

1. Parental leave and pay: Supporting parents and achieving equality Response form

The consultation is available at: <u>https://www.gov.uk/government/consultations/good-work-plan-proposals-to-support-families</u>

The closing date for responses is: 29 November 2019

Please return completed forms to:

Team: Family-related Leave and Pay Team Department for Business, Energy and Industrial Strategy Postal address: 1st Floor Spur, 1 Victoria Street, Westminster, London, SE24 0DN

Tel: 020 7215 5000 Email: supportingfamiliesconsultation@beis.gov.uk

Personal / Confidential information

Please be aware that we intend to publish a summary of all responses to this consultation.

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes. Please see the consultation document for further information.

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I want my response to be treated as confidential \square

Comments: Click here to enter text.

About You

Name: Royal Institute of British Architects (RIBA) Organisation (if applicable): Royal Institute of British Architects (RIBA) Address: 66 Portland Place, London, W1B 1AD

| | Respondent type |
|-------------|---|
| | Business representative organisation/trade body |
| | Individual |
| | Legal representative |
| \boxtimes | Large business (over 250 staff) |
| | Medium business (50 to 250 staff) |
| | Micro business (up to 9 staff) |
| | Small business (10 to 49 staff) |
| | Trade union or staff association |
| | Other (please describe) |

| If you are an individual, are you: |
|------------------------------------|
| Employed |
| Self-employed |
| Unemployed |
| Retired |
| Not looking for work |
| other |

| | If you are an employer, how would you classify your organisation? |
|-------------|---|
| | Private sector |
| | Public sector |
| \boxtimes | Charity/Voluntary sector |
| | Other (please specify) |

Further information

Parental leave factors which support parents to combine work with childcare responsibilities

There are a range of variables which could potentially be leveraged:

- The length of leave and when it can be taken (e.g. only in the first year or over the lifetime of the child);
- The rate of pay (which can vary over the leave period);
- Whether leave is transferrable between parents or given on a 'use it or lose it' basis;
- Whether the parental leave can be taken flexibly (e.g. in days or half-days; in blocks separated by periods at work; and whether it can be stopped and re-started);
- Who the leave and pay applies to (e.g. just employees or all working parents); and
- Whether parents can take time off work together, sequentially or both.

Making the right trade-offs and choices to support families

Reforming one or more parental leave and pay policies may necessitate trade-offs around:

- How entitlements to leave and/or pay are split between parents;
- Balancing flexibility and choice for families and incentivising parental behaviours (e.g. solo childcare by fathers);
- Creating more rules and incentives to determine how leave is taken and shared, versus simplicity for parents to navigate the system and make choices;
- Giving parents the flexibility to take leave when it suits them and giving their employers and co-workers certainty;

- How the costs of parental leave and pay are shared between families, employers and the Government;
- How much support is provided at the time of the birth versus giving parents opportunities to take parental leave when their child is older;
- How support is distributed across families and whether the generosity of support should vary according to a family's income;
- How the costs are distributed across types of employers including, the relative support provided to SMEs and large employers;
- How employers who provide enhanced contractual leave and pay would respond to Government enhancing family-related statutory pay (e.g. would they extend the period of contractual leave and pay or re-cycle the savings?); and
- The level of support offered to families with different characteristics.

Section 1: Paternity leave and pay

This section seeks views on options for changing the different variables within paternity leave and pay, and the trade-offs and choices involved.

We are seeking views on the following questions:

Question 1: What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?

□ Longer period of leave at a lower rate of pay

□ Shorter period of leave with a higher rate of pay

Please provide reasons for your answer below

Comments:

Introduction to the **RIBA**

The Royal Institute of British Architects (RIBA) is the professional representative body for architects in the United Kingdom and champions better buildings, stronger communities and higher environmental standards through the practice of architecture and our 40,000 members.

The RIBA is committed to making the architecture profession more diverse and inclusive and to support this, have a range of programmes and internal policies in place. We acknowledge that closing the gender pay gap is an essential part of this commitment, which is why we developed best practice guidance for Chartered Practices of all sizes. *Close the Gap: Improving gender quality in practice* includes guidance, measures and initiatives that can be implemented to help improve access, progression and retention in architecture practices. A key recommended action included in this document for practices to tackle these challenges, includes encouraging the uptake of Shared Parental Leave.

Historically the share of women entering the architecture profession has been low, with parity only reached in recent years¹ where women currently make up over 50% of entrants to schools of architecture². Female architects also contribute to 45% of registered architects in Chartered Practices. However by the time they have been in practice for more than five years, the gap increases with a ratio of nearly 2:1 male to female qualified architects. Women also make up as little as one fifth of the most senior roles in practices.³ This suggests that the architecture sector currently has less of a problem with the recruitment of women into the architecture sector and more of an issue with the progression and retention of talent.

¹ Gender Pay Report 2017, Allies and Morrison; <u>http://www.alliesandmorrison.com/wp-content/uploads/2018/03/Gender-Pay-Report.pdf</u> ² RIBA Education 1984, p2; and Mizra & Nacey Research on behalf of the Royal Institute of British Architects. RIBA Education Statistics, 2015-2016, April 2017, p6.

³ The Fees Bureau (2018), RIBA Business Benchmarking Survey 2018

Recruitment and staff development are costs to the business both financially and in management time, so from a business perspective alone it is important that practices strive to retain talent. Given the evidence that women disproportionately leave professional practice in early and middle professional career stages⁴, the RIBA believe that measures to retain talent, including encouraging the uptake of measures such as Shared Parental Leave, are essential to closing the Gender Pay Gap and encouraging more women in to the industry.

The RIBA is an organisation of 314 staff, with 63% female and 37% male. In 2018 we updated our parental leave and pay policies for staff and currently offer enhanced Shared Parental Pay at the same level as enhanced Maternity Pay. For an organisation such as the RIBA which has a high number of female employees, the importance of supporting staff to balance work and family life, and actively seeking to increase the number of men taking shared parental leave has a number of direct and indirect benefits which will be detailed further in this consultation response. RIBA has supported a number of staff members to take shared parental leave since the legislation came into place, and continues to do so.

Answer to Question 1

From discussions the RIBA has had with architecture practices, it is difficult to determine one option that is preferred. We would therefore welcome further consultation on the detail of these two options.

There is acknowledgement amongst larger architecture firms that Paternity Leave should be longer than the statutory period of leave and that rates of pay should be enhanced. This is dependent however on the capability and more so, capacity of the firm. With over 90% of UK architecture firms consisting of small businesses⁵, many of these businesses have a smaller HR capacity. Having to balance understanding a complex and bureaucratic schemes such as the Paternity Leave and Pay with everyday projects and work is therefore difficult, making it harder for staff to take advantage of it in the first place.

Policy objectives

Parental leave and pay policies give employed parents a right to time off work in the first year and subsequently. They are supplemented by a range of employment rights and protections which are intended to prevent employers from discriminating against parents or treating them unfairly because they have been absent from work on parental leave. Together, these rights and protections are intended to:

- Enable women to prepare for and recover from birth;
- Facilitate women returning to work and staying in work (i.e. boost female participation in the labour market);

⁴ Data based on a longitudinal analysis of the proportion of women at each career stage taken from the RIBA Education Statistics and RIBA Business Benchmarking Survey

⁵ Boosting the UK's architectural exports: RIBA: 2018: <u>https://www.architecture.com/-/media/gathercontent/riba-council-</u> elections-2018/additional documents/ribaboostingtheuksarchitecturalexportspdf.pdf

- Give working families more choice and flexibility;
- Increase paternal involvement in childcare;
- Close the employment and gender pay gaps;
- Prevent pregnancy and maternity discrimination;
- Prevent discrimination against parents who take or seek to take parental leave; and
- Minimise the burdens on business.

Question 2: What impact would changing either leave or pay have on our policy objectives?

Comments: Objectives impacted include; Facilitate women returning to work and staying in work (i.e. boost female participation in the labour market); Close the employment and gender pay gaps; Increase paternal involvement in childcare.

Earlier this year the RIBA developed best practice guidance for Chartered Practices of all sizes which provides practical steps on how to address the underlying issues of gender inequality. The guidance document titled **Close the Gap**⁶, highlights that the Gender Pay Gap tends to widen dramatically across sectors after women have children⁷ therefore suggesting that motherhood is a significant barrier to retention.⁸ The document also highlights that women are leaving the architecture profession particularly, because of a combination of factors: low and unequal pay; long, inflexible and stressful working conditions incompatible with a healthy work-life balance; and limited ability to progress or return to practice after maternity leave or career breaks.⁹ The guidance therefore encourages the uptake of Shared Parental Leave to tackle these problems faced, and includes a list of recommended actions for Chartered Practices to uptake.

Recommended actions to encourage the uptake of Shared Parental Leave in efforts to retain female staff include; **consider offering enhanced Shared Parental Pay at the same level as enhanced maternity pay**; inform future fathers that it is their legal right to request Shared Parental Leave; provide future parents guidance and personal support to understand the scheme and; share examples of senior leaders who have previously taken Shared Parental Leave. The RIBA emphasise that UK Government should take on board these actions that we have suggested to industry, and further encourage the uptake of Shared Parental Leave on a wider, national scale.

reported that having children has a detrimental effect on

⁶ <u>https://www.architecture.com/-/media/gathercontent/work-with-us/additional-documents/close-the-gapimproving-gender-equality-in-practicepdf.pdf</u>

 ⁷ Costa Dias, Joyce, and Parodi (2018), 'The gender pay gap in the UK: children and experience in work', IFS
 ⁸ 78% of women at Associate/Associate Director level

career progression.

AJ Women in Architecture Survey 2017

⁹ Manley, S., de Graft-Johnson, A. and Greed, C., (2003), Why do women leave architecture

Question 3: How should the costs of providing Paternity Leave and Pay be apportioned between Government, employers and parents?

Comments: -

Question 4: Could enhancing Statutory Paternity Pay and extending Paternity Leave result in differential impacts across families with different characteristics (e.g. families from different socio-economic groups or cultural backgrounds)?

Comments: -

Question 5: Should support vary according to family characteristics, including income levels? For example, should there be a cap on Statutory Paternity Pay for high earners?

Comments: -

Question 6: Should the level of reimbursement for employers vary according to their size (as now)?

Comments: With over 90% of UK architecture firms consisting of small businesses ¹⁰, the majority do not have the capacity both financially and in terms of Human Resources to understand and implement all types of parental leave and pay. These practices may also find it more difficult to provide longer periods of enhanced pay. The RIBA therefore agree that the level of reimbursement for employers should continue to vary according to the size of employer. It was also acknowledged by larger practices, that they must lead by example and if they have the capacity to provide enhanced parental leave and pay benefits, they should.

Question 7: How might businesses that already provide enhanced Paternity Pay respond to any enhancement to Statutory Paternity Pay? For example, would they extend the period of contractual leave and pay?

Comments: As per our answers to previous questions, this would depend on the size and financial and administrative capacity of the business.

¹⁰ Boosting the UK's architectural exports: RIBA: 2018: <u>https://www.architecture.com/-/media/gathercontent/riba-council-</u> elections-2018/additional documents/ribaboostingtheuksarchitecturalexportspdf.pdf

Question 8: How should the timing of when leave can be taken be balanced between giving families choice and flexibility, and incentivising particular parental behaviours? For example, should fathers/partners be able to take leave and pay at any point in the first year or be required to take leave when the mother has returned to work to incentivise solo parenting?

Comments: Fathers/partners should be able to take leave and pay at any point in the first year. Feedback from architectural practices was that the current policies are restricting and that this does not always fit in with an architect's schedule when assigned to a project, hence resulting in a number of fathers/partners missing out on exercising their rights to take this leave. Allowing leave to be taken at any point in the first year allows flexibility for both parents in the first year of having a child and ensures that both parents are able to exercise this right, if it is the chosen option.

Question 9: How should we balance giving fathers/partners flexibility and choice (e.g. to take paternity leave in blocks) with the needs of employers and co-workers for certainty around when the father/partner is likely to be off work?

Comments: Employers being as flexible as they can be – within their own means. The size of practices must once again be taken in to consideration here as smaller practices may not be able to have the resources to provide fathers/partners flexibility and choice when it comes to this. It is more feasible for larger firms who are more likely to have HR specialists to help deal with complex requests and situations, such as replacing a staff member over inconsistent periods of time.

Section 2: Shared parental leave and pay

This section seeks views on shared parental leave and pay: how it meets our objectives, options for changing the different variables and the trade-offs and choices involved.

We are seeking views on the following questions:

Question 10: What aspects of the current Shared Parental Leave and Pay scheme are most successful, and which are most in need of reform? Please give reasons for your answer.

Comments: Shared Parental Leave and Pay is a right to take and not a right to request - this is very much a welcome aspect of the scheme however it is important that this is emphasised throughout businesses and that staff are fully made aware of this.

The main aspect of Shared Parental Leave and Pay most in need of reform, is the process to implement the scheme in the first place. Practices find the process too complicated and bureaucratic, with many HR departments unable to understand it properly. This has an effect on the number of staff that are able to benefit from it. As previously mentioned, over

90% of UK architecture firms consist of small businesses¹¹ and therefore many have a much smaller HR capacity. Having to balance understanding a complex and bureaucratic scheme such as the Shared Parental Leave and Pay scheme is therefore difficult to balance with everyday projects and work, and therefore it becomes difficult for staff to take advantage of at all.

Question 11: Should there be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme?

Yes 🗆 No 🗆 Not sure 🗆

Comments: -

Question 12: Should mothers continue to be the 'gatekeeper' for the Shared Parental Leave and Pay scheme?

Yes 🗆 No 🗆 Not sure 🗆

Comments: -

Question 13: Should there be an element of pay enhancement in the Shared Parental Leave and Pay scheme?

Yes \boxtimes No \square Not sure \square

If so, how should the cost of any enhancement be apportioned between the Government, employers and parents?

Comments:

The Gender Pay Gap tends to widen dramatically across sectors after women have children.¹² The RIBA recognises this as a key issue preventing the retention of women in the architecture sector and has therefore provided UK Chartered Practices with guidance to encourage the uptake of Shared Parental Leave to combat this. A key recommended action within this guidance includes **encouraging practices to consider offering enhanced Shared Parental Pay at the same level as enhanced maternity pay**;

The RIBA therefore emphasise that UK Government encourage the same across industries, to further encourage the uptake of Shared Parental Leave on a wider, national scale.

¹¹ Boosting the UK's architectural exports: RIBA: 2018: <u>https://www.architecture.com/-/media/gathercontent/riba-council-</u> elections-2018/additional documents/ribaboostingtheuksarchitecturalexportspdf.pdf

¹² Costa Dias, Joyce, and Parodi (2018), 'The gender pay gap in the UK: children and experience in work', IFS

Question 14: Could enhancing Statutory Shared Parental Pay and/or giving fathers access to 'use it or lose it' leave through the Shared Parental Leave and Pay scheme result in differential impacts across families with different characteristics (e.g. families from different socio-economic groups or cultural backgrounds)?

Comments: In Sweden, both parents are entitled to 240 days' leave, 90 of those days are set aside as a minimum for each parent, and the remaining 150 days can be transferred to the other parent if need be. In 2010 a Swedish study found that for every month of leave taken by men in the first year of their child's life, a woman's long-term salary was 6.7% higher. ¹³ While the RIBA do not have a position on this, we think that this is an option that should be included in the next phases of consultations.

Question 15: Should support vary according to family characteristics, including income levels?

Comments: -

Question 16: How should any enhancement to Statutory Shared Parental Pay interact with the level of statutory pay available under paternity and maternity provisions, in particular how should Government prioritise the different entitlements in terms of providing enhanced pay?

Comments: As a key recommendation to Chartered Practices highlighted in our Close the Gap guidance, Practices should encourage the uptake of Shared Parental Leave and should action this, by considering to offer enhanced Shared Parental Pay at the same level as enhanced maternity pay. This should effectively enable working parents to share up to 50 weeks of leave and up to 37 weeks of pay in their child's first year.¹⁴

Question 17: How might businesses that already provide enhanced Shared Parental Pay respond to any enhancement to Statutory Shared Parental Pay? For example, would they extend the period of contractual leave and pay?

Comments: We found there was acknowledgement from larger architectural firms that an extension of the period of contractual leave and pay was desired, however this would depend on the size and capacity of the firm, and the firms ability to grasp the complex, bureaucratic nature of the current scheme. The system needs to be made less bureaucratic in order for more businesses and staff to benefit from using them.

¹³ Elly-Ann Johansson, The effect of own and spousal parental leave on earnings, Institute for Labour Market Policy Evaluation Working Paper 2010:4, IFAU, Uppsala, Sweden, 22 March 2010

https://www.ifau.se/globalassets/pdf/se/2010/wp10-4-The-effect-of-own-and-spousal-parental-leave-on-earnings.pdf ¹⁴ https://www.architecture.com/-/media/gathercontent/work-with-us/additional-documents/close-the-gapimprovinggender-equality-in-practicepdf.pdf

Section 3: Maternity leave and pay

This section seeks views on the implications for maternity leave and pay of potential reforms to paternity leave or shared parental leave.

We are seeking views on the following questions:

Question 18: Given your views on priorities for reform of Paternity Leave or Shared Parental Leave, are there any implications for maternity arrangements including:

A. The length of Maternity Leave?

Yes 🛛 No 🗆 Not sure 🗆

Comments: For an organisation like the RIBA which has a high number of female employees, actively seeking to increase the number of men taking shared parental leave has a number of direct and indirect benefits. An increase in the number of people taking advantage of Shared Parental Leave has the potential to result in women taking less time off when they have children. This has significant continuity and productivity benefits for organisations such as the RIBA as less lengthy maternity leave covers would be required, women would be able to progress further in their roles with less time away from the role if they wanted, and their partners would benefit from spending time with the new-born.

B. The level and extent of Statutory Maternity Pay

Yes \Box No \Box Not sure \Box

Comments: Click here to enter text.

C. The current inflexibility as to when Maternity Leave can be taken?

 $Yes \Box No \Box Not sure \Box$

Comments: Click here to enter text.

Section 4: Parental leave for parents of older children

This section seeks views on parental leave for parents of older children: how it meets our objectives, the balance between leave and pay for this set of parents, and options for reform.

We are seeking your views on the following questions:

Question 19: What aspects of the current arrangements for parental leave (which can be taken up to and including the child's 18th birthday) are most successful, and which are most in need of reform? Please give a reason for your answer.

Most Successful:

Comments: -

Most in need of reform:

Comments: -

Please give your reasoning below:

Comments: -

Question 20: How should the Government balance the length of leave for parents of older children with the level of pay in order to incentivise take up?

Comments: -

Question 21: Are there any other reforms to parental leave for older children that would support the Government's wider goals for parental leave policies?

Comments: -

Section 5: Towards a comprehensive suite of parental leave policies

This section seeks views on the high-level options and challenges of potential reforms to parental leave and pay.

We are seeking your views on the following questions:

Question 22: Do you agree with the Government's objectives for parental leave and pay policies? (Objectives can be found in section 1)

Yes 🛛 No 🗆 Not sure 🗆

Please give your reasons: The RIBA agree with the Government's objectives for parental leave and pay policies, and emphasise that professional bodies should and can lead by example within their sectors. As an organisation, we updated our parental leave and pay policies for staff in 2018 and currently offer enhanced Shared Parental Pay at the same level as enhanced Maternity Pay – a recommendation that we continue to encourage our Chartered Practice Members to take on too.

Question 23: Do you think the Government should consider a more radical change – potentially moving to a single 'family' set of leave entitlements, or seek to reform the existing entitlements?

Move to single family set of leave entitlements \Box

Seek to reform the existing entitlements \Box

Comments:

Question 24: If we were to move to a new model for parental leave and pay, which areas for reform are most important? Please give a reason for your answer. In particular:

A. Is more support needed for families around the time of the birth of a child or later, when the child is older?

Around Birth
Later
Don't know

Please give your reasons

Comments:

B. Should any incentives for fathers to take more responsibility for childcare focus on: a specific paternity entitlement; changes to the Shared Parental Leave and Pay scheme; or parental leave for older children?

Paternity entitlement

| Shared Parental leave and parental leave | ב |
|--|---|
|--|---|

Don't know

Please give your reasons: Comments: -

C. Should the Government give greater priority to the length of leave available or to the pay enhancements available?

Length D Pay enhancements D Don't know D

Please give your reasons: Comments: -

- D. Should support be directed to any particular groups of families? If so which groups, and how? Comments: -
- E. How should the costs of any reforms fall between families, the Government and business? Please provide reasons for your answer.

Comments: -

Question 25: Should Government prioritise reform of parental leave policies over other Government policies which support parents to combine work with family life?

Comments:

It is important that these reforms are part of wider policies for shared parental leave and targeted gender pay gaps as a wider uptake in parental leave is likely to result in widespread benefits to the economy and society.

Question 26: If you consider that the Government should prioritise reform of parental leave and pay policies, which policies are most important and why?

Comments: The RIBA would suggest that Shared Parental leave and pay policies be prioritised. This is a newer scheme, and the current complex nature of implementing these policies have meant that not enough staff have taken advantage of this right. As mentioned previously, the benefits of utilising Shared Parental leave and pay may also alleviate the financial and resource costs experienced by employers as a result of staff benefitting from maternity and paternity leave and pay.

When compared to Maternity leave and pay policies that have been widely used for years, these are perhaps easier to understand and implement than the current Shared Parental policies. Should this be simplified, it could have a wider benefit on both family and work life for the individuals involved.

Thank you for your views on this consultation.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply \boxtimes

At BEIS we carry out our research on many different topics and consultations, and your views are valuable to us. Would you be happy for us to contact you again from time to time either for research or about other consultations?

⊠Yes □No