

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

WELFARE REFORM AND WORK BILL

First Sitting

Thursday 10 September 2015

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

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Monday 14 September 2015

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IN GENERAL COMMITTEES

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The Committee consisted of the following Members:

Chairs: †ALBERT OWEN, MR GARY STREETER

- | | |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| † Atkins, Victoria (<i>Louth and Horncastle</i>) (Con) | † Scully, Paul (<i>Sutton and Cheam</i>) (Con) |
| † Bardell, Hannah (<i>Livingston</i>) (SNP) | † Shelbrooke, Alec (<i>Elmet and Rothwell</i>) (Con) |
| † Blenkinsop, Tom (<i>Middlesbrough South and East Cleveland</i>) (Lab) | † Thornberry, Emily (<i>Islington South and Finsbury</i>) (Lab) |
| † Churchill, Jo (<i>Bury St Edmunds</i>) (Con) | † Timms, Stephen (<i>East Ham</i>) (Lab) |
| † Coyle, Neil (<i>Bermondsey and Old Southwark</i>) (Lab) | † Turley, Anna (<i>Redcar</i>) (Lab/Co-op) |
| † Green, Kate (<i>Stretford and Urmston</i>) (Lab) | † Vara, Mr Shailesh (<i>Parliamentary Under-Secretary of State for Work and Pensions</i>) |
| † Heaton-Jones, Peter (<i>North Devon</i>) (Con) | † Whately, Helen (<i>Faversham and Mid Kent</i>) (Con) |
| † Hinds, Damian (<i>Exchequer Secretary to the Treasury</i>) | † Wilson, Corri (<i>Ayr, Carrick and Cumnock</i>) (SNP) |
| † Milling, Amanda (<i>Cannock Chase</i>) (Con) | |
| † Opperman, Guy (<i>Hexham</i>) (Con) | Marek Kubala, Ben Williams, <i>Committee Clerks</i> |
| † Patel, Priti (<i>Minister for Employment</i>) | |
| † Phillips, Jess (<i>Birmingham, Yardley</i>) (Lab) | † attended the Committee |

Witnesses

Marcus Mason, Head of Business, Education and Skills, British Chambers of Commerce

Rebecca Plant, Head of Apprentices and Graduates, Capp

Geoff Little, Deputy Chief Executive, Manchester City Council

David Holmes CBE, Chief Executive, Family Action

Neera Sharma, Assistant Director, Policy and Research, Barnardo's

Emma Stewart MBE, Chief Executive Officer, Women Like Us

Public Bill Committee

Thursday 10 September 2015

(Morning)

[ALBERT OWEN *in the Chair*]

Welfare Reform and Work Bill

11.30 am

The Chair: First, I welcome new Members to the Committee. This is very much a formal session, and we are on the record as of now. We are sitting in public, although the public have not yet joined us. We will shortly sit in private to work out who wants to ask what to whom, but first we have some formalities.

I see that you are all drinking water. I would rather that we do not have teas and coffees, particularly when we are sitting at the House of Lords end of the Committee Corridor—they are fussy about refreshments. As you know, the programme motion was discussed yesterday.

Ordered,

That—

(1) the Committee shall (in addition to its first meeting at 11.30 am on Thursday 10 September) meet—

- (a) at 2.00 pm on Thursday 10 September;
- (b) at 8.55 am and 4.30 pm on Tuesday 15 September;
- (c) at 11.30 am and 2.00 pm on Thursday 17 September;
- (d) at 9.25 am and 2.00 pm on Tuesday 13 October;
- (e) at 11.30 am and 2.00 pm on Thursday 15 October;

(2) the Committee shall hear oral evidence in accordance with the following table:

TABLE

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Thursday 10 September	Until no later than 12.30 pm	British Chambers of Commerce; Capp; Manchester City Council; Family Action
Thursday 10 September	Until no later than 1.00 pm	Barnardo's; Women Like Us
Thursday 10 September	Until no later than 2.30 pm	Council of Mortgage Lenders; Building Society Association
Thursday 10 September	Until no later than 3.45 pm	Gingerbread; Centre for Economics and Social Inclusion; Reform; Employment Related Services Association
Thursday 10 September	Until no later than 5.15 pm	Remploy; Shaw Trust; Social Market Foundation; Mind; Scope; Parkinson's UK
Tuesday 15 September	Until no later than 10.00 am	Mencap; National Housing Federation; Local Government Association; L&Q London Housing Association

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 15 September	Until no later than 10.55 am	Child Poverty Action Group; Professor David Gordon, Professor of Social Justice, University of Bristol; Centre for Research in Social Policy; Centre for Social Justice
Tuesday 15 September	Until no later than 11.25 am	Joseph Rowntree Foundation; Institute of Economic Affairs

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 10; the Schedule; Clauses 11 to 22; new Clauses; new Schedules; Clauses 23 to 26; remaining proceedings in the Bill;

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 15 October.—(*Guy Opperman.*)

The Chair: I remind Members that there is a deadline for submitting amendments to be considered for the Committee's first line-by-line session on Tuesday 15 September. You have to submit amendments by the rise of the House today.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Guy Opperman.*)

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*Guy Opperman.*)

11.31 am

The Committee deliberated in private.

Examination of Witnesses

Marcus Mason, Rebecca Plant, Geoff Little and David Holmes gave evidence.

11.37 am

The Chair: The first witnesses this morning are from the British Chambers of Commerce, Capp, Manchester City Council and Family Action. Before calling the first Member to ask the panel a question, may I ask you to introduce yourselves for the record? I remind you that we will finish this session at 12.30 pm. Who would like to start?

Marcus Mason: Good morning. I am Marcus Mason, head of business, education and skills at the British Chambers of Commerce.

Rebecca Plant: Good morning. My name is Becky Plant. I am head of apprenticeship solutions at Capp.

David Holmes: Hello. I am David Holmes, chief executive of the charity Family Action.

Geoff Little: Morning. I am Geoff Little, deputy chief executive of Manchester City Council.

Q1 Stephen Timms (East Ham) (Lab): I welcome you all to our Committee.

This is probably a question for Marcus in the first instance. The Bill requires the Government to report on progress towards full employment. How do you think full employment should be defined? What is the right definition for this purpose?

Marcus Mason: I will give that a stab. We all know that full employment can be defined in different ways, with different levels of full employment in different countries. In that sense, we very much think that full employment is a moving target. Our latest economic forecast shows unemployment reaching around 5% by 2017 and flattening out to 5% in Q2 2018. As a result, we feel that a level of unemployment of around maybe 5% to 4.5% is probably the point where, if you went below that, you might start causing inflationary pressures. So that is the sense that we get from the forecast that our chief economist does at the British Chambers of Commerce.

Q2 Emily Thornberry (Islington South and Finsbury) (Lab): I think the important thing, though, is to look beyond the 4% or 5% unemployment as being full employment. Isn't it important to look at how we define employment? The Office for National Statistics says that someone on a zero-hours contract, perhaps working no more than two or three hours a week, is in employment, but that is hardly a good situation for that individual to be in. If we have a reporting requirement that focuses solely on those sorts of numbers, using that broad definition, how can we really be helping ourselves? Are we not just putting forward an incentive for people to be in insecure and low-paid jobs?

Marcus Mason: Obviously you need the headline unemployment figure, because that is most sensitive to Government policy and has the most impact on inflationary pressures. Of course, you could imagine a situation where a Secretary of State reports using that headline unemployment figure, but other figures could go into that report as well.

Q3 Emily Thornberry: But the point is that if we are not measuring unemployment further than that—I mean, should we not be measuring things such as whether people are getting the hours they want and how many of them have to rely on in-work benefits to live? Is that not a better way of measuring real full employment, as opposed to people working in a family business and not getting paid, working just an hour a week or working on a zero-hours contract? If we want real full employment, we want people to be able to live with dignity. The measures that the Government are introducing are not the sorts of measures that the public can rely on and, perhaps, can be defined as a lie.

Hannah Bardell (Livingston) (SNP): Can I ask a supplementary to that? Following on from Emily, as has been made clear, with the baseline for recording being only one hour in the previous week, surely it would be sensible to have something in the Bill specifically about quality and decent work, and have the Government define that in the Bill. Would that be sensible?

Marcus Mason: It would be sensible to think about the large number of people who are inactive, and how you account for them and incentivise them coming into the labour market. As you know, the unemployment figure does not take those people into account, so it makes sense to supplement the unemployment figure

with an employment target. Who sets that target is crucial. Is it an independent voice—an independent body of experts—or is it just the Secretary of State? Ultimately, you would probably want a set of economists, perhaps the Office for Budget Responsibility, giving an annual indication of where they think full employment is given the economic circumstances at the time, which the Secretary of State can then report against.

Q4 Emily Thornberry: I have one more question. One aim of this Bill is to lower the level of the household benefit cap. The Government are arguing that they should cut benefits in such a way as to provide an incentive for people to go into work, but they define work as being 16 hours a week. Surely we cannot have a definition of employment from the Government in the Bill saying that it is 16 hours a week, and yet measure employment as one hour a week. Do you see the inconsistency?

Marcus Mason: Yes; to be honest, there are lots of ways that you can probably refine these figures. There are lots of people who work fewer hours than the average working week, for lots of different reasons. They do not all fall in the category of people who want to work more, although I totally accept that underemployment is a big issue and increasing numbers of people would like to work more but are underemployed. It is important to pick that up in narrative reports, but once again, we think that the headline figures should focus on the unemployment rates and probably the employment rates as well.

Q5 The Minister for Employment (Priti Patel): I have a question for both Marcus and Rebecca. You have already touched on the point about people who are inactive, and incentivising work, which are important factors. What are your views on how the Government can work closely with employers, businesses and other organisations to drive employment and incentivise work, particularly with those who are the furthest away from the labour market?

Rebecca Plant: I do not think it is so much the hard-to-reach people. If you break up what I describe as the talent pipeline of people going into work, it is more about the middle, or what I call the lost generation of people; they are doing okay and have okay grades, but the question is what is going to happen to them. The NEET end of the market is really quite well catered for in terms of what they can do. A-level, natural routes into university and degree apprenticeships are fantastically catered for.

The million dollar question is how you get employers closer to the wealth of talent that exists. There are so many organisations and ways for employers to do it. For example, the National Apprenticeship Service is trying to bring employers online. For employers, you have to take a step back at times, because you do not actually know what route to take. In my opinion there needs to be a simplification of how employers engage with young people. Schools sometimes block that, because they are saying, "Hold on, I have too many people trying to talk to my young people." As for parents, oh my goodness! But sometimes they still do not know the right route, so how do you get really clear, concise messages across to the people you are trying to attract? There is still a lot of work to do on that.

Marcus Mason: When thinking about those furthest away from the jobs market, one of the constant refrains we hear from our members is that they feel that the quality of the interaction with the jobcentre is often not there. Some jobcentres operate fantastic programmes and are very good at working with businesses, but in some cases our members feel that jobcentre staff can be driven by their internal metrics, and that can lead to some businesses being bombarded with applicants who are not relevant or who perhaps do not even want that particular job. Reforming jobcentres to make them more responsive to businesses needs is something that needs to be looked at.

As for the entry-level side of the equation, youth unemployment is still three times higher than average unemployment. In a narrative report that the Secretary of State would make, that might be something to highlight—how are we closing the gap between the two? The Government can encourage businesses and schools to start working together much more proactively on that. Of course, the careers company might go some way in doing that, but ultimately there needs to be much more incentive from the school side to reach out to businesses, and to promote apprenticeships and not just vocational pathways.

Similarly, we accept that businesses can do more. In one of our recent surveys we asked what they thought was the most important thing for a young person going into work; 80% of businesses said work experience, but fewer than 50% offer it. We are quite happy to challenge business as well in this space. We accept that both on the education side and on the business side, more can be done to provide pupils with work experience and the right skills for them to progress into the workplace.

Q6 Hannah Bardell: The research that we have done found that twice as many people were being sanctioned on Work programmes as were getting jobs. How is that ambitious? How can we be ambitious and get people into work when we have those kinds of statistics, which really show up the failings of people in jobcentres? Having visited jobcentres, I am sure they have good intentions. Do we not need to have more ambitious targets and more detail in the Bill about quality, and, as Emily says, dignity in work and decent work, so that we can be sure that we are doing the best for people?

Marcus Mason: What we hear from businesses that engage with the Work programme is that often they just get bombarded by providers for paperwork. It is an audit-trail situation, which is ultimately divorced and removed in some instances from the actual aim of the programme. As to how you include measures about the quality of various programmes, there is only so much you can include in this type of report.

Q7 Hannah Bardell: Surely we need something. There needs to be something around quality and decent work, rather than it being purely numbers based.

Marcus Mason: I guess it depends how you define quality.

Q8 Stephen Timms: I want to ask a question about apprenticeships. This is really a question to Rebecca. We gather that you are concerned that the only way the 3 million apprenticeships target will be hit is if quite a

lot of the apprenticeships are rather poor quality. Could you explain to us why you have that fear? Could you also tell us what it would take, in your view, to deliver both the target and the quality that all of us would want to see?

Rebecca Plant: I have been involved heavily with apprenticeships over the past six years, with the previous Government and the coalition really putting their hands around it and making it a credible work route. Specifically, my interest is around young people. The concern comes from sitting in the middle of some really heavy apprenticeship reforms that are taking place currently with Trailblazers. I am part of the digital Trailblazers group and have worked tirelessly for two years creating new digital apprenticeship standards for the sector.

Purely in my opinion, what you are starting to see with those new standards being released is that, for the tech sector particularly, the high-level skills that are needed are stuck at the moment. So the apprenticeship reforms in Trailblazers are making the ability for us to release and get young people on to Trailblazers really difficult, because we cannot get the standards through.

All of us who are interested in apprenticeships then look at myriad examples, such as apprenticeship barman and of apprenticeships in really low skills. How is that an apprenticeship? I understand about work and I am not patronising that as a job role but, when you are reporting on a number, you have to dig deeper than that number. How much of that 3 million is dedicated to higher skills?

My interest particularly comes with those young people who are “okay”. How do you use apprenticeships to progress them through a lifelong learning route, as the Prime Minister said when he released the new apprenticeship standards nearly two years ago? The idea is lifelong learning. Those people in those low-level jobs are put in there just to gain money for skills, for training. This is my opinion, but what is the route out? How does that help social mobility, when people are just turning a job role into an apprenticeship? That is not right.

Q9 Stephen Timms: What would it take to deliver the target and the quality? How do we avoid that problem?

Rebecca Plant: In my personal opinion, the target should be broken down into levels of skills, so that higher level—level 4—degree apprenticeships should be broken out and there should be clarity. There should be some reflection on how that matches the skills gaps. Employers talk about skills gaps until they are going blue in the face. How does that work? With the lower sector, I would look at entry and ensuring that there were full-time job contracts at the end of those apprenticeships. I would ensure the commitment from the employer to keep training and to move that young person through. I am sorry that my answers are woolly. I am not very good at this.

Jess Phillips (Birmingham, Yardley) (Lab): You're doing great!

Rebecca Plant: Thanks! I'm really nervous.

Stephen Timms: That was a good answer.

Rebecca Plant: I would break it down and give transparency. What is a level 2 apprenticeship? What are people signing up to? Badging level 2 programmes

as an apprenticeship is fundamentally wrong. That should be an entry point into an apprenticeship but there needs to be tightening up of these low-skilled, dead-end, monotonous jobs for these poor people.

Finally, just to add, traineeships should not count towards that 3 million at all. The traineeship piece is a really good on-ramp for some people, but does it lead to real job opportunities at the end? I question that completely. It is hard for employers to digest the traineeship, in my opinion. There needs to be an onboarding Work programme into an apprenticeship so that, no matter where you come from in your life, you have a level playing field with everybody else. That is what my particular passion is.

Q10 Amanda Milling (Cannock Chase) (Con): I have several questions for both Rebecca and Marcus. In the previous Parliament, about 5,000 apprenticeships were created in my own area, and I have met businesses and apprentices themselves. What can the Government and businesses—other providers as a collective—do to raise awareness of apprenticeships and the value of apprentices to firms both in the short and long term?

Rebecca Plant: This is the same question that has been going around for the past six years. On raising awareness, Sue Husband from the National Apprenticeship Service has done a fantastic job of trying to engage, but we always seem to be stuck at the same point. There is a real difference between delivery on the ground and understanding the National Apprenticeship Service and what it takes to deliver an apprenticeship, which is really different from what it feels like for an employer. There is still a massive mismatch between what Government-funded bodies are saying takes an apprenticeship to the reality of delivery on the ground—a huge disparity. When we hear that some of the large organisations in this country are struggling to take five apprenticeships, we really should be worried.

Marcus Mason: A good way of increasing awareness is to focus on the small and medium-sized businesses, because our research suggests that that is where there is the most potential for growth, and networks like the Chamber network can be an effective way of reaching that market. We have had events in partnership with other business groups and also the Skills Funding Agency, identifying businesses that had not previously taken on an apprentice and informing them about how they could go about doing that. That also has to go hand in hand with finding ways of incentivising schools to promote apprenticeships in their careers advice, because there is still a bias towards the standard A-level to university academic route, and a lot of schools judge themselves against that benchmark. We hear of businesses that offer high-quality, well paid apprenticeships, but still do not get enough applicants for those apprenticeships, so I think it has to work on both sides.

I would like to echo Rebecca's comments and the worries about the 3 million figure and flag up that, ultimately, we are talking about a huge increase in apprenticeships. When you bear in mind that, the apprenticeship starts from the previous Parliament—just over 2 million—included a lot of rebadging of Train to Gain programmes, and we do not want to see that again. We do not want to see a decline in quality because we are just chasing an arbitrary figure. Ultimately, if we get the quality right, the businesses will take them on and will offer apprenticeships, and so will the young

people go for them. So the focus has to be on that. When it comes to reporting, we need to absolutely think about how many of these people are going to progress into jobs and the quality of these apprenticeships. We really need to dig into all of that in the report that the Secretary of State does.

The Chair: A number of people want to come in. Amanda, if you have more points, do them all together, please.

Q11 Amanda Milling: I will try to do them all together. There is awareness and understanding of the benefits of apprenticeships to both the employer and apprentice. In the previous Parliament, I was pleased to see levels of satisfaction on both parts being really high. I am keen to know what we can do collectively to continue to build satisfaction among apprentices themselves and also among employers. If the employers have a great experience, they will take on more apprentices, and they will become their future workforce. Many of the people I meet when I am out and about started out as apprentices, so you can see the long-term benefits to the economy. This question is to Rebecca and Marcus.

Rebecca Plant: I think there is a fundamental piece missing in the chain, which is an apprenticeship charter. How do you make sure that a young person and a parent know what they are actually signing up to? Has it got a full-time job at the end? Measuring quality in that way and raising awareness of apprenticeships—there needs to be a formal agreement between the parent or guardian and the employer, to understand what they are taking on.

There is a big nut to be cracked with the SME market. I think they can take more apprentices, but how do we create an on-boarding ramp to make it easy for people to consume apprenticeships? When they are in, everybody loves them, but it is that scary thought: "How am I going to do this?" Sorry, I didn't really answer your question.

Marcus Mason: In terms of satisfaction, we still hear from businesses that, ultimately, they feel some apprenticeships just do not fit their needs and are not flexible enough—there needs to be more control over design, and through the Trailblazers we have seen some of that. I would encourage the Government to look at how you can involve more SMEs in that as well, because I think the Trailblazers have been dominated, by and large, by bigger employers. It is great that they are designing apprenticeship programmes that fit the work for them. Sometimes, businesses and their supply chain raise concerns about some of the standards being set, because they do not fit their small and medium-sized business environment.

Q12 Corri Wilson (Ayr, Carrick and Cumnock) (SNP): My question is for Marcus. On the Conservative manifesto commitment to halve the disability gap, there is a huge difference between wanting to go back to work and being physically and mentally able to. Is there a disparity between the commitment and the actual opportunities that are out there?

Marcus Mason: To be honest, that is not something we have consulted our members on much, so I am probably not best placed to answer.

Q13 Hannah Bardell: Would you be willing to consult with them on it?

Marcus Mason: Of course, yes.

Q14 Neil Coyle (Bermondsey and Old Southwark) (Lab): I should say that I have an honorary role within my local chambers of commerce, which I think I am meant to declare—sorry, Chair. I, too, am new to this.

The Chair: It is on the record now.

Neil Coyle: Brilliant, thank you.

The Chair: You have to attend now.

Neil Coyle: I do—I love it.

I have had a really good briefing from the FSB, which shares some of the concerns that you have touched on about the number of new apprenticeships in particular. The FSB says that 60% of its members already take on an apprentice and are concerned about the quality, how to access the best apprenticeship scheme for them and the complexity involved that you touched on, Rebecca. This is primarily a question for Rebecca and Marcus: what does that process look like? What are you advising the Government to build in to the current plans to ensure that your members and other small and medium-sized enterprises in particular can access the best and most appropriate apprenticeships for them?

My second question touches on the point that the Minister and Rebecca made about hard-to-reach groups. Is there a real opportunity here to focus these apprenticeships on specific areas of the country, specific areas of employment and specific groups who we know to be disadvantaged, such as disabled people and carers, to make sure that your employers are supporting the Government to deliver that target to cut the employment gap?

Rebecca Plant: Yes, I would absolutely support a proportion of those apprenticeships being put to one side, with a group of employers making a commitment to support disadvantaged young people—care leavers especially—and to give them the proper support they need to enter work and make sure the relationship sticks between the employer and the young person. It is important, because they are talented individuals.

On the second question about how you make it easy—this is where I am not going to answer your question and bumble. How do you make it easy? It is cracking the golden nut. We have the National Apprenticeship Service. We have so many people now involved in trying to get businesses interested in taking apprentices, and it is difficult to see how much more you can actually do. My question is: is there too much guidance and advice? Where is the central repository? Who is your go-to person? That is the piece, I think. When you think of all the careers advice and all the apprenticeship service websites, everything out there is really difficult to navigate. If you are a small business—oh my God!—there are terrifying amounts of information out there. What is your go-to service?

Q15 Neil Coyle: At the moment should that be the Department for Business, Innovation and Skills, jobcentres or local authorities? Who should be providing that role,

if it is so complex at the moment? Should it be chambers of commerce, or the Federation of Small Businesses, for example?

Rebecca Plant: This is where I get sent to the Tower of London. I think Jobcentre Plus should be more active in its role. It should engage much more with anyone from those just starting out in their early careers, to career changers, to people in the golden ends of their job life. Actually, do you know what—there is probably a network there already that is set up to deliver regionally. I think that they have the methods and means.

I am going to say something massively controversial now. I am stunned at times by the engagement that you get from people within the National Apprenticeship Service or the Skills Funding Agency over their commercial awareness. You have got employers who want to do things; you have got interested young people out there; you have got everything, but you sometimes hit against the wrong people, who have been in that environment for way too long and so are resistant to change and to looking further than how things have been done over the last 20 years. I think you sometimes come up against a lot of brick walls within those areas. Shall I stop there?

Marcus Mason: I think when it comes to how businesses can access the best apprenticeships, the kind of follow-on from that is that they have to access the best providers, and they need some advice on that. It is still quite difficult for a business to figure out who the best provider for them is. It was mooted some years back in one of the many reviews of apprenticeships that there should be some kind of TripAdvisor-type app or website that easily collects business or employer feedback on apprenticeships and therefore kind of ranks providers so that it is easily accessible, and there for businesses to see. Something like that could be very helpful.

Of course, I would say this, but I think chambers of commerce and the FSB—we have been working with the FSB on promoting apprenticeships—are very well placed. They know within their local network of businesses who is taking on apprentices and who is not. They are very well placed; they have got that local intelligence to be able to target relevant companies to try to convince them and support them to take on apprentices.

Also, small and medium-sized businesses in particular are not necessarily totally fully aware of their training needs, so it is about finding ways of being able to support them to identify what training needs they have. Often they have very short planning time horizons. So we have seen examples within the chamber network that we can submit as supporting evidence where chambers are going into businesses, helping them to identify their long-term training needs. Often, off the back of that, you might see a take-up of apprenticeships.

The Chair: I am conscious of the time, and of the fact that Mr Holmes and Mr Little have not had the opportunity to answer questions yet. Stephen, I think you want to put some questions, but before then, Jo, do you want to ask a question of Mr Mason or Rebecca Plant? Quickly, please—then they can have a rest.

Q16 Jo Churchill (Bury St Edmunds) (Con): It is just a quick one, to Rebecca and Marcus, really, as to how Government can be more innovative.

You have outlined many of the problems. Perhaps I should declare an interest: I am a shareholder of an SME and have run an SME for some decades. What you are saying is exactly right. The big problem is not the lack of will. Sometimes it is the lack of skills both from the business and from the joined-up agencies. There is a problem with always having a job at the end of an apprenticeship, because you do not always know what your economic environment in a small business is going to look like in two years' time, and that is something that very much needs to be taken on board.

So are there ways of looking at this in an innovative sense? Farming would be one example, where often the work is seasonal and therefore the farmer can offer practical work; but maybe there could be some alignment with colleges in order to make up that difference. One of the problems that we are having is that bums on seats in schools mean money, so they are unlikely to encourage apprenticeships at that stage because of that trade-off. Is there some positive way that we as a Government can help incentivise innovative thinking around apprenticeships, particularly for small businesses, which make up 99.9% in volume terms of all the companies in this country?

Marcus Mason: There are programmes by apprenticeship training agencies, for example, to pool apprentices so that they can work with different employers. That can help where there is seasonal working or—for example, in the construction industry—where work is project-based and they might be on one project with one business and then another project with another. Those can work in certain sectors. Looking at some of the lessons from those programmes and thinking about how to scale those up could be one area.

Also, you could encourage large businesses to work more effectively with their supply chain. At the moment, apart from the very best examples, small businesses and large businesses operate in silos, and a lot of recent announcements on apprenticeship policy have been aimed at larger employers. There is a bit of a gap between the two. I do not have the answer, but perhaps it might be worth investigating how you could encourage and incentivise larger businesses to help support training in their supply chain.

Rebecca Plant: There is an amazing man called David Barlow up north who has an electrician's business. He is a larger employer, although not large. He supports his SMEs by bringing apprentices back into his business to train when they have periods of downtime. That is such an innovative model that we should be rolling it out further.

Q17 Stephen Timms: I would like to ask David and Geoff about the troubled families programme. The Bill requires the Secretary of State to report on the progress made by households benefiting from the programme. I would be interested to know how you think progress should be measured. What is success for a family who have been in the troubled families programme? How fair, in your view, is the criticism I have sometimes heard that although a lot of families have been helped by the troubled families programme, not many unemployed family members have gone into jobs? Is that a fair criticism of the programme? Would you say that it has been a success so far?

David Holmes: Family Action delivers a range of troubled families schemes in different parts of the country. We strongly support the troubled families programme

inasmuch as it supports and helps fund family support. I begin my comments by saying that troubled families are inevitably complex families, with a range of difficulties that they need help to manage.

If you will permit me a quick case study, we worked with a single-parent family: a mum with daughters aged 14 and two. The mum had experienced domestic violence in previous relationships and had had to leave where she was living. She had come with her two daughters into an area where she did not have support networks or family; she was quite isolated. The two-year-old was sharing a bed with mum. There was a lot of poverty in the family, and there were concerns about parenting and the child's development, including her not meeting speech and language milestones. The 14-year-old was missing a lot of school and had had three exclusions from school over the past year; there were problems with mum's relationship with the 14-year-old. There were concerns about mum's mental health. Mum was also in debt.

I would say that in a lot of ways, that is a typical troubled family. It shows the range of issues with which the family is grappling. Mum has not worked for more than 14 years, and is on benefits. In order to make a difference to that family, we cannot just focus on getting mum back into work or getting the 14-year-old back into school; we need to think about all the issues that that family has and try to address as many of them as we can at the same time. We worked on mum's relationship with the 14-year-old, we got the two-year-old into nursery provision, and we got the mum on a debt repayment scheme so that she could manage her finances better and got her counselling through the local GP service. We did as much as we could to address as many of that family's problems as possible. The good news is that the relationship with the 14-year-old is much better and she is now back in school, the two-year-old is doing well in nursery and things are looking up for her, and that family is making progress.

I make those comments because in the current troubled families programme, one measure of success is to look at whether we can demonstrate significant and sustained progress. In the report that is going to be delivered under the provisions of the Bill, we need to be sophisticated in recording how significant and sustained progress has been made. It is about not only single factors such as whether someone has got back into employment, but what has happened to that family across all their needs to help them move forward.

Q18 Stephen Timms: I would be interested to know how Geoff feels about the same issues.

Geoff Little: Well, there are three parts to the question. First, how should we measure success? Secondly, is it really effective for employment? Finally, do I think it has been successful so far?

I will take the last part first, because that is a good way to get into it. From my personal view, without a doubt, the troubled families 1 programme over the past four or five years has been a resounding success. It has been a great example of how taking an integrated approach to public service delivery can have a real impact on the direction of people's lives. The example that David gave is replicated many times. In Manchester, for example, in troubled families 1, according to the

definition in the programme, we turned around the lives of 2,385 families. That has had a significant impact on outcomes in Manchester.

In the next programme over the next five years, we will take on just over 8,000 in Manchester and 27,000 in Greater Manchester. We think we have demonstrated success on the ground in two ways. We are giving people a lead worker who works in a system in which their leadership can actually be turned into integrated plans, because all the public services recognise and respect their leadership role. In that system, we have seen the effect on families' lives. We have also seen public spending reduced in the right way by reducing the need and demand for specialist and targeted services, which are obviously the most expensive. By getting demand down, we have released funds to spend instead on universal services that create the sort of placements that attract successful people, so the economy of our place will grow over time. You get a virtuous circle. It is about reducing demand for targeted services, but it is also about economic growth.

I would suggest that the evidence we have in Manchester is probably some of the best in the country, because when we started our work on this back in 2008-09, we all saw what was coming post-recession in terms of public spending cuts, but we were determined, as we went through the process, to have evidence. Does this way of working really allow you to allocate your budgets in an intelligent way? When you get to the budget-setting process, you cannot do it on hope; you have to have evidence. We therefore got best-quality evaluation, including cost-benefit analysis. That allowed us, as a council, in our budget-setting process last winter, which was the toughest I have ever been through, to nevertheless invest substantially in the development of our troubled families programme over the next five years.

It is right that Parliament gets an annual report from the Secretary of State for Communities and Local Government that explains the impact of the programme, not only for Department for Communities and Local Government objectives, but for objectives across Whitehall. If you can get that cross-cutting look across Whitehall, that has to be a move in the right direction. I think it does work, so the clause that requires annual reports is correct.

How do we measure success? The proposals in the troubled families 2 programme feel about right to me. One part of measuring success is by place. There should be a troubled families outcome plan for the place, where we understand the number and distribution of troubled families, according to the definition; what our plan is to change outcomes over a period of time; and how we measure ourselves against the relevant objectives for our place, and we report that in.

There is also a specific way of measuring progress, which is by employment. If we can get people into jobs or sustained work through this programme, that almost trumps all the other requirements and the payment by results follows. It is absolutely right that the new programme is measured by employment specifically.

I think you are right that it was clear in the first programme that getting people into jobs was probably the most difficult part of the exercise, but we all found—certainly those of us in some of the more deprived parts of the country—that the vast majority of our troubled families were suffering from worklessness, normally

long-term worklessness. More than two thirds of Manchester's troubled families were workless. It was a very slow start, but when we got through the four-year programme, of those two thirds—a total of 2,300—we got 26% of those people into work, and 19% of that total was sustained for more than 12 months. I think that is reasonably good progress, given the difficulty of getting people into work. However, as we go forward, it is not only about the troubled families programme, it is also about applying the troubled families programme way of working to other interventions.

In the last Parliament, we convinced the Treasury and the Department for Work and Pensions that we should apply the principles of the troubled families programme to our version of a locally commissioned Work programme, and we called that “Working Well” programme. We got some excellent providers to come in and provide top-class employment interventions, but coupled that with their lead workers slotting, at a place level, into our system of integrating all of the public services. That is still rolling out, but it has been so successful that so far that we have convinced Government to allow us to scale that up through our devolution agreement to another 55,000 families in Greater Manchester over the course of the next Parliament. I think you can apply the principles specifically to employment and have really beneficial impacts.

Q19 Jess Phillips: I was involved in developing two different troubled families services, both in the black county and in Birmingham. You have already covered the fact that employment is always the hardest target to reach. I want to hear about the reporting mechanism that is going to come in. I used to sit in troubled families offices listening to the headlines saying that we were helping 10 billion families, and think “Are we”—well, I will not swear. “We are not, actually; those are headline figures. We are at the first step of helping these families.”

The way that the troubled families scheme works at the moment means that there is very little step-down support once time on the programme is completed, and therefore long-term measures of success would be near impossible to measure, beyond employment capability, for a long time. What are your views on the reporting mechanism being headline candy for a scheme that is definitely extremely positive, aside from the employment headline? I was specifically working with vulnerable women and children and female offenders, and I have seen thousands of families like the one that you described. The woman you described is a real success, but I bet you did not get her into employment. If you didn't, when her two-year-old turns three, she is going to be sanctioned and end up right back where she started.

Is the report going to have returns in it? Will it be cyclical? Will I see a report that says that that family has come back into the troubled families programme? There is no step-down support, so once families are done with the programme, they are done with the programme, and we do not know what success looks like. With this level of reporting, I am worried that the headline figure will be anyone who has ever been referred by any agency and it will not actually mean anything.

David Holmes: That is why I emphasise that we need sophisticated reporting, so that we unpick what “significant and sustained progress” means. While we were working with the woman I was talking about, we managed to

help her to volunteer. So much of the success of the troubled families programme is the journey that we help families to take towards improved outcomes. It is not always about the achievement of predetermined outcomes at the beginning, and it is something about valuing and celebrating the progress that is made on that journey, because it is helping people to begin that journey that gives them the confidence and resilience to continue it.

Q20 Jess Phillips: Her children would be safer, for example. That is a pretty good success.

David Holmes: Exactly. And that is some of the legacy that the troubled families programme can bring, because it has got people into a position where they can see a future.

The Chair: We are going into the last five minutes of the session.

Q21 Corri Wilson: My question is to David. With increased conditionality, there are likely to be more sanctions. Would you foresee any additional cost to the Government as a result of this?

David Holmes: I do have a general concern. One of the great things about the troubled families programme is that it enables a holistic approach to be taken to working with families. In the broader context of the Bill, we also have to be holistic about Government policy, and we need to be careful to ensure that if we are working with troubled families to try to improve their lives, we don't have changes to welfare legislation that impact negatively on those same families, without being very conscious that that is the course that we want to take.

Q22 Jo Churchill: My question is to Geoff. Did you extrapolate any of the findings out? I like the programme—it has huge benefit for these families—but one of the evidence-based things that I drew from it was about those people who you could get into either volunteering or work, because it is that construct that is valuable. One of the unforeseen consequences, which to me was brilliant looking forward, was that school attendance improved hugely, and then you start to break a cycle. So are we looking at any further reporting like that, which obviously has long-term effects on positive results in the job market going forward?

Geoff Little: We have been measuring families through this programme for over five years now. We started by measuring people's progress 12 months before they came on to our programme, and then 12 months afterwards. We have been doing that year on year for five years now, so we have a body of very robust evidence, and that tells us that, yes, there are sustained changes in people's lives here. This is not a quick fix; the problems that people have take decades, sometimes generations, to develop. You are not going to turn that round in a 12-month, quick-fix, dip-in dip-out programme. You have got to do this in a sustained way and understand how the place impacts on the family as well. Seeing how it can impact on a family who may have all kinds of complex problems but who live in a relatively affluent area is a different task than dealing with the same type of family, with the same type of problems, but who are surrounded by families who also have complex problems.

The context absolutely matters, and I think we can measure the impact in different types of places. Then, the key thing for me is that you have to respond in an appropriate way for the appropriate place, and I think the programme allows us to do that, because what we are reporting on is outcomes in the place as a whole, and not simply family by family.

The important thing for me is that the reporting programme that we are being asked to comply with asks for no more information than we are already providing, so it is not an extra burden. It asks us to provide information on a cross-cutting basis. It is not about whether you are getting work outcomes, or school attendance outcomes, or domestic violence outcomes. You report on the outcomes in the round, and I think that is so different from the normal reporting on individual requirements to individual Departments of State, backed by an individual inspectorate, which simply leads you to front-line staff behaving accordingly. I think that this cross-cutting reporting changes the way people behave.

The Chair: One final brief question, and if we can have brief answers that would be good. Then if there is anything else you need to say, or you feel you have not the opportunity to say it, please supply some written evidence and it will be circulated.

Q23 Victoria Atkins (Louth and Horncastle) (Con): David and Geoff, isn't the point of the employment figure that it is not just the fact of the job itself, which, of course, is hugely significant; it is also all the roll-on effects, such as getting up in the morning and getting children up in the morning to go to school. For the mum you described, it is building strength, so that hopefully she will not accept abusive relationships, and giving her financial independence, which again helps within a domestic violence situation. Although it is a big figure in itself, from that employment figure so much else flows.

Geoff Little: You cannot dissociate long-term ingrained worklessness from all the other problems—mental health, domestic violence, educational attainment—that went into and flow from—

The Chair: Order. I am afraid that it is the end of the session, but I repeat that anything else you wish to inform the Committee about will be circulated as the Bill progresses. I thank you, on behalf of the whole Committee, for your comments and for answering the questions.

Examination of Witnesses

Neera Sharma and Emma Stewart gave evidence.

12.31 pm

The Chair: Good afternoon. I welcome you to this oral evidence session. We now have representatives from Barnado's and Women Like Us. This session will run until 1 pm on the dot. I call the witnesses to briefly introduce themselves, and then we will go into questions.

Neera Sharma: I am Neera Sharma, assistant director of policy and research at Barnado's.

Emma Stewart: I am Emma Stewart, joint chief executive of Women Like Us, which sits under Timewise Foundation.

Q24 Kate Green (Stretford and Urmston) (Lab): Thank you very much for coming. My first question is to Neera, about proposals in the Bill in relation to the Child Poverty Act 2010.

The Government have obviously criticised the Child Poverty Act, in relation to its focus on measuring relative income poverty and ignoring other aspects of child poverty. What is your critique of the proposals in the Bill in relation to measuring and tracking progress on child poverty? Can you also say something about how important it is to understand the impact on different families?

Neera Sharma: Our key concern is that measures in the Bill are likely to increase child poverty now and in future, and that families that are already struggling on low incomes could become even poorer. We are absolutely very concerned that the mere repeal of the Child Poverty Act—it was passed with cross-party support—will send the message that the UK Government no longer considers ending child poverty to be an important goal.

We feel that the Government cannot ignore the impact of growing up in a family that is struggling on a very low income. While we agree that income is not the only measurement that affects a child's life chances, it does have an impact on health, on life expectancy, on academic outcomes and on future successes in the workplace. So we feel that it is vital that the Government continues to report on an income measure and considers the needs of children living in poverty whose parents are in work, as well as those in workless households.

Q25 Kate Green: Can you say something about the way in which the Government should or should not track different kinds of family structure, different kinds of family background, and whether you see this legislation as facilitating that?

Neera Sharma: We believe that the Government should look at the situation of different families. For example, we know that children in certain black and minority ethnic families are much more likely to grow up in poverty. So some of the proposals in the Bill, such as limiting tax credits to two children, will impact harshly on larger families, many of whom are likely to be BME families.

Q26 Emily Thornberry: I represent a constituency that is part of a London borough which has the sixth highest child poverty figures in the whole country, and we have already been hit very hard by the benefit cap, with many families having to move out of Islington to outer London, so children are having to commute for many hours to go to school. Can you tell us what it means for children to be uprooted from their local communities at an early age, and how their education can be affected, either by changing schools or by having to travel 20 or 30 miles to get to school each morning? How might that impact on child poverty and their life chances?

Neera Sharma: We know that children who grow up in poor families do less well in terms of their education. Uprooting those children from the communities and the support they need, as you have said, has an impact on their life chances. We are concerned that families will have less income as a result of the cap, but we are also very concerned about the mechanisms for reviewing that cap, because the Bill allows the Government to

review that cap without having to report to Parliament. It is really important that there is full scrutiny and that the Government do report to Parliament, and that they ask the Social Security Advisory Committee to undertake an annual review of the cap that is reported to Parliament before any decisions are made about increasing, or decreasing—as it probably will be—the cap.

Q27 Hannah Bardell: Following on from that, the Child Poverty Commission warned in 2014 that there was no realistic hope of meeting the targets that were already set, and that was before the cuts that were proposed in this Bill. Is there not a grave risk that, if we remove those targets, we will have no way of understanding the real impact of the cuts, at a stage when we are not meeting the targets previously set?

Neera Sharma: Yes, I agree. I think that is why it is vital to keep the provisions of the Child Poverty Act as they are, because they do set targets for Government. They set measures, but they also enable a strategy to be produced that can look at how we can tackle child poverty and children's life chances over a longer period.

Q28 Anna Turley (Redcar) (Lab/Co-op): We know that we have high levels of poverty in working families, and the most recent statistics from DWP show that 64% of children growing up in poverty have at least one working parent. Given that, are you concerned that reporting solely on children who are in workless families will not give a true picture of child poverty in the UK?

Neera Sharma: Yes, Barnardo's is very concerned. We should also report on children who are growing up in working families. That is why it is imperative that an income measure is retained.

Q29 Corri Wilson: To follow on from what Hannah was saying, given that the child poverty targets were unlikely to have been met, would it have been better to delay the targets instead of removing them?

Neera Sharma: Yes, the Government could have taken the opportunity to look at the timing and set interim measures and looked at the direction into the future instead of looking at abolishing them completely.

Q30 Peter Heaton-Jones (North Devon) (Con): I want to move on to the changes in the Bill on conditionality for universal credit. I will be interested to hear your views on the impact that that will have. In particular, will you address whether you think any negative impacts that those changes might have will be to some extent mitigated by the changes to free childcare, with the Government's proposal to double childcare to 30 hours a week? Is there a balance between the two?

Neera Sharma: We welcome the doubling of free childcare for families, which will help many parents to enter the labour market and progress with their careers. But we have a number of concerns, and one of those is around timing. The childcare Bill will come into force in September 2016, but the greater conditionality—full conditionality for parents of children aged three and four—starts in April 2016, so there is a six-month gap. In Scotland, the childcare provision will not take place until 2019, so there is a bigger issue for devolved nations.

We are concerned that there are timing issues. We are also concerned that the Government should look at

what that 30 hours of childcare translates into: that it is available locally and appropriate, and that it meets the needs of vulnerable families—for example, parents who have got disabled children. Our services are telling us that it is difficult for parents in rural areas, parents who are vulnerable and parents with disabled children to access that childcare at the moment.

During the summer, and more recently, providers have also raised the issue of sufficiency and how they are going to meet the demand. For example, the National Association of Head Teachers conducted a survey over the summer, and two thirds of respondents said that they could not meet the extra demand, that they would have to reduce places by 25% to 50% and that that is going to be quite challenging. We are concerned about those points. There are childcare issues that need to be addressed in terms of timing and capacity on the ground.

Emma Stewart: From our perspective, we are concerned about the kind of jobs that are going to be available for low-income parents. We are also concerned about the kind of support that is going to be available to address their specific needs in the labour market. There is conditionality for people who are out of work and there is conditionality for people who are in work, and in-work conditionality is relatively untested. Our anxiety is that it is going to be rolled out incredibly quickly, and DWP trials are not necessarily rolling out to test how it will work in time, with the introduction of universal credit nationally.

In terms of support and jobs, we work with very low-income women across London, and our experience is that the flexibilities that were available under lone parent obligations are being withdrawn. On the ground, the experience in relation to UC is going to be that, if you are in work, to move out of conditionality, effectively, you need to be earning the minimum wage in a full-time job. We know that a significant proportion of lone parents can't have, choose not to have, and, ideally, do not want a full-time job; they want a job that is flexible to fit around their caring responsibilities. That equates, effectively, to a 22-hour-a-week job at £10 or £12 an hour.

The challenge in the jobs market, as it stands at the moment, is that there are very few quality flexible jobs available for parents to move into, so they are going to face impossible choices. Without some form of front-line support from Jobcentre Plus providers and Work programme providers, they are going to be faced with a very difficult choice: either go and work full time, which, when you consider housing, childcare and the taper rates that are being proposed, will not be considerably better for them, and they will be with their children less; or move into a part-time job, but the issue is that only 6% of vacancies available in the jobs market at the moment that offer a level of quality in terms of living standards have some element of flexibility from day one. So parents are fishing in a tiny pool.

So the issue is around having tailored support and brokerage on behalf of candidates who need flexibility through the mainstream system in relation to employers, as well as a recognition that there are bigger structural issues in the labour market that DWP needs to be talking to BIS about. That is really important.

Q31 Peter Heaton-Jones: Could you also address childcare?

Emma Stewart: Our specialism is less in childcare than in the jobs themselves. From the front line, we know that our clients are not necessarily pursuing childcare, unless they know they can get the right kind of job. It is a slight chicken-and-egg scenario. The best way to incentivise parents is to support and encourage them, and to make available the kind of jobs that mean they can fit work with family life and still be better off.

The Chair: Helen?

Helen Whately (Faversham and Mid Kent) (Con): My question has, in fact, just been answered.

The Chair: Do you want to ask another one?

Helen Whately: Not immediately.

Q32 Emily Thornberry: On the 30 hours a week that we know the Government are going to be offering, is there a guarantee that they will pay for the 30 hours a week that people may want? In some areas, the cost of childcare is much higher—in my borough, for example, it is 30% higher than the London average. Will there be a shortfall between the amount the Government are prepared to pay for the childcare and the amount it will actually cost?

Neera Sharma: That is very likely. The Pre-school Learning Alliance has said that, on average, the cost of childcare is £4.53 an hour; the Government contributes, on average, £3.88. When the childcare offer is doubled, nurseries could operate at a loss of £661 per child per year, so there are going to be quite significant issues for providers.

Q33 Emily Thornberry: My next question is: if you are an unskilled lone parent with a three-year-old and you are trying to find work, are you likely to be able to get work available during the day, or are you more likely to get the sort of work that might be early morning cleaning, bar work or zero-hours contracts where you are expected to be available? How does that fit in with setting up a new form of childcare?

Emma Stewart: At the moment in London, the majority—over half—of part-time jobs pay below the London living wage. A high proportion of them are precarious employment-related—zero hours or shift patterns. The challenge is multiple. There is sometimes no guarantee of regular work and regular shifts. It is very difficult to organise childcare if you are working in a supermarket and you do 9 am to 12 pm for three days and then 10 am to something else for the other two days. Retail works in such a way that shift patterns are often rotated on a monthly basis, so it is very hard to align childcare with certain sectors. We know that within health and social care, there are significant issues in relation to that type of work.

The conversation about part-time work needs to focus on permanent part-time work. There are huge wins for business to consider, in terms of how it can build efficiencies in the way that jobs are done and redesigned to facilitate better retention rates and better talent attraction rates. Even within lower-paid sectors, we know that social care is facing a huge nightmare with retention issues at the moment because women are not

able to sustain the kinds of shift pattern that they are having to work and it is very, very difficult to find childcare arrangements. We also know that women in retail often share childcare with their partners and families, because it is just not possible to find the right kind of childcare.

Thirty hours a week in principle is fantastic, but when and how it is made available and how it is aligned to current employment patterns is critical. A classic example is summer holidays. We know from some recent research that about one in 10 parents leave their jobs in the summer because they cannot find childcare.

Q34 Peter Heaton-Jones: Can I pick up on the issue of the proportion of childcare costs that are covered? It is currently about 70%, but under the new arrangements it will probably be about 85%—is that right?

Emma Stewart: Yes, that is correct.

Q35 Hannah Bardell: In terms of conditionality, we have seen a gradual creep down in parents returning to work. We are talking now about women having to return to work when their baby is a year old. That is surely going to have a huge impact on parents of very young children, as will the sanctions attached to it, and a disproportionate effect on children. Under the UN convention on the rights of the child, it will be potentially devastating for not just families that are out of work, but families that are in work.

Neera Sharma: Barnardo's are really concerned about the impact that the conditionality and the sanctions will have. We have already seen families being sanctioned, losing benefits for a number of weeks, being driven to food banks and being driven into debt. We would like the Government to carry out a broad independent review of how sanctions are operating, and that is something the Work and Pensions Select Committee asked for in March 2015. We think that needs to happen as quickly as possible, because there is no doubt that sanctions will increase after bringing the age down and extending conditionality. They have increased by 4% from 2009, and that trend could continue under these new proposals.

Jobcentre Plus are responsible for handing out the majority of the sanctions. Jobcentre Plus are under incredible pressure due to their staffing and capacity, but we also know that they are not particularly well set up to cater for vulnerable families. For example, our services in Scotland are telling us that parents have to take young children into Jobcentre Plus with them when they job search, because there is no alternative. There are no toilets available, and if they are late, as recently happened to a family in Fife, they are sanctioned. A mother went into a Jobcentre Plus. She was 10 minutes late, was sanctioned for four weeks, got into terrible debt and had to rely on a food bank. We have to avoid punishing families as a result of losing their income. A loss of income is not the only way to enforce conditionality. There is a need to urgently review and look how sanctions will operate and how they are operating now.

Q36 Hannah Bardell: I have a question about resources. A significant number of women will be affected and will need potentially to get back to work. Surely extra resources are required to cater for that. Do you feel that there is adequate—

Emma Stewart: There is a genuine challenge on the ground in Jobcentre Plus, but other front-line providers can support parents. There is a capability issue as well as a capacity issue. It goes back to the point that we do not have lone parent specialist advisers any more. We have advisers, and there is a need to educate and inform advisers—we are, in our organisation, involved with this—to understand the parameters that lone parents face, and to provide a coaching intervention that effectively understands and supports them to find the kind of work that they need.

Two thirds of women currently underutilise their skills in the workplace. So for example, finding a job with a higher salary as opposed to just more hours, as a simple line of communication to advisers, is really critical. There is also an opportunity with the Work programme to look at the fact that providers will do what they get paid for in a commercial welfare-to-work environment. If providers are commissioned on the basis of job quality and job type outputs as much as volume of people into work, you will see a shift in approach.

Q37 Kate Green: I want to tease out the issue about flexibilities for parents, especially lone parents, in the proposed new conditionality. There are, within guidance, opportunities for flexibility in the requirements that are imposed on lone parents now. In your experience, have you seen those well applied, badly applied or not applied? What difference can they make to the ability of a lone parent to make that journey to work?

Emma Stewart: It is very mixed. It depends, at a regional level in the Jobcentre Plus, on what the senior management team is like. In some districts that we work in, there is a real investment and there has been a focus on getting this right. In others there is a genuine lack of awareness.

The churn in Jobcentre Plus does not help at the moment. There is a need to think about consistent learning and development programmes for Jobcentre Plus advisers. If guidance, as opposed to an explicit framework, is going to be applied, that guidance for Jobcentre Plus advisers needs to be really clear about what good practice looks like to support lone parents in particular.

Q38 Kate Green: Are parents and independent advisers aware of these flexibilities and able to encourage, in the negotiation of the claimant commitment, that the lone parent should raise these issues and talk to the jobcentre adviser about them?

Emma Stewart: How information is cascaded is really challenging within Jobcentre. We know that the Government have lost their ability to run campaigns effectively, but some investment is needed into how parents are made aware. For us, the issue of local enterprise partnerships, devolved activity, and how local authorities and LEPs work together at a district level to ensure that communication is made available to advisers is important. It cannot all be centralised.

Q39 Peter Heaton-Jones: Picking up on the point about the support that is available for lone parents at Jobcentre Plus, we have seen a steady increase in the employment rate among lone parents. Is that because the advisory role being undertaken by Jobcentre Plus is working?

Neera Sharma: I believe that in some areas it is working, but there are huge geographical variations, especially for parents who have been out of the labour market for a long time or for vulnerable parents who may have disabilities or have a child with a disability. It varies incredibly from one area to another. Also, advisers have quite a lot of discretion in how they support families and deal with conditionality and sanctions, so I would reinforce Emma's point around better training and guidance for staff in Jobcentre Plus, especially in their dealings with families who are vulnerable. They will see more of those families seeking their advice as the conditionality of parents with younger children starts to commence.

Emma Stewart: Can I just add that we have also seen a large increase in in-work poverty? The data on more lone parents working is clearly true, but the extent to which they are working in sustainable, quality jobs is not yet fully evidenced. We know from Work programme sustainability rates that the churn is still quite high for lone parents who are moved into work and moved off benefits, but then come back on because they find it hard to sustain a job as it is not paying enough.

Q40 Priti Patel: As part of universal credit, DWP is looking at how best to support claimants who are in work but are low paid, and there are trials under way already. Emma, you mentioned that more work could be done, particularly working with the Department for Business, Innovation and Skills and employers. What are your thoughts on that? What practical advice and support could be put in place, and what more could employers do in this space?

Emma Stewart: Government can lead by example; that is a practical thing. Government at local authority and centralised level can advocate, and, as an employer itself, operate an approach where it embraces flexible hiring, so that it would be open to applicants for its own vacancies on the basis that it consider how, when and where jobs are done from day one and not from 26 weeks, which is the big shift that we are looking for.

In terms of what it can do to engage with employers through the LEP model, which is in principle employer-led, there needs to be more focus and more of a driver to embrace the need to think about flexible labour markets, to encourage flexibility, and to wrap that into commissioning. A practical thing could be done through Universal Jobmatch when someone tries to apply for a job. At the moment, if an employer tries to log one, there is no real prompt to say, "Would you consider flexible hours in this job?" That is a simple tool that can be implemented quickly.

In terms of engaging with employers, the challenge around in-work progression is a difficult one, but we do not think there is a legislative answer. It is about encouraging

employers to see the business gain. BIS has done lots of good work on the legislative side of things, but needs to think about how it can create an argument, engage business and highlight good business practice in this space. We have a lot of employers who we work with via the jobsite and recruitment agency who are doing this, but there is still a big attitudinal issue that flexibility goes the wrong way for business.

Q41 Priti Patel: You mentioned LEPs, and there is a huge body of views on LEPs with regard to the local labour market. Do you have any examples to share? If you do not have time today, perhaps come back with written evidence.

Emma Stewart: On LEPs?

Priti Patel: On LEPs that are based with employers. Do you have examples of the work that they do in terms of progression, flexibility and looking at local labour market needs and challenges?

The Chair: We have only two minutes. If you have any evidence, please supply it.

Q42 Hannah Bardell: One of the biggest issues that we have with this Bill is the two-child limitation. We have had very brief detail on child tax credits and universal credits for exceptional cases of rape and multiple births. Surely there is major concern about how that will be justified and administered. That is a serious concern of a lot of organisations. What are your views on that?

Neera Sharma: Barnardo's is extremely concerned about that, because we know that children in larger families are more likely to live in poverty. I have also said previously that children in certain communities—in BME families—are much more likely to be growing up poor, so we think it is going to increase child poverty and impact on the life chances of children who happen to be born the third or fourth child in the family, and we cannot see the justification for not investing in every child.

Q43 Hannah Bardell: Emma, do you have specific views on the rape situation?

Emma Stewart: I endorse what Neera said.

The Chair: Order. If anyone wishes to provide evidence in writing, we would be happy to receive it.

1 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

