within the industry because beard trimming was permitted to be undertaken by barbers, but other treatments that take place around the face were not allowed, although we had given guidance to Government about moving around the face and adjusting the treatment so there was less face-to-face contact.

I should also say throughout this that we absolutely understand the Government's point that avoiding and reducing the amount of time where there is face-to-face contact is important to reduce the risk of coronavirus. We were always very supportive of the Government's attempts to do that and to get information from us as to which treatments involve the most time around the face. For example, with eyelash and eyebrow technicians, we accepted that, for eyelash treatment to take place, that would involve a lot of face-to-face contact and that might be a problem. With eyebrows, for example, the client can be wearing a mask, the practitioner can be wearing a mask and a visor, and it can be done from behind your head.

The Government felt it would be too confusing to allow some treatments and not other treatments within the beauty sector, and therefore felt it was better to say "no facial treatments" across the board. We felt that was particularly unfair when the beauty sector was already being massively impacted by a reduction in services that it could provide and the impact that was having on its ability to make money.



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Eyelash and eyebrow bars, for example, have been an absolute boom in the last two to five years, in terms of new businesses opening, especially on a self-employed basis. They were really impacted. From all sense and purpose of what they could see, they felt that they could operate safely, adjusting their treatment to avoid any face-to-face contact, but were being told by Government, "It does not matter. We are not allowing it until such a time as we say it can be done."

**Q75 Sara Britcliffe:** Being the last to open, there is the fear, and I do not know whether this is just locally, that they will be the first to close if local restrictions come into play. I know, for example, in my constituency there are beauty salons that 90% depend on close contact services. They might be able to remain open for other services, but not for that. Was the Treasury's announcement last week, on the support for businesses that have to close with local restrictions, a sigh of relief for some hair and beauty salons?

**Victoria Brownlie:** Absolutely, yes. I think you are referring to the £1,000 under £51,000 rateable and then £1,500 over. We have been in discussions with the Treasury and various Government officials about the lack of across-the-board support. It seemed that some local authorities were being given pockets of money from Government and others were not. We could not see anything across the board to say, "In case of X, administer Y." We did not understand why there was not a due process that the Government were following in times where local lockdowns were necessary, especially as, like you say, close-contact services were always being impacted by that.

The £1,000 and £1,500 grants have been very welcome within the sector. As I said, morale is very low. Money had completely run out prior to reopening, and then some had only been open for days and were then being affected by local lockdowns. This is not soon enough, but it is at least money that they did not have previously.

**Sara Britcliffe:** I knew from my local businesses. It swelled my emails. In east Lancashire, we are struggling with the virus at the moment.

**Q76 Chair:** I want to take you back to beardgate, and specifically something much grimmer than beard trimming: nose waxing. There was a real sense of unfairness and inequality that there did not appear to have been any guidance specific to barbers saying, "Thou shalt not nose wax," yet beauticians were being told, "You can open for nails," for example, "but you cannot open for close-contact facial treatments." Was that also your sense? Was this an omission through oversight or unequal treatment for those providing services to men and to women?

**Victoria Brownlie:** I do not know if there is an element that barbers just went for it, because nothing was specifically said that nose waxing was not allowed, whereas perhaps women would be a bit more tentative in that respect. I am not sure. With regards to how the Government dealt with it, I genuinely think it was an oversight. It was something they had



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not considered. It is one of those things where, once they realised it was happening, it had to be dealt with.

Even when the Government specifically mention these things, the level to which they are then being implemented from local authority to local authority, in terms of going around enforcing and checking that premises are adhering to those guidelines, varies very much from area to area. Even with the requirement within the guidelines for a visor and a face mask, we are still hearing now of local authorities going and giving a green tick to salons and barber shops that are only using visors or only using face masks, even though the guidance very clearly says both are required.

**Q77 Chair:** You have painted a pretty bleak picture for the sector. Have you come across many instances, indeed any instances, of businesses considering things like the coronavirus job retention bonus or the Kickstart scheme? You mentioned that the sector is a very heavy employer of young people. Is anybody looking at that, or is the situation such that nobody is looking to take on new staff?

**Victoria Brownlie:** I mentioned the capacity issue. Generally, most of our businesses are microbusinesses: 94% employ fewer than 10 people, so that gives you an idea of the amount of people they can physically fit within their salons. Taking on new people means taking up more space. As they are quite a highly populated sector in the number that they employ, the likelihood of them taking on new staff when they already feel a need to support the staff they have is somewhat low.

The concern we have with the Kickstart scheme is that, while it sounds like a fantastic Government initiative, it is very much tailored to big business, which is not our sector. There are the concerns about the minimum of 30 people that you have to be able to offer placements for. That is just completely out of the realms of possibility for our sector.

Until the Government can give better incentives in terms of apprenticeships and training programmes specifically for small businesses, which account for such a large majority of businesses within the UK overall, unfortunately apprenticeships and retraining within the small business sector will suffer. I appreciate that the administration of some kind of apprenticeship scheme specifically for small businesses is a very onerous task. People are solely focused on saving the business they have, unfortunately, rather than building up and securing the future of a young apprentice. As much as previously that would have been a priority for them, now it is "do or die" in terms of saving their own companies.

**Q78 Chair:** Following on from that, is there a danger that future numbers of apprenticeships, or apprentices in total, are more likely to be male than female? I apologise for saying this, but traditionally female sectors will not be taking on apprentices. They will not be using the Kickstart scheme, and therefore we might see significantly more boys go into apprenticeships than girls.



**Victoria Brownlie:** Perhaps. If you look at the larger businesses and the larger sectors that are looking to employ apprentices, I do not know if they are more male or female-focused. Unfortunately, I think the problem with apprenticeships is across the board. We were one of the highest providers of apprenticeships, but I am sure we are not alone in the problems and struggles we are facing. As I mentioned, as a lot of small businesses have capacity issues, the likelihood is low of them taking up a space within their premises with an apprentice, who ultimately brings in no income for the organisation, instead of a stylist, who can earn money for the company. You are going to be picking the person who can be increasing the income and turnover of your organisation.

Q79 **Peter Gibson:** Following up on your comments about the limit of 30 under the Kickstart scheme, I have seen evidence of a variety of organisations, local authorities, trade organisations, et cetera, clubbing together to provide the capacity for those small businesses that cannot reach the 30 limit, which I understand is there to protect the quality of the training and the administration. Does your organisation have plans to offer the Kickstart scheme to its members, as that pan-organisation, to enable those small businesses to access the scheme?

**Victoria Brownlie:** We had a meeting with the Department for Work and Pensions yesterday on this very matter. It is something we are looking at as an organisation. As you mentioned, the local authority side of it could be particularly positive in administering the scheme. We will need to survey and speak with our members and decide whether they feel it would be of value at the moment, whether they feel they would get enough benefit back from it to make it worthwhile and whether that is a priority for them going forwards. If that is the feedback from them—ultimately, we serve them—we would be happy to facilitate it.

**Peter Gibson:** I will take that as a “possibly.”

Q80 **Kim Johnson:** Mary, it is a well-known fact that women make up the bulk of the NHS and care workforce, with 77% and 83% respectively, and that they have been hard done to over the last 10 years due to significant underfunding of local government and health. Prior to the pandemic, what would you say were the main challenges facing health and social care workers?

**Mary Robertson:** Beginning with the NHS, even before the huge additional demands that are going to be placed on the service from the restoration of services that have been suspended and the backlog of people needing treatment, as well as the long-term rehabilitation needs of Covid survivors, the NHS was facing a workforce crisis with tens of thousands of vacant posts, rising waiting times and unmet patient need. To give some examples, we have a 10,000 annual shortfall in nursing applications. Progress is going backwards against GP recruitment targets. Across the NHS as a whole, the Nuffield Foundation estimates current vacancies of around 100,000. As things stand, without changes, that will rise to 250,000.



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The Royal College of Midwives has estimated that England is short of almost 2,500 midwives. It has also demonstrated the impact this has on existing staff. Survey evidence found that its members regularly work without a break and skip meals at work; over half feel dehydrated because they do not have time to drink; and 87% delay using the toilet because of work demands. Staff shortages increase pressure on existing staff and create a vicious cycle whereby those existing staff burn out and leave the sector, leading to increased vacancies and so on.

Turning to social care, the challenges pre-Covid were more substantial and far reaching. I will just rattle through a few of those if that is okay. It is a very low-paid sector. TUC analysis has shown that more than seven in 10 care workers earn less than £10 an hour. More than half of care workers earn less than the real living wage, as set by the Living Wage Foundation. Research by Unison has found that, because around half, or just over half, of councils do not require domiciliary care agencies to pay workers for the time they spend travelling between visits, for some care workers the pay over the course of the day can fall below the legal minimum wage. Low pay is a huge issue in the sector.

A related issue is progression. There is a very limited opportunity for pay progression. Currently, if you have more than five years' experience in the sector, you will earn just 15p an hour more than someone who has just started. That presents related issues around not valuing people's experience or encouraging them to stay and progress in the sector. In our view, that is tied up with a lack of training and development opportunities, which are virtually non-existent for big chunks of the workforce. There is the care certificate, but it only covers basic induction into care, rather than more specialised training. It is not mandatory, which means you get inconsistencies across employers. England has yet to follow other parts of the UK, where there is professional registration for care workers.

Another issue is insecurity. Almost a quarter of care workers are on zero-hours contracts. This rises to 43% for the domiciliary care workforce. Zero-hours contracts are split quite differently across different roles. Managerial staff, social workers and occupational therapists have quite low rates of zero-hours contracts. Care workers have the highest proportion at 35%. For personal assistants, it is 21%, registered nurses 17% and support and outreach workers 14%.

Like the NHS, there are significant problems of shortages and high turnover. There are an estimated 122,000 vacancies in the sector at any one time and a turnover rate of 30.8%, which is the equivalent of 440,000 leavers in the last 12 months. Unison surveyed its members prior to the pandemic about working conditions and what leads to that kind of turnover rate. It found that, among its members surveyed, nearly half were thinking about leaving their job. Low pay was given as the main reason, at 73%, followed by not having enough time to deliver care, at



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53%. More than half, 55%, said they did not feel respected by their employer, and 41% said they were not treated fairly at work.

There you see how this whole raft of problems that the workforce faces in the sector contributes to problems of staff shortages and high turnover. That is particularly grave when you take a longer view of demand in the sector. We have 122,000 vacancies now. Skills for Care is projecting that we are going to need between 580,000 and 800,000 jobs by 2035 to meet the increases in demand coming from an ageing population.

To add to that set of statistics, I have a couple of comments on the structure of the industry, which is very fragmented and decentralised. We have an estimate of just over 18,000 organisations involved in providing or organising adult social care in England. They do that across 38,000 establishments, so it is very fragmented. As a result, it makes it difficult to co-ordinate the sector. It is disjointed. There is an accountability deficit and it is very difficult for workers to raise concerns or to get their concerns met. We saw the consequences of that particularly acutely during the crisis.

**Q81 Kim Johnson:** In terms of shortages, particularly in nursing, what do you believe has been the significance of cancelling the nurse bursary?

**Mary Robertson:** It has been significant. Indeed, applications to train to be a nurse are still not back at the level they were when nurse bursaries were cancelled. We have seen some shift in Government policy to improve that, but it is not at the level it is in Scotland. Those training to be health professionals will still be required to pay tuition fees. Until those problems are addressed, we are not going to see improvements in attracting healthcare professionals to the sector.

**Q82 Kim Johnson:** We know that the Government were slow in recognising the impact of Covid-19 on various sectors, and you have touched on some of that. How would you assess the Government's response to the challenges? In March, the Chancellor said the NHS could have whatever it needed to deal with the health crisis. Do you think the NHS has had whatever it needs? If not, what else does it need now, going forward?

**Mary Robertson:** On some fronts, we have seen remarkable efforts, from Government, right down to NHS staff, the creation of Nightingale hospitals and the massive scale-up of PPE, although that took some time. However, ultimately, I do not think the NHS has been given whatever it needs. The best illustration of that is the way in which NHS workers were left out of the Government's offer on public sector pay in July. In the context of having months of clapping for healthcare workers, when healthcare workers have been working extraordinary hours under incredible levels of stress, they have not seen any reward for that so far.

It is important to point out that saying the NHS can be given whatever it needs, in the context of a pandemic, is the wrong way to frame the question. A lot of the problems that have impeded our response to Covid



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have been the result of longer-term structural problems that throwing money at the NHS in a short-term way in the midst of a crisis cannot resolve.

One example of that is the way the pandemic exposed the failures and problems that have resulted from the privatisation of NHS procurement and supply chains. The huge difficulty that we have had, as a country, getting hold of the PPE that our healthcare staff needed in the middle of a sellers' market and huge global demand have illustrated that. The result was that the Government were forced to throw money at the problem. They have done that, but we have spent more on PPE than any other country in Europe. That is not because we have better PPE than any other country in Europe. It is because our supply chains simply were not working. Throwing money at the problem in the pandemic is no substitute for transparent, in-house, accountable supply chains that prioritise public health rather than profit.

Another example of where the idea of short-term money for the NHS is not enough is the way we have seen acutely during the crisis that the NHS cannot be considered in isolation. We have seen the impact of the interdependence between the NHS and social care in, for example, the way in which care homes have been pressured to take new residents in order to free up NHS beds. That encouraged the virus to spread, which in turn put more pressure on the NHS.

Another example, which I think we are going to continue to see for months to come, is the impact of the loss of local public health services on our ability to manage the virus in the community. A lot of the failures of the test and trace system today come from the lack of locally based, community-embedded public health teams that, 10 years ago, would have sat under local authorities. Those teams have been lost due to cuts, and that is having repercussions now on our ability to manage the virus in the community.

The point of that, of course, is that we hugely rely on the NHS at all times, and especially during this pandemic. If this approach that says, "We will do whatever we need for the NHS now" means not looking at the longer-run problems that have impeded our response to managing Covid, and not looking at the other bits of the comprehensive healthcare system that the NHS depends on, in the same way that we do, that is going to be limited.

**Q83** **Kim Johnson:** It is looking like we might have a second spike. How do you think both sectors would cope with a second spike, given all those things you have just said?

**Mary Robertson:** There is a lot we do not know about this virus. We do not know exactly what a second spike will look like. The NHS did an extraordinarily good job of repurposing a lot of its resources to focus on acute care for people suffering from Covid. So far, we are not at anything



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like that level of demand for acute care. Provided the funding is there, I suspect the NHS will be able to repeat that.

I think everyone acknowledges now that what happened in social care during the first peak was a total disaster and criminal. We have since seen some measures designed to better insulate social care from Covid, but there are real concerns. Despite promises that social care workers would get regular testing, reports back from affiliates' members are that that is not happening nearly as regularly, or in nearly as timely enough fashion, to prevent a member of staff accidentally bringing it into a care home by catching it in time.

A number of social care staff who, as we have discussed, are on very low pay still face the problem of being able to afford to isolate. Statutory sick pay is not enough. Many of them will not cross the earnings threshold, so they are not entitled to statutory sick pay in the first place. Care workers need to be guaranteed that they can isolate with no financial detriment, and it needs to be no financial detriment because pay in the sector is such that most care workers do not have any slack in their household finances. Unless they have that reassurance and can isolate with no financial detriment, they are going to be facing this impossible choice between following guidance to isolate and being able to put food on their table or pay the bills. In some cases, that is going to lead to the virus spreading.

**Q84** **Bell Ribeiro-Addy:** Mary, I want to touch on something you said about the public sector pay rises that were announced on 21 July. We know that, with the job losses that are likely to result from the pandemic, we expect women to fare the worst. We know that, with the upcoming recession, we also expect women to fare the worst, so I was quite surprised that nurses were excluded from the public sector pay rise. Given that approximately 89% of nurses are female, what do you think this announcement says about the Government's attitude towards women in the healthcare sector?

**Mary Robertson:** If we look more broadly at the groups of public sector workers that were excluded from the pay announcement in July, they include most NHS staff—including, as you say, nurses and midwives, who are disproportionately women—care workers, who, as we have seen, are disproportionately women, as well as local government workers and lower-paid civil servants. Across those groups, many of them are lower earning public sector workers, and many of them are disproportionately women. That is a huge gap, in that the key workers we have been celebrating and clapping, who have done so much during the crisis over the last six months, still have not had any reward for that at all.

**Q85** **Nicola Richards:** I would like to go back to something that was just said about the care sector during Covid. I think Mary referred to it as being "criminal." Could you expand on that a little?



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**Mary Robertson:** We have heard the phrase “protective ring around care homes” and we know that the opposite was true. Up until April, people were being discharged from the NHS to care homes without tests. Care homes were under pressure to take residents in order to relieve pressure on the NHS. That encouraged the spread of the virus, and it has been one of the major sources of deaths from Covid.

Another key factor is the way in which, again reflecting the low-paid, insecure employment and staff shortages in the sector, many care homes are dependent on agency workers. Many care workers work across a number of care homes. That has led to the spread of the virus. That was a major factor in spreading the virus across different care homes and, essentially, to the most vulnerable section of the population.

I would also point to evidence from our affiliate unions about how care workers have been treated and the conditions they have faced, so the people we all rely on to look after our loved ones and some of the most vulnerable people in the population. Again, we do not have data from the care sector as a whole. Here we have to rely on survey data from unions representing members in care.

To run through some examples of the conditions that workers in those sectors have faced, GMB recently surveyed its members in the care sector: 81% said they could not afford to be off work on statutory sick pay during Covid; and 80% said they would need to borrow money from family, friends or loan companies if they had to take time off. GMB also reported that it is not aware of any companies offering financial support and that its members had struggled to get furlough for those shielding.

In a Unison survey of its members in the care sector, more than half, 52%, said that their employer is still paying less than £100 a week or nothing if they need to shield or self-isolate. This survey was done in July and, even then, one in nine care staff was saying they were not getting the essential personal protective equipment they need to do their job safely. Almost half said they had never been tested for Covid. That is despite the Government pledges we mentioned earlier. Less than a quarter of all respondents said they had been tested more than once since the beginning of the pandemic. Half of those, so half of the 24%, had been tested twice. That is a very different picture from the one we have been promised.

Q86 **Nicola Richards:** Sorry, I asked who you think has acted criminally. Can you point to who it is and what they have done that you think is criminal?

**Mary Robertson:** This is less about pointing to individuals.

Q87 **Nicola Richards:** Is it the view of the TUC that there has been criminality in the care sector, which is what you initially said?

**Mary Robertson:** I am not using that word in a literal, legal sense.

Q88 **Nicola Richards:** It is quite a strong word. It is a very difficult subject



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where people have passed away as a consequence and we need to know what happened. We need to look at what problems need to be fixed. Do you not think that using words like “criminal” is perhaps not very helpful?

**Mary Robertson:** I was using that word metaphorically, in a moral sense. I agree that there should be a public inquiry looking into exactly what has happened in care homes and identifying who is responsible.

Q89 **Nicola Richards:** Going back to the lack of support for care workers, there is a care organisation in my constituency called Sandwell Community Caring Trust that decided to pay its staff extra money because of the hard work they had done. Do you think there is perhaps more room for other organisations doing similar?

**Mary Robertson:** Yes, definitely. It is great to hear instances of that happening. We are aware of cases where unions have won their members better deals than have been available nationally. One of the consequences of the fragmented nature of the sector that I mentioned earlier is huge inconsistency.

Q90 **Nicola Richards:** Do you think, due to the fragmented nature of the care sector, it is not easy to put the blame on a single person or organisation, perhaps in terms of acting in a criminal way?

**Mary Robertson:** We have learned from the experience of the pandemic that the fragmented nature of the social care system is a real problem and a real challenge in addressing things like a pandemic. There is a clear contrast with the NHS, where you have the NHS Social Partnership Forum and much clearer chains of responsibility. It has been much easier to make decisions, implement those decisions and disseminate information, as well as gathering information from the ground and sending it back.

That has been much harder in the care sector. It has not been clear who is responsible. You have seen some buck-passing between Ministers and employers around who is responsible for getting PPE to frontline staff. The current structure of the system means it is not clear who is responsible for that. As a society, we have learned that that is a problem and puts the most vulnerable people at risk. It needs addressing.

Q91 **Nicola Richards:** Is it not the responsibility of local authorities to pass guidance down to care homes, as they did with the substantial extra funding given to them by the Government to deal with coronavirus?

**Mary Robertson:** Local authorities are players in the system, but they commission. They do not provide. Local authorities have not been making decisions around guidance. They have not had the capacity to procure PPE. You are right to mention local authorities as another player in the system, but that reinforces the point that it is not clear where accountability sits.

Q92 **Nicola Richards:** Local authorities were given funding from the Government to give to local care homes to provide PPE and refund care



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homes for the PPE they had bought, as well as to give extra financial support to them. Is that not a pretty clear path for where the guidance should go, given that, as you have just described, local authorities commission these services in the local area?

**Mary Robertson:** Our experience has been that there is not such a clear chain of responsibility. We have been meeting with Ministers and we have been speaking to employers in the sector. An understanding of where this responsibility sits and where the money was meant to come from was far from clear at any point in the process.

Q93 **Nicola Richards:** In your opinion, do you think it is local authorities that acted in a criminal nature?

**Mary Robertson:** No, I do not.

Q94 **Kim Johnson:** I want to pick up on the questions Nicola was asking about local authorities. It is my understanding that a lot of the outsourced private care providers sit on substantial profits. If they have profits in their bank accounts, they should not have required additional funding from the Government to pay their staff extra money to do the job they should have been doing. Those private providers should have been in a position to purchase the PPE required to enable their staff to do their job safely and care for people safely.

**Mary Robertson:** You make a really important point. One of the problems in the sector is that the precise levels of profits, especially of some of the larger private care homes, are very opaque because of the business models they employ. Estimates are that pre-tax profitability in the sector as a whole is about £1.5 billion, which is about 10% of total spending. It is a not insignificant amount by any means, but a greater cause for concern comes from some of the business practices of, as I say, the large private care homes that appear to be a way of funnelling hidden profits out of the care system.

One example of this is paying very high rents on beds in care homes to other companies that sit within the same family of companies. This means they do not have to pay tax on that amount. It is being channelled to another company that sits in the same family of companies. It is a leakage from the sector that gets, effectively, hidden.

As another example, you similarly see very high patterns of high debts being taken out by care home providers from other companies within the same family of companies, who then charge very high interest rates. It is a way of reorganising funding within the same family of companies and extracting value from the care home sector.

On the question of whether they should therefore be providing PPE, if they are extracting very high profits, the simple answer would be yes. I would argue that this is, again, a longer-term structural problem that desperately needs addressing. It is not necessarily the case that those big companies had the cash flow immediately available to purchase that



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PPE, but it is a way of highlighting the fact that, although the sector is desperately underfunded, simply increasing funding for it within its current structures is not going to be the whole solution. We will see an increase in leakages out of the sector into the hands of private equity companies in particular. Those who pursue these practices are much more likely to have their headquarters based in offshore tax companies.

**Q95 Chair:** Mary, you have mentioned the fragmented nature of the sector several times. Is it therefore your view that there should not be private care homes operating?

**Mary Robertson:** Yes. The TUC's long-run view is that social care should be provided in a way that is equivalent to the NHS, publicly provided and free at the point of use to all who need it. I recognise that, given where we are now, it would take some time to get there. There are more urgent problems that need addressing just to provide the minimum level of social care.

**Q96 Chair:** I could point to examples of some brilliant private care homes in my constituency. Do you accept that they are providing excellent care and that a fragmented model gives people choice, just as we heard a fragmented model in childcare gives parents choice?

**Mary Robertson:** I would separate those two questions. Yes, there is excellent care provided privately in some cases. The view that social care should be publicly provided, free at the point of use for everyone, in the same way as the NHS is because it has not yet proved possible to ensure a consistent, high-quality standard of care for all who need it, in the way that the NHS has achieved with healthcare. You can acknowledge that there are some private providers that do a good job while at the same time acknowledging that the system as a whole does not work for everyone who needs social care and that there is a better way of doing it. Sorry, remind me of the second part of your question.

**Q97 Chair:** I think you suggested that there should be centralisation. Does a fragmented model provide choice?

**Mary Robertson:** I do not think it does currently. That is not to comment on the situation in childcare. Currently, the lack of funding and other problems in the sector are such that, over the last few years, we have seen thresholds for entitlement to social care increase significantly. More and more people who need social care are not entitled to it. At the same time, financial thresholds for the means test have been frozen, so effectively the financial threshold has been lowered, meaning more and more people are having to pay for it.

**Chair:** The question was about choice.

**Mary Robertson:** Yes, I was just getting to that. We have seen that the current system is limiting access and, at the same time, is limiting choice by limiting availability. Most people, if they need social care, do not have



the luxury of being able to shop around and choose providers, because there simply is not enough care available.

Q98 **Kate Osborne:** As has already been touched on, we know that 83% of the adult social care workforce is female, with many social care workers who work in the independent sector being on minimum rates of pay and zero-hours contracts. What more could the Government do to ensure that those working in the health and social care sector have better terms and conditions?

**Mary Robertson:** Funding is the key one. Currently, in a model whereby local authorities are funded to commission care services, largely from private providers, obviously not entirely, we are seeing that pay gets squeezed. As a reverse way of looking at that, when the national living wage came in, the median wage in care was below the national living wage, so that led to a significant increase in costs for care providers, which squeezed the amount that local authorities were able to pay for them.

That is going to have knock-on effects on other aspects of care provision. Notwithstanding the problematic business practices we mentioned a few questions ago, without more money it is very difficult in a squeezed service to pay care workers more without having knock-on effects on other aspects of the service. More money is absolutely essential. In terms of insecurity, the TUC's view is that zero-hours contracts should be banned.

Q99 **Kate Osborne:** We know that the NHS workforce has predominantly female workers. As you said earlier, in the TUC's view, the 900,000 public sector workers receiving a pay rise had a negative impact on NHS workers in terms of morale. Do you feel it will have a detrimental impact on the healthcare workforce in any other ways? I suppose I am thinking about recruitment and retention.

**Mary Robertson:** Yes. I opened this set of questions by describing the problems in recruitment and retention that the NHS has been facing for some time. Having worked for six months so far, but rising, through a global pandemic under conditions of enormous stress, in many cases trauma, and extended workloads, NHS workers are being told on top of that, "You do not deserve any pay increase."

Especially as this crisis becomes something we have to manage in the medium term, rather than something acute, it is hard to imagine how a lot of health workers will not say, "I am not sure this is worth it any more. I am not sure I can carry on doing this job if we are not going to be rewarded for the extra efforts we have put in." That was already a huge concern going into the crisis. The way it has played out and the lack of any pay reward or Covid bonus for NHS workers is a real concern in terms of the impact on staffing in the future.

Q100 **Nicola Richards:** When you said that individuals cannot afford the



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choice, you were talking about how the care sector should be consolidated and less fragmented. If that is the case, if you believe that people cannot afford the way the system works, do you agree that it is not fair that local authorities sometimes do not pay high enough rates for care and, therefore, private individuals have to subsidise those people that the council pays for?

**Mary Robertson:** That is a huge unfairness in the system. Local authorities have statutory responsibility for social care. They rely on funding from central Government. That is a problem with how social care is funded.

Q101 **Nicola Richards:** What benefit do you think the Better Care Fund has had? On top of that, there is the adult social care precept added to local people's council tax bills.

**Mary Robertson:** The TUC has just done some research—we published it a week or two ago—showing that total social care spending in England is £600 million lower than it was in 2010-11. As you alluded to in your question, that has not been a steady decline. We saw a much steeper decline in social care spending and then a partial recovery through things like the Better Care Fund and the social care precept. That research shows that those measures have not been enough to recover social care funding to its 2010 levels, let alone equip it to meet rising demand from an ageing population or the additional pressures of a pandemic.

Q102 **Nicola Richards:** Is the TUC doing any work around whether it thinks local authorities are passing on this extra funding to care homes? In my instance of Sandwell, I am not sure it happens.

**Mary Robertson:** We are not currently doing work on that. The commissioning model means that these funds are passed on through work with ADASS, for example. The Local Government Association or ADASS would be better placed to answer those questions. It is not something that anyone has raised questions with us about.

Q103 **Chair:** I think you referenced 122,000 vacancies in social care. Apologies, I did not manage to get the number for the projected vacancy rate going forward. What would the TUC like to see as a solution to that recruitment crisis?

**Mary Robertson:** There are multiple aspects to it. Pay is a big one. Social care workers are among the lowest paid in society. Beyond that, we want to see greater recognition of the nature of care work. It is often classified as an unskilled profession, but care workers deploy a whole range of very complex physical and emotional skills in an average day's work. We want to see proper accreditation of skills and more formal pathways for career progression, the purpose being to make social care more esteemed, higher status and a more desirable occupation.

We would also want to see national pay structures equivalent to the kinds you have in the NHS and a national bargaining forum, again similar to the



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Social Partnership Forum in the NHS. That serves as a means for workers in the sector to collectively express their views, but also for management and employers to consult the workforce. It makes it easier to disseminate and implement decisions.

Q104 **Chair:** Should individuals who are funding their care at home themselves and paying their carers individually be required to be part of that national bargaining structure?

**Mary Robertson:** That is a very good point. There is a real concern about the representation of service users in structures. Currently, those structures do not exist in care, but we would definitely support better representation for service users.

**Liz Bayram:** I wanted to draw a parallel with some of the things Mary was saying and the question Nicola asked about local authorities not passing on all the funding. Certainly from a childcare perspective, the free entitlement funding is set by Government and handed to local authorities. There are challenges around the formula for that. Equally there is evidence from others in the sector, not us—NDNA has evidence through freedom of information—of some local authorities not passing on the full amount or the amount of funding they should for that free entitlement.

One of the key challenges we have is that the funding is not ring-fenced for early education. It is part of a much wider budget for all sorts of other needs. There is an important question about how often and when the Government really think about these priorities in a ring-fenced, controlled way that gives local authorities at least some sense of where that funding and focus needs to be given, particularly at times when they are torn between so many different costs and demands.

**Chair:** I am conscious that we have only a minute left. Could it be a very brief response please, Mary?

**Mary Robertson:** It is important to highlight the difference between social care and childcare. There is a lot of evidence, not just directly from us but from the House of Commons Library, that councils have sought to protect social care spending within their overall budgets. As local government funding and social care funding have been cut over the last 10 years, until social care started increasing again, social care spending by local authorities has not fallen proportionately with cuts to their overall budgets. This indicates that they are finding savings elsewhere to redirect towards social care, as a statutory responsibility and one of their most urgent ones. That highlights that what happens in childcare is not the same as what happens in social care.

**Chair:** Thank you very much. I would like to thank all the witnesses for their contribution this afternoon.