

A Balanced Working Life

Policies for Low and Middle Income Households

Policy Paper 108



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Executive Summary

Times are tough. Since the financial collapse of 2008, we have all felt our household budgets squeezed and many people have had to make sacrifices.¹ Many of us look to the future in the hope that a renewed period of sustainable economic growth will bring the standard of living we want for ourselves and our families. However, there are too many individuals and families in the United Kingdom for whom this currently feels unachievable.

Working as part of the Coalition Government, Liberal Democrats have introduced policies aimed at making life more manageable for this group of people. The authors of this paper are proud to endorse the work Liberal Democrats within government have done to improve people's lives:

- Raising the personal tax allowance to £10,000.
- Extending the offer of free child care and contributing more widely to parent's childcare costs.
- Freeze on fuel duty.
- Getting a fairer deal for energy users.
- Extending the right to request flexible working to everyone.

However, despite these undoubted advances, the austere times in which we live mean that families are struggling to get by and people are hurting. Having talked to a range of experts, and carefully considered a wide range of written and oral evidence, we have identified four key areas where we felt people on low and middle incomes – especially those trying to juggle their work and caring roles - could use the most help:

- Household Budgets.
- Childcare and Other Caring Commitments.
- The Workplace and Employment Protection.
- Family Friendly Public Services.

Household Budgets

The Resolution Foundation report *Squeezed Britain* highlights the declining living standards felt by low to middle income families for nearly a decade, a group whose living standards had stagnated before the credit crunch and who, unlike others, rarely benefit from a period of prolonged economic growth. Liberal Democrats propose policies to help with the everyday cost of living - particularly food, housing, rent and energy prices - whilst wages remain static or are in decline:

- Create a commission to establish an official Living Wage.
- Ensuring the Living Wage is paid by central government and its executive agencies and that both local government and big business are transparent about whether they pay the Living Wage.

¹ http://www.resolutionfoundation.org/media/media/downloads/Resolution-Foundation-Squeezed-Britain-2013_1.pdf

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- Reviewing Universal Credit after 2 years with a view to increasing worker incentives and introducing a second earner and disability disregard.
- Reviewing the status of various market regulators and bringing them under one roof to save on running costs, making the consumer interest their central focus.

Child Care

The continuing lack of access to affordable quality childcare is a critical barrier to the achievement of improved living standards. Furthermore, high care costs are keeping far too many women who wish to from returning to work—a burden that women of this country unequally bear. Liberal Democrats propose to address the affordability, quality, convenience and provision of childcare by:

- Introducing a local information pack as well as a new high profile online source of information to help new parents with information about services and entitlements and how to access them.
- As Local Authority finances allow, continuing the roll-out of Children and Family Centres, which can serve as centres of excellence, multi-disciplinary hubs and agencies for childcare providers in the area.
- Increasing the allocation of free childcare to:
 - a. 10 hours for babies between the ages of one and two.
 - b. 15 hours for all 2-3 year olds, rather than just the most deprived 40%.
 - c. 20 hours for 3-4 year olds, increasing the current entitlement by 5 hours.
 - d. 25 hours for 4 to 5 year olds.
- Ensuring that by 2020 the leader of the team working with children in each Local Children and Family Centre is educated to degree level.
- Encouraging employers to allow employees with caring commitments to take 6 months 'Carer's Leave' during periods of acute crisis.
- Creating an awareness campaign aimed at business to raise awareness of the needs of the 'sandwich generation' who have caring needs towards both children and elderly relatives.

The Workplace

Liberal Democrats are keen to promote a stronger economy by assisting businesses to grow whilst ensuring employees are given a fair deal to achieve a balanced working life. Liberal Democrats recognise that any solution has to take the needs of both the employee and the employer in to account. We propose to do this by:

- Setting up a small, time-limited Challenge Fund to provide SMEs with access to a pool of consultants who can advise on introducing practical wellbeing programmes in companies which include helping to introduce flexible working.
- Encouraging Local Authorities & Clinical Commissioning Groups to promote well-being in the work-place by liaising with companies to actively promote health and well-being, using the new Health and Wellbeing Boards protocols established in April 2013.

- Encouraging the use of flexi-time banking and annualised hours for employees with caring responsibilities.
- Introducing mandatory work-life balance councils in businesses of 250+ personnel with employee/union representatives and HR/management to develop tailor-made policies for a balanced working life and improved working conditions.
- Review the impact and take up of the extension to request flexible working after two years with a view to introducing legal presumption in favour of flexible working.
- Introducing a 'national work-life balance awareness week' to promote the benefits of flexible working and other policies.
- Introducing a kite-marking system, the criteria of which should be introduced as standard practice in Company Annual Reports, either by statutory regulation or through incentives to companies, allowing shareholders and external stakeholders to judge how well a company was performing in relation to the wellbeing of its staff.
- Underwriting the debt of successful claimants at employment tribunals.

Family-Friendly Public Services

Liberal Democrats are committed to joining up public services around peoples' lives, not forcing people to fit their lives around the services they need. Proposals to help make public services more family friendly include:

- Further roll-out of community budgets to allow local people to prioritise access to those services upon which they most rely.
- Implementing a national website of registered social care providers, which would facilitate access by making providers searchable by postcode. This website would also provide information about the quality of providers, opportunities to leave user feedback, pricing, and links to local information sources.
- Piloting a programme of support offered to those people furthest away from the job market to bring together their social care needs. This would include support for those with mental health problems or disabilities, treatment for those with drug and alcohol problems and rehabilitation support for ex-offenders.
- Allowing patients the flexibility of Skype or telephone consultations with their GPs when both parties prefer that option and also create a family appointment option, as a means of enhancing flexibility and efficiency specifically for parents and their children.
- Allowing people to choose a GP based on proximity to work as opposed to home.
- Enabling local people have a greater say in the tendering process for local bus services, including the power to insist that certain local services are included on routes.
- Allowing use of disabled bus passes at any time of the day.
- We also recommend that all commissioners and providers of services undertake an accessibility audit as part of the procurement process, based on obtaining direct feedback from current and potential service users.

The group recognises and appreciates the tough financial restraints under which the current government and the next government need to operate. The policies suggested in

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this paper may require investment which is why we have suggested that the majority of 'big spend' items be brought in as finances allow.

This paper is about improving the living standards of people on low and middle incomes who are too often ignored. As was said at our very first meeting: "If you aren't passionate about that then I don't know why you have chosen to be involved in politics."

Household Budgets

1.1 Introduction

1.1.1 The Liberal Democrats are building a stronger economy in a fairer society and are committed to ensuring that people on low and middle incomes face as few obstacles as possible to enable them to get on in life. A secure household budget is therefore a fundamental part of a balanced working life. Liberal Democrats in government have already introduced several important measures to help people make ends meet. We have increased the Income Tax Personal Allowance; lifting 3 million people out of paying income tax altogether and putting £700 back in the pockets of many millions more. The Coalition Government has also kept interest rates at historically low levels to make borrowing cheap, keep mortgages low and help people service their debt.²

1.1.2 Recent economic events have increased the challenge of balancing the household books for many people on low and middle incomes. In the first quarter of 2012 real household income fell to its lowest level since the second quarter of 2005 and actual household expenditure fell to its second lowest level since 2003.³ As a result, data from the Resolution Foundation now suggests that 59% of those on Lower and Middle Incomes are struggling to keep up with their bills, whilst a further 7% say that they are falling behind on their debts.

1.1.3 This means that we must understand the issues affecting different types of households. For example, families with children are more likely to feel increases in the cost of food, which has risen 37% since 2000, whereas older people may feel rises in the cost of household fuel - up 110% since 2000 - more acutely.

1.1.4 We are also deeply concerned about the impact of this spending squeeze on young people. Recent research by Which? revealed that those aged 18-29 have far higher average levels of unsecured debt at 47% of their income compared to 21% across all age groups. They are also the age group most likely to run out of money by the end of their month and the group whose spending power has fallen furthest in the last year, falling 1.8% against inflation compared to 0.8% for the average household.

1.1.5 We therefore welcome the endorsement of the Tackling Inequality at its Roots paper by Conference in autumn 2012, which expressed support for a broad range of measures to analyse poverty and inequality so that policy can be made on the basis of comprehensive data rather than narrow stereotypes.

1.1.6 Families on low and middle incomes are facing an unacceptable wait while they try to save enough money for a deposit on a house or just to keep up with the cost of renting. This pressure to save is affecting household budgets.

1.1.7 Liberal Democrats can be proud of our work in Coalition Government to help those on lower and middle incomes. This remains a particular area of focus; in the next

²*The Economic Position of Households, Q1 2012'* Andrew Barnard, ONS (2012)

³ *The Economic Position of Households, Q1 2012'* Andrew Barnard, ONS (2012)

Parliament we wish to raise the Income Tax Personal Allowance up to a level equivalent to the minimum wage (around £12,300) to give those on low and middle incomes a further tax cut of up to £460.

1.2 Young People

1.2.1 Recent reports have highlighted that many young people lack the skills to understand the information in their bank statements, not knowing whether they are in credit or debit. Financial confidence and security leads to independence and personal empowerment, which may prevent debt, petty crime and need for benefits.

1.2.2 To help people manage their money better, we welcome the Government's commitment to teaching personal finance as part of the Citizenship curriculum in secondary schools but would like to see basic cooking and PSHE also included in the new slimmed down National Curriculum. We believe ALL taxpayer-funded schools, including academies and free schools, should be obliged to teach the new National Curriculum.

1.2.3 Parenting classes (see below) may include tips on family budgeting, consumer awareness and raising financial awareness for all.

1.2.4 Financial establishments need to be held to account when promoting loans and credit cards for young people. This may include not permitting on-line applications for first time credit card/ loan applications but requiring the bank to provide a free face-to-face session with a script as to the warnings of the dangers of non-payment and debt. The Government website for student finance should be restricted from circulating applicants email addresses to financial establishments who then bombard students with 'credit opportunities'.

1.3 Welfare

1.3.1 Liberal Democrats remain strong supporters of the need for a social safety net that supports those people who find themselves unemployed, unable to work as many hours as they need to make ends meet, or who are unable to work due to sickness, disability or caring responsibilities.

1.3.2 While we recognise that the welfare system does need to safeguard against the small number of people who seek to abuse the system and avoid taking individual responsibility, we reject the divisive language used by other political parties to describe welfare claimants as 'skivers' or 'scroungers'. We believe such rhetoric is an insult to both those people who have paid in all their lives but are now looking for work and to those in low wage employment who rely on additional 'in-work' benefits such as Housing Benefit.

1.3.3 However, the complex tax and benefits system, involving a variety of tax credits, inherited from the last Labour government is in need of reform. It ensured that too many people would make a net loss by taking up low paid employment. The complexity of the system has also led to error and meant that many vulnerable people are not claiming

benefits to which they are entitled. HMRC estimates that in 2009/10 only 61% of those eligible for Working Tax Credits actually received them.⁴

1.3.4 We therefore welcome the ambitious programme by the Coalition Government to simplify the benefit and tax credit systems through the creation of Universal Credit.

1.3.5 The Universal Credit system will mean a unified taper rate on all benefits of 65%. This means that for every £1 earned over a specific disregard a claimant will keep 35p. This will mean for many people that, for the first time, they are able to earn more in work than by remaining on benefits.

1.3.6 We recommend that an independent review into Universal Credit is conducted 2 years after its full roll-out across the UK, as a clear statement of our commitment that this radical reform will support people into work and protect the most vulnerable in society. This review should consider whether to adjust the taper rate to provide greater incentives to work as well as examining the disregard arrangements for families with disabled children.

1.3.7 We recognise the proposal put forward by the Resolution Foundation to introduce a 'Second Earner Disregard' of approx. £1,920 into the Universal Credit system which would raise the amount a second earner could earn before they start to have their Universal Credit withdrawn.

1.3.8 This could have wider benefits for society at large as these women no longer face financial disincentives to reach their professional potential. We therefore recommend that this issue is considered as part of the wider debate within the Liberal Democrats on welfare reform.

1.3.9 We also support the view that the disregards placed on households containing a disabled person should be examined with a view to increasing them when funds allow. More should be done to ensure that it is financially viable for a person with a disabled partner to go out to work without jeopardising the benefit claimed by their partner. A higher disregard would also make it easier for a disabled person who may be able to undertake a small amount of work to do so. Again this issue should be considered as part of future work on Liberal Democrat welfare policy.

1.3.10 Liberal Democrats strongly believe in the importance of welfare to enabling people to support themselves and achieve a balanced working life. However, we do not believe that this paper is the appropriate place to determine a Liberal Democrat approach to welfare reform. We therefore believe that this is an area that needs further debate within the Party and that senior Parliamentarians involved in the welfare debate should be involved in promoting this debate.

⁴ 'Child Benefit, Child Tax Credits and Working Tax Credits: Take – up rates 2009 -10' HM Revenue & Customs (2011)

1.4 Fair Wages

1.4.1 Through various tax credits to low paid earners, the government is effectively subsidising wages and therefore enabling employers to pay low wages. Certain sectors, particularly those with large numbers of low skilled employees have exploited the situation.

1.4.2 Figures by the Resolution Foundation⁵ suggest that up to £3.6 billion of gross savings could be made by the Treasury if the Living Wage was universal. While we do not believe that mandating the living wage on all employers would be workable or advisable, we do recognize that significant savings can be made to the public finances if more companies who can afford to do so paid a Living Wage.

1.4.3 Liberal Democrats believe that people who rely on tax credits to maintain their standard of living would feel much more empowered if they could maintain or improve their standard of life through earning their own money. It is also worth making the point that take up of tax credits is far from universal. Recent estimates by HMRC suggest that, in 2010/11 only 64% of eligible people took up their tax-credit entitlement. While some of this is down to the complexity of the tax-credit system, there is also significant stigma attached to claiming them, whereas higher wages would be universal.

1.4.4 One way to limit the ability of companies to keep wages low is to ensure that the interests of the company are tied to those of its employees. That is why Liberal Democrats strongly favour the mutual and co-operative approaches (see chapter 4) to corporate structure and have consistently supported moves to ensure employee representation on senior management boards and remuneration boards.

1.4.5 However, we recognise that, even with a drive towards more inclusive corporate structures, many companies will still be driven by a desire to keep wages low in order to keep costs down. While we accept that many small and medium sized enterprises operate on thin profit margins, there are many employers in the United Kingdom who could increase wages without significantly diminishing their profits. Currently their employees must rely on tax credits and the benefits system to supplement their wages.

1.4.6 Since the introduction of the national minimum wage (NMW) in 1998, the NMW has been a driver of raising living standards and social mobility. Fundamentally, it has contributed to a fairer society through the protection of low-paid workers, many of whom are young or vulnerable and more likely to be exposed to exploitative management. Its national recognition and simplicity has contributed to the emergence of a more empowered workforce and resulted in a stronger economy. Furthermore it provides a nationally recognised floor for low wages.

1.4.7 Liberal Democrats believe that we should rebalance the economy so as to ensure that employers who are able to do so, take responsibility for paying their workers a fair wage. Obviously the government will still continue to support employees who work for companies or organisations that cannot afford to pay them higher wages.

⁵ <http://www.resolutionfoundation.org/publications/who-gains-growth-living-standards-2020/>

1.4.8 Prior to the Minimum Wage Act of 1998 many expressed concern that the introduction of the NMW would affect prices and drive up inflation. These fears were proven to be unfounded and we are confident that our policy of a phased introduction of fair wages would similarly not lead to a rise in inflation.

1.4.9 We would therefore recommend a review, overseen by the Treasury, the Department for Work and Pensions and the Department for Business, Innovation & Skills into the best mechanism through which to establish the correct level for a Living Wage. Calculations should be based on the price of a 'basket of goods' agreed with appropriate organisations in a similar way to the current calculation of the Consumer Price Index. Such a basket could include costs such as housing, average utility bills and foods considered to be important to a balanced diet. The review would also look at methods of delivery as well as the merits of basing eligibility on sector and differing levels for London compared to other parts of the country.

1.4.10 All central government offices should be mandated to pay the Living/Fair wage, which would mostly be the higher London rate. Additionally, all public bodies and local government should be required to report whether they are a living wage employer or not. We would also strongly encourage Local Authorities to lead by example.

1.4.11 Payment of the living wage by business would remain voluntary but we hope that making this information available would help inform consumer choice and encourage business to pay the fair wage. However, we would insist on transparency from companies employing over 250 staff. These companies should state clearly in annual reports and on their website how many employees they pay less than the established Living Wage.

1.4.12 We would require all government procurement specialists to take account of the Fair Wage commitments of suppliers, both foreign and domestic, when awarding government contracts.

1.4.13 We know that people become trapped in low wages and we are keen to help them. That is why we fully endorse the idea in the policy paper 110 *Learning for Life* for a National Lifetime Careers service. We call for people who claim Universal Credit because of their low wages to be encouraged to engage with the national Lifetime Careers Service and develop in conjunction with it a career or training progression plan.

1.5 Zero Hours Contracts

1.5.1 We are concerned about the increased use of 'zero hours' contracts. Results from the British Labour Force Survey suggest that the use of these contracts has risen by more than 150% since the autumn of 2005. While we believe that zero hours contracts do provide flexibility in industries which experience significant fluctuations in demand, we are concerned that they are being increasingly used in inappropriate and, some anecdotal evidence suggests, exploitative ways.

1.5.2 We therefore strongly welcome the decision of Lib Dem Business Secretary, Vince Cable MP, to review the use of these contracts. We urge that the finds of this review are acted upon. In particular, we would be keen to consider whether zero hours contracts should include an indicative amount of hours that an employee should be able to expect

over a 12 month period in order to provide a benchmark against which they can set their earnings expectations.

1.6 The Consumer Rights Regulator

1.6.1 The UK has a great number of quasi-governmental organisations which regulate industry. We believe that many of these regulatory bodies have a flawed relationship with the industry they are supposed to regulate and that too many of them do not adequately reflect the concerns of the consumer.

1.6.2 In the interests of consolidation and efficiency, the Liberal Democrats would commission a study to determine which of these bodies no longer had consumer interests as its central mission and which were completely redundant. We estimate that over twenty regulators could be brought under one roof, resulting in great savings whilst protecting expertise.

1.6.3 The aim of this policy is to create a 'One-Stop-Shop' outward-facing organisation with a new statutory objective of getting the best deal for consumers. Consumers would know where to go for information (something they are not currently sure about) and savings could be made by pooling resources like HR and IT & Finance, but efforts would be made to retain expertise.

1.7 Energy

1.7.1 Energy costs are a major concern for many people trying to make ends meet; we fully endorse the consumer facing section of policy paper 109 *Green Growth and Green Jobs - Transition to a Zero Carbon Britain*. Policies include:

- Including on the energy label an estimate of the lifetime energy cost of running the appliance.
- Extending the EU energy labelling scheme to the widest possible number of energy intensive products.
- All cars required to be fitted with energy efficiency gauges.
- Wherever the selling price for a car or a home is given, prominence is given to annual and lifetime energy costs calculated on a standard basis.

Childcare

2.1 Introduction

2.1.1 Childcare can be the key to a stronger economy, through enabling parents who wish it, to return to work and also to a fairer society through giving children the best start in life.

2.1.2 For parents, the relationship between childcare and a Balanced Working Life is fundamental but complex. According to parents, the four main factors that have to be considered when judging childcare are affordability, quality, convenience and adequate provision.

2.1.3 Liberal Democrats recognise and respect the choices of those parents who choose to stay at home and look after their own children. We also respect those who choose parent co-operatives for the care of their children. This is no business of Government. For those who choose to go out to work, the importance of good quality early years education is paramount. It can also be a means of facilitating child development and promoting social mobility. Judged against the Early Years Foundation Stage Profile only 56% of children from the poorest 30% of areas are achieving a good level of development, compared to 68% of those in other areas. This failure to reach potential is a personal and a national tragedy.

2.1.4 The advantages to the child of a high quality early education have been demonstrated by numerous studies. However, recent inspections have shown that half of settings judged as only satisfactory had not improved by their next inspection. Additionally, standards in deprived areas are lower and there is a lack of capacity for ensuring that all deprived two year olds will be given their free provision in good or outstanding settings.

2.1.5 Female employment drops dramatically after childbirth from levels on a par with male employment and not all of the women who are outside the workforce are there by choice. This is rightly of concern to public policy. Not only is it a limit on women's professional development, but it can also leave some women in a more vulnerable situation where they are unable to support themselves if a relationship breaks down or a partner dies. So investment in childcare is a pro-employment and pro-growth choice.

2.1.6 Flexible childcare that offers mothers the option of continuing work will benefit the family and the economy. The Institute for Fiscal Studies showed female employment to be the key driver of increases in wealth among low- and middle-income families in the last 50 years, demonstrating that 78% of all of the growth in gross employment income among LMI households came from women.

2.1.7 Early childhood intervention in social and learning disabilities has proven to be more cost-effective than later detection and treatment. Early years education can have an important impact on cognitive development and the vital emotional and social characteristics that make people more able to participate in society. Recent analysis describes how personal resilience gained in the early years can have an impact on academic achievement. Proper development of these skills can significantly reduce the

probability of getting into trouble with the law, struggling to maintain a job, and leaving higher education.

2.1.8 Therefore it is essential that the state provides help with the cost of childcare as well as regulating and inspecting facilities to manage the sometimes conflicting interests of quality and affordability.

2.1.9 The coalition government has a strong track record on progressive childcare policy and has announced a policy on childcare which seeks to reward working parents who wish to combine a career with the ambitions of starting a family. Under the current system, parents who earn a combined total of under £150,000 will have 20% of their childcare costs covered in the form of a voucher system, which equates to a maximum of £1,200 per child aged 12 years or younger. This system promotes the continuing careers of prospective parents in the knowledge that the government will provide financial incentives and rewards for those people who want to get on in life whilst establishing a strong family environment.

2.1.10 So where are we now?

- a) According to a recent survey by Policy Exchange, the factors taken into account by parents when choosing whether to use a childcare place are quality, location and hours available, cost and availability of places. There is evidence that some Local Authorities do not have enough places to meet demand despite their duty to ensure sufficient places are available.
- b) We have a mixed market-based childcare sector running from privately run nurseries and child-minders, to voluntary and not-for-profit nurseries and playgroups, maintained nurseries, Local Authority-funded local Children and Family Centres and nursery classes in maintained private schools. Many children are also cared for by extended family members.
- c) Financial support for childcare includes the direct funding to maintained settings, Local Authority funding for local Children and Family Centres, the 15 hours free entitlement for 3 and 4 year olds (and some 2 year olds) paid to settings by the Local Authority through the Early Education Grant, the childcare element of Working Tax Credits and the new tax relief system being introduced by the Coalition Government. This complex set of funding provisions causes confusion for parents and additional work for the management of settings.
- d) There has been a significant increase in the number of childcare places, particularly in local Children and Family Centres and private nurseries in the last ten years. However, despite this increase, these centres have proven insufficient to meet the growing population of young children seeking early childhood care.

2.1.11 Thanks to Liberal Democrat policies implemented through the coalition government, three and four year olds are now entitled to 15 free hours at Ofsted inspected early years settings which offer the Early Years Foundation Stage. Settings can offer additional paid-for hours but the free place must not be conditional on paying for extra hours. The cost of these additional hours has spiralled in recent years. In September 2013, 20% of two year olds from the most deprived backgrounds will also be entitled to 15 hours free care and this will rise to 40% the following year.

2.1.12 The qualifications and pay of staff in some early childhood education is inadequate. The Government has responded to Prof Cathy Nutbrown's recommendations on improving pay and qualifications by proposing a new graduate-level Early Years Teacher (not QTS) and a level three qualification called Early Years Educator to existing qualifications.

2.1.13 We also see benefits in policies like Sweden's "Daddy's Month" which encourages fathers to get involved through a use it or lose it month off.

2.2 Making Life Easier for Parents

2.2.1 Liberal Democrats recognise the difficulties many parents face at home and at work, and are committed to providing easily accessible information and support to assist parents (including and perhaps especially, vulnerable parents) with the difficult job of raising children.

Quality

2.2.2 We recognize that childcare quality rests on well trained staff and appropriate staff/child ratios.

2.2.3 The level of qualifications in early education is low; only 11% of all early years staff in total have earned a degree. Overall, only 3% of early years staff hold advanced degrees.

2.2.4 We welcome the Government's recent announcement about new specialist early years qualifications but we recommend that the Early Years Teacher Qualification should have QTS terms and conditions and contain work on the development of the full age range 0 to 7 years old.

2.2.5 It is essential to ensure that these highly qualified people get jobs in the sector. We would therefore like to see by 2020 that every Local Children and Family Centre and every full daycare nursery setting employ at least one person with at least a degree, and preferably a higher qualification, in early education or child development. This must be someone who works directly with children. Any QTS who fulfils this staffing requirement MUST have been trained in the Early Years. In the meantime, no centre should achieve an Ofsted "good" or "outstanding" rating unless it has this level of staff qualification. We recommend that raising the general qualification level in the sector be prioritized over staff/child ratio reform.

Parenting Support

2.2.6 To be most effective, we must de-stigmatise parenting support services. Ante-natal classes should flow seamlessly into early parenting classes. Although basic advice to parents is provided prenatally and during the Two Year Review, there is a gap after birth and after the age of two.

2.2.7 We recommend that the vital parent/child bonding and attachment is seen as part of the child health programme and linked to some of the regular health checks and

vaccinations. Working with local clinical commissioning groups we would encourage attachment checks and parenting classes to be added to the Healthy Child Programme, which should be delivered universally, funded by the NHS and delivered at clinics or Children and Family Centres as preferred locally.

2.2.8 We would encourage Local Authorities to form a link with their new Joint Health and Wellbeing Board. Due to the recommended extension into parenting support we would encourage the centres currently called Sure Start Centres to become called Local Children and Family Centres. All existing services available from these centres would remain.

2.2.9 The Liberal Democrats endorse the government's Troubled Families Programme as part of our commitment to create a fairer society and more cohesive communities. We want to ensure that children from troubled families have the chance to better their lives, hope for a brighter future and at the same time we want to reduce the burden on the taxpayer.

2.2.10 This programme will use a range of initiatives to support families and challenge the cause of problems at home. Central to this will be the government working with local authorities to make sure children get back into school, putting them back on the path to education and foster future ambitions. In turn this will help deal with problems like youth crime and anti-social behaviour. This will reduce the cost that individual families place on local public services and the taxpayers.

Integration and The Variety of Provision

2.2.11 Liberal Democrats recognise the benefits of the current mixed market of childcare provision in terms of catering to individual parents' needs. However it also makes it difficult for parents to judge the quality and affordability of available services.

2.2.12 While Local Children and Family Centres still provide a minority of childcare places and are concentrating on "hard to reach families", they are important in raising the quality of other provision locally and the integrated nature of the services they provide is beneficial, especially for some groups.

2.2.13 We welcome the efforts of Local Authorities, and particularly Liberal Democrat Controlled Local Authorities, to protect Local Children and Family Centres. However, we believe that more must be done to expand further the network of integrated children and family centres.

2.2.14 We therefore recommend encouraging the continuing spread of Children and Family Centres, as Local Authority finances allow. These would act as centres of excellence for the whole early years sector and as a multi-disciplinary hub where holistic provision can be made for young children's physical, mental and developmental needs. They should provide parenting support groups and classes, as well as support and training for early years providers in the area based on the new Teaching Schools model.

2.2.15 We further recommend that, as finances allow, Children and Family Centres and other full daycare settings that are assessed as "good" or "outstanding" by Ofsted form part of the Government's plans for childminder 'hubs' blurring the unhelpful division between access to childminders and daycare providers. These hubs would offer a one-

stop-shop for parents to access additional hours needed for wrap around care through one of their network of linked, quality-controlled childminders. Those childminders connected to each hub would have to meet clear requirements, including offering the 15 hour free entitlement where applicable and complying with the EYFS. The charity 4Children has developed a useful model for such hubs and a pilot scheme of six settings is currently being funded by the Government. In order to allow Local Authorities to test this model for themselves and decide whether it is right for them, we recommend that funding be available to develop one such hub in each Local Authority if they choose to apply for it.

2.2.16 In order to better support settings, we would also enable these hubs to operate collective purchasing systems for those settings to which they are linked, allowing them to reduce basic operating costs.

Affordability

2.2.17 Liberal Democrats welcome the Coalition Government's desire to reduce the cost of childcare to parents. Any measure to help parents into work if they so wish will result in improved returns for the treasury. We know that parental employment reduces child poverty so these proposals need to be seen in the light, not only of their immediate cost, but their net benefits for years to come. However, the quality of provision must be protected.

2.2.18 We need to recognise those factors that have put upward pressure on the cost of childcare in recent years. There are two factors at play. First, the underfunding of the Nursery Education Grant has caused providers to try to recoup the shortfall by increasing fees for additional hours. Secondly, the removal from early years settings of 4 to 5 year olds, effectively making the school starting age four years old, has increased costs for providers because of the higher number of staff they need to employ to supervise the younger children left behind because younger children are required to have lower adult to child ratios. This too has caused providers to raise their fees. It has also deprived the younger children of role models with more developed language skills. We believe that the place for young children is in an early years setting where the focus is on child development and learning through play. This could be in either a primary school or an early years setting. However, currently parents are incentivised to send their children to primary school as early as possible, despite worse teacher/student ratios, because there they receive 25 hours free provision every week.

2.2.19 So the obligation on Local Authorities to provide a place in a primary school reception class for all children in the term after their fourth birthday has had the effect of reducing the average age of children in other settings and pushed up costs for parents. It has also caused a shortage of places in primary schools in some areas.

2.2.20 Therefore we need to remove those factors that cause upward pressure on childcare costs. We believe that increasing the free entitlement, and funding it at the real cost of delivery, will act as a brake on the cost of additional hours and is the only way to reduce the average hourly cost of childcare to parents without risking quality.

2.2.21 We therefore recommend that the obligation on Local Authorities mentioned above be repealed, the Nursery Education Grant be paid at the real cost of delivery and the entitlement to free childcare should be increased as follows:

- 10 hours for babies between the ages of one and two.
- 15 hours for all 2-3 year olds, rather than just the most deprived 40%.
- 20 hours for 3-4 year olds, increasing the current entitlement by 5 hours.
- 25 hours for 4 to 5 year olds.

2.2.22 We believe that people eligible for free childcare currently should remain eligible but that that increases should be limited to those families whose household income is under £100,000 a year and we hope that this option will be studied carefully in future Liberal Democrat policy making on welfare reform.

2.2.23 The small provision of free hours for one to two year olds would help to bridge the current gap between Parental Leave and the free entitlement for two year olds. Ten free hours would allow a mother either to retrain on a part time basis or ease herself back into the workplace if she so wishes. Uptake of the free entitlement and average care costs outside the entitlement would be monitored and the system reviewed after five years.

2.2.24 We also recommend that the 'nursery premium' be introduced as described in Policy Paper 107. This would allow settings in deprived areas to lower staff to children ratios, recruit more specialized and highly qualified staff, and raise the quality of provision available to poorer families. These funds would allow centres to recruit for skills that are otherwise missing, such as speech and language skills.

2.2.25 The 'nursery premium' should be available for children with disabilities as well, irrespective of whether their family meets Free School Meals criteria, to account for the additional costs associated with their care needs.

Information

2.2.26 Most Local Authorities provide information about family services available in the borough. However, some are only online, which is no help to those without internet access.

2.2.27 We recommend that there should be a local information pack for new parents with information about services and entitlements and how to access them. This should be delivered to the "hard to reach" families by Health Visitors or outreach workers and be available at Local Children and Family Centres, clinics and GPs surgeries. In the long term we would encourage parents to register children's births at Local Children and Family Centres as a way of encouraging them to interact with services at a very early stage.

2.2.28 We also recommend a new high profile online source of information and help for families. This online guide would be prominently available on both the Local Authority and local Children and Family Centre websites and contain information about childcare, schools, leisure facilities and health services with links to external sources such as Mumsnet. It would enable parents to identify all the forms of childcare support to which they are entitled. We therefore recommend that the new online system also include details of the free hours and childcare payments they receive through Universal Credit and any other means of support to which they may be entitled. This will enable parents to manage the funding of their childcare more easily and to identify where they can obtain wrap around care to match their particular working pattern. Hard copies of the

information would be available at appropriate outlets for people without access to the internet.

Convenience and Sufficiency

2.2.29 Parents tell us that provision in most early years settings is not as flexible as they need. There is still an assumption that parents work 9 to 5 and the availability of provision beyond that range is very limited. The Government has already increased the range of times during which the free hours entitlement can be accessed and this could be extended further. Currently only 30% of local Children and Family Centres – those in the most deprived areas - are obliged to open for 10 hours per day and 48 weeks per year.

2.2.30 Only 46% of LAs in England feel they have sufficient childcare to meet the requirements of parents working full time, and that figure shrinks to 12% when considering parents who work atypical hours, according to a recent survey. Only 12% of LAs felt they had enough for disabled children and 22% of parents in families with incomes of under £20,000 had difficulties in securing their free hours.

2.2.31 We therefore recommend moving gradually to a system whereby all Local Children and Family Centres and full day care nurseries above 25 places which receive the Nursery Education Grant should, wherever viable, open for 48 weeks per year between 7 am and 7 pm. We also recommend that Ofsted do not give an “outstanding” rating unless the availability of flexible hours to parents is high. We recognise that this would have to be carried out in light of improved Local Authority finances.

2.3 Other Caring Commitments

Employees with Caring Commitments

2.3.1 Since entering government the Liberal Democrats have taken several important steps to improve the lives of people with caring responsibilities. In a land mark piece of legislation, the Care Bill introduces for the first time the right for carers to receive support themselves if appropriate and we will have invested an extra £2billion in social care by 2014.

2.3.2 Another way to promote diversity in the market and open it to new entrants would be to phase out the use of preferred provider lists for buying social care services and by giving Local Authorities a duty to provide information to users about independent advice and support available in the community. We recognise that not every individual has access to the internet so we call on Local Councils to ensure that relevant information and literature is prominently on display in all relevant locations.

2.3.3 Employees with caring commitments, particularly towards older or vulnerable people may need to take prolonged periods off work in order to provide intensive periods of care. The working group encourages employers to facilitate periods of up to six months away from work for employees who face challenges on their time associated with care. During these periods of care the Department for Work and Pensions would provide Carer's Allowance whilst all other remuneration would be at the discretion of the employer.

The Needs of the 'Sandwich' Generation

2.3.4 We recognise the special needs of the growing population of unpaid carers with intergenerational responsibilities. There are an estimated 6.4 million unpaid carers in the UK, many of whom are looking after elderly and disabled adult family members. The 5.3 million who reside in England alone save the UK economy an estimated £96 billion.⁶ The carer population is expected to rise to 9 million across the UK by 2037.⁷

2.3.5 Recent research from the OECD notes the growing 85 plus population is increasingly facing a psychological mortality from "disability and a loss of identity, autonomy and control."⁸ This stage commonly accompanies reliance on the family for a broad range of care. On top of this, the number of potential sandwich carers - adults with living elderly parents as well as children - is projected to increase in the UK through at least 2030, but only for women.⁹

2.3.6 The necessity of protecting the employment rights of carers was underscored by the European Court of Justice in the 2008 Coleman decision. It established the legal principle that protection from discrimination applies not only to the disabled individual but to those associated with the person - in this case, an employee who was the primary

⁶ Mayhew, Leslie. "The UK Care Economy: Improving Outcomes for Carers." *Carers UK* (Nov 2012): 16.

⁷ Carers UK. "Facts About Carers." (2012).

⁸ OECD (2010), *The Future of Families to 2030*, OECD Publishing, 191; See also: Baltes, P.B. and J. Smith (2003) "New Frontiers in the Future of Ageing: From Successful Aging of the Young Old to the Dilemmas of the Fourth Age." *Gerontology*. (49)1: 123-135.

⁹ OECD (2010), *The Future of Families to 2030*, OECD Publishing, 198.

caregiver for her disabled child. Liberal Democrats endorse this approach, and we need to ensure practical support is available to realise this principle.

2.3.7 Progressive employers such as Caroline Waters, former Director of People and Policy for the BT Group have framed the business case for acting on this issue. She noted, “Employers are seeing increasing numbers of key staff forced to give up work because the support they need to combine work and caring for ill or disabled loved ones just isn’t available when they need it.”¹⁰

2.3.8 Finally, it is important to keep in mind that caring needs are broad and rising to meet them can also help stimulate the economy. When Carers UK asked carers what key services they would like provided if they could choose, the answers were not traditional care services. They were domestic services, such as walking the dog, doing the laundry, and tending the garden.¹¹ Programmes recognising this need and the economic growth benefits of meeting it have begun to develop and flourish elsewhere in Europe, such as France and the Netherlands.¹² This is why Liberal Democrats have a long standing commitment to personal budgets, with carers given the freedom to decide how their money is best spent.

2.3.9 We would also like to see the introduction of a Government awareness campaign aimed at business, which would frame the sandwich carer generation issue in “employer-friendly” language to minimize the apparent burden on employers and remind employers of tangible rights currently available to carers. Particular focus should be on support needed by small-to-medium sized business (with between 50-100 employees).

¹⁰ Carers UK and Employers for Carers. *Sandwich Caring: Combining Childcare with Caring for Older or Disabled Relatives* (Nov 2012): 7

¹¹ Carers UK and Employers for Carers. *Sandwich Caring: Combining Childcare with Caring for Older or Disabled Relatives* (Nov 2012): 7-8

¹² CarersUK. “Additional Evidence on Care Market Growth: Select Committee on Demographic Change and Public Services.” (Nov 2012)

The Workplace

3.1 Introduction

3.1.1 In today's economic climate both employees and employers are encountering difficulties. Many employees feel reluctant to exercise their existing employment rights, even if they are struggling to balance their work and home life. Employers are concerned about additional costs to their businesses and therefore reluctant to introduce further rights. Liberal Democrats are keen to promote a stronger economy by assisting businesses to grow whilst ensuring employees are given a fair deal to achieve a balanced working life. Liberal Democrats recognise that any solution has to consider both employers and employees needs and seek to introduce policy which encourages a mutually beneficial and constructive relationship between the parties.

3.1.2 It is important to recognise the massive contribution made by those who work in the charitable and voluntary sectors. We understand that a lot of these work settings are more casual and informal than salaried positions within companies and organisations. However, where possible we would like to see the people running not for profit and charitable organisations recognise the benefits that many of our suggestions could bring to the day-to-day operations of their organisations.

3.2 Corporate Governance

3.2.1 British companies are run very much for the benefit of shareholders with executives aligned to their interests, through pay schemes often perceived as complex. This is unlike the situation in Germany where the corporate governance code has recently been amended to take into account the interests of employees and the public. In Germany, employee representatives on the supervisory board are able to ensure that workers' interests are represented.

3.2.2 We believe that countering the misconception of an adversarial relationship between employees and executives is a key step towards productive engagement, which in turn can lead to more equitable outcomes. Greater engagement would work both ways and bring a useful perspective about how the company is operating on the ground. This would foster a better working relationship in many different areas.

3.2.3 In the UK, we will look at ways in which workers can be represented on remuneration committees in order to provide a much-needed challenge to excessive executive pay as well as bring the question of the living wage to a high-level boardroom debate. Deserving of particular consideration is the election of employees to remuneration committees as the first step in the appointment of full employee directors, as is already the case at First Group. That would require a change in company law to require companies to elect an employee director. It would also involve a change to the corporate governance code to amend the definition of an independent director. Employee representatives could be elected from the British workforce, they would not be full non-executive directors, but would join the remuneration committee as voting members. They would have to agree confidentiality clauses on their appointment.

3.2.4 A designated representative of workers - not necessarily a worker themselves - on remuneration committees is another alternative step that Liberal Democrats would encourage. The existence of such representatives may be easier to effect in the short-term, but would nonetheless open channels of communication to ensure that workers have a voice at strategic level, whilst also explaining the committees' decisions and reasoning to employees.

3.3 Wellbeing in the Workplace

3.3.1 Developments in recent years have made it possible to measure a person's well-being. Research shows that attaining wellbeing in the work-place is beneficial to both business and employees.

3.3.2 For businesses, a 'happy' work-force is a productive work-force. Professor Cary Cooper CBE has overseen the relevant work of the UK Foresight Project on Mental Capital and Wellbeing. The Project's final report highlighted the importance of addressing increased workplace stress and anxiety and the benefits such action would have for business productivity. Stress-related illnesses are the leading cause of absence from the UK. In 2010 alone, the CBI estimated that the direct costs of sickness absence amounted to £14.3 billion. Beyond actual absence, poor well-being in the workplace has consistently been associated with low motivation and productivity.

3.3.3 From an employee's perspective, well-being is important as the average working person in the UK spends nearly a third of his or her week in paid employment¹³. If an employee is happy at work they are also likely to be happier at home and in personal relationships.

3.3.4 Financial matters can be a major cause of stress to both employers and employees regarding profits and wages respectively. Liberal Democrats are keen to encourage economic growth and to build a society that enables low to middle income families to gain financial security. Many owners of small-to-medium sized enterprises (SMEs) feel personal responsibility to keep their business afloat and continue to employ the people who rely on them for their income to feed and house their families; as well as their own families.

3.3.5 We welcome the work the Coalition Government has done to improve well-being in the workplace, founded upon Dame Carol Black's 2008 review of the health of Britain's working population. A positive foundation has been laid. For example, the Department of Work and Pensions updated a Workplace Well-Being Tool in October 2012 to assist companies seeking to improve their employees' well-being. However, more needs to be done, particularly to assist SMEs.

3.3.6 The Health and Safety Executive management standards to counter stress highlight the six areas of the workplace most critical to diminishing workplace stress: demands placed on employees, control employees have over their work, support employees experience as they work, workplace relationships, clearly delineated roles and methods of organizational change. Research has highlighted that well trained line

¹³ Office for National Statistics. "Hours Worked in the Labour Market – 2011." (2011).

managers are critical in promoting workplace well-being. Line managers are crucial in helping to create a participatory workplace culture of fairness and equality, based on transparent and inclusive communication. However, many currently lack the social and inter-personal skills to perform this role effectively.

3.3.7 Government should consider establishing a mechanism to encourage big companies and big public sector organisations with good track records on promoting the health and wellbeing of their staff to work with SMEs in their supply chain (a) to develop wellbeing strategies for their staff and (b) to provide training for line managers in how to manage staff effectively. Government departments should be included in this effort. Liberal Democrats believe the best way of doing this is for the Government to set up a small, time-limited Challenge Fund to provide SMEs with access to a pool of consultants who can advise on introducing practical wellbeing programmes in companies including helping to introduce flexible working. This fund would receive 1/3 of its funding from employers, 1/3 from participating consultants and 1/3 from central government.

3.3.8 Liberal Democrats will encourage Local Authorities and NHS Clinical Commissioning Groups to promote well-being in the work-place by liaising with companies actively to promote health and well-being, using the new Health and Wellbeing Boards protocols established in April 2013.

3.4 Recognising Caring Commitments

3.4.1 Additionally, figures show that couples with a disabled child are twice as likely to be out of work and that mothers with disabled children have one of the lowest employment rates of any group in society. Caring for a partner or elderly relative can have a similar impact on the carer's ability to find suitable paid work.

3.4.2 Liberal Democrats particularly encourage the use of flexi-time banking and annualised hours for employees with caring responsibilities, which can help to give carers in employment the flexibility of changing their hours for appointments and other unpredictable events.

3.4.3 We propose encouraging the establishment of 'time-banks' for all workers so that workers can save up extra hours worked to be used for other purposes later as needed. We also propose the right for employees to carry over a specified number of holiday days. This already exists in many employment contracts, but should be universal. We would require job adverts to state whether a job is suitable for flexible working and to justify when flexible working is not deemed appropriate.

3.4.4 Finally, mandatory work-life balance councils should also be introduced in businesses of 250 or more employees including employee/union representatives and HR/management to develop tailor-made policies for a balanced working life and improved working conditions.

3.4.5 As with our proposals on the Living Wage, we would expect government to lead from the front on our proposals for a more employee friendly workplace.

3.5 Creating a Quality Work Environment

3.5.1 A work place that promotes openness and communication between management and employees is likely to be more productive and innovative, benefiting the economy. Employees who feel they are listened to by management become more empowered and therefore engage more, benefiting the organisation. Some companies have used an informal approach to open channels of discussion, creating "communities" within their work force by holding "breakfast/lunch meetings". Others have adopted a more structured approach using Works Councils, or by using Trade Unions already in place. It is important that the emphasis is placed on opening channels of discussion to aid understanding, facilitate change and promote a better quality working environment.

3.5.2 If employees feel secure at work they are more likely to share their long term plans with management; helping business prepare for events such as maternity and paternity leave, as well as reassuring employees about job security.

3.6 Modernising Patterns of Work

3.6.1 Liberal Democrats encourage employers and employees to consider patterns of employment which can work for the benefit of both business and staff. In addition to flexible hours this can include: part-time work; working from home (which can save businesses property costs); job-sharing and time-banking. With open channels of communication between employers and employees a solution can be reached that is effective for business and helps achieve a work-life balance for the employee.

3.6.2 We welcome the recent changes to the right to request flexible work introduced by the Coalition Government. However, this extension does not address the inherent problems with the right to request flexible working: take-up by employees; lack of encouragement by employers for employees to work flexibly; and companies can easily find a business reason to reject it.

3.6.3 According to a 2012 CIPD report on the topic, 77% of women currently work flexibly in some way, compared to 70% of men. Women are more likely to work part time (51% compared to 13%) and are four times more likely to work only during school term time. This can reinforce gender inequality. The negative impact of a lower uptake by men is two-fold: firstly it can prevent men from enjoying a balanced working life; secondly the knock-on effect is that women's role is restricted to caring responsibilities, which some women may not want. Also this deprives the work-place of women's skills. In order to encourage a higher uptake by men, the perception that requesting flexible work is detrimental to career progress needs to change.

3.6.4 Currently many employers do not promote the right to work flexibly in the work-place. Liberal Democrats believe that this is a missed opportunity to prosper whilst improving the well-being of their employees. Conventional working patterns can thwart a family's need for time together and so flexible working has the benefit of enhancing family life, which benefits wider society. In addition, flexible working benefits the economy by creating a happier and more productive workforce. Research suggests that the biggest complaint from employees is the lack of flexibility in the workforce. Flexible working may

also help remove the culture of presenteeism in the workplace, which has a negative impact on productivity and creates problems in personal relationships and health.

3.6.5 We strongly welcome the extension of the right to request flexible working to all members of the workforce of both genders in the interests of equality. Employees will be able to use this freedom to better manage their work life balance, whether this involved avoiding peak times of travel to cut travel stress and costs or enable them to better juggle work and family commitments. Therefore, after careful consideration, we would support a legal presumption in favour of flexible working but would first like to assess the impact of extending the right to request in practice. We therefore recommend a review of the impact of the legislation 2 years after its introduction in terms of take up by both men and women of the right to request and whether the request is granted.

3.6.6 Liberal Democrats acknowledge the perceived difficulties employers face in the practical administration of flexible working. We acknowledge the work done by organisations such as ACAS assisting employers with sample policies for a wide range of issues. We encourage ACAS to continue to provide and develop “holiday calculators”, maternity calculators and planning rotas for flexible workers and fractional hours employees, along with policy precedents for home working, sabbaticals, fractional hours and guidance to new reforms. We recommend SMEs access internet resources such as ACAS or www.gov.uk.

3.7 Promoting Change and Protecting Rights

3.7.1 Given the current economic climate, businesses will need to be given an incentive to change beyond the assurance that such change will assist their economic growth. They should also be enabled to publish their achievements, which highlights to potential employees that they are a good employer.

3.7.2 Liberal Democrats support the introduction of a “national work-life balance awareness week” to promote the benefits of flexible working and other policies. This may include local seminars to be organised by local councils for SMEs to come together, share ideas, network and pool resources. It would also provide a networking opportunity for local businesses, which benefits the economy. For example this could include representatives from HR training companies, going into companies to train management on the benefits of policies which ensure a balanced and flexible working life.

3.7.3 We recommend the introduction of a kite-marking system. Evidence shows that businesses respond well to recognition in this way. The kite-mark criteria should be introduced as standard practice in Company Annual Reports, either by statutory regulation or through tax incentives to companies, allowing shareholders and external stakeholders to judge how well a company was performing in relation to the wellbeing of its staff. Kite-mark criteria could include: well-being indicators, such as staff turnover/retention rates, job satisfaction, sickness absence, and employee engagement; as well as commitment to the ‘Living’ or ‘Fair’ wage as set out by the Low Pay Commission in the Household Budgets chapter of this proposal. To celebrate success an awards ceremony could be held the following year for businesses that have attained the kite-mark as well as the tax incentives discussed above, Liberal Democrats would use the Government procurement process to encourage businesses to adopt the criteria set out in

the kite-mark by making the kitemark a requirement for eligibility for public procurement contracts over a certain amount.

3.7.4 We strongly welcome the Coalition's commitment to Shared Parental Leave, empowering families to decide how to care for their child for their first year. We strongly recommend that the first six weeks of leave are protected for mothers due to: health reasons, including helping prevent post-natal depression and promoting breastfeeding and attachment; and child development.

3.7.5 Protection must be ensured for those employees who are treated unfairly; there is little point in employees having rights if they cannot be enforced. However, for employees who bring a successful claim, statistics released by the Ministry for Justice show that roughly half of all employment tribunal awards go unpaid in the first instance. Therefore there is only a 50-50 chance that an employee will receive the payment they are owed, even if they win. This has a significant impact for low-to-middle income employees, especially at a time when fees associated with tribunals are increasing.

3.7.6 Liberal Democrats propose that the government underwrites the award to successful claimants at employment tribunals. In the event that an employer refuses to pay an award, despite losing, the government would compensate the aggrieved employee for 95% of their award and then pursue the employer through HMRC to recover 110% of the original award. Employers that refuse to pay in orderly reasonable time will find their credit rating and ability to serve as directors jeopardised. This will help ensure that employment rights have real meaning.¹⁴⁻¹⁵

¹⁴ We estimate that there are 213,500 tribunals called a year, of which 27,833 are successful, meaning that £59,479,121 is owed from employers to employees each year with an average award of £2,137. Of £59,479,121 only £29,739,560.50 is being paid leaving £29,739,560.50 unpaid.

¹⁵ <http://www.justice.gov.uk/downloads/statistics/tribs-stats/tribs-et-eat-annual-stats-april09-march10.pdf>
<http://www.justice.gov.uk/downloads/statistics/mojstats/employment-trib-stats-april-march-2010-11.pdf>
<http://www.justice.gov.uk/downloads/statistics/tribs-stats/employment-trib-stats-april-march-2011-12.pdf>

Family Friendly Public Services

4.1 Introduction

4.1.1 “What is the point of spending money if you aren’t able to offer the services people need?” Chief Executive of 4Children Anne Longfield OBE’s straightforward query during a Balanced Working Life evidence-gathering session pinpoints the need for family-friendly public services.

4.1.2 The Liberal Democrats are committed to joining up public services around peoples’ lives, not forcing people to fit their lives around the services they need. That’s why we have spearheaded a landmark commitment from all the major players in the NHS and social care to join up services and stop people falling through the gaps, and have launched 10 integration pioneer areas around the country championing this approach. Services should be designed with people at their heart and the starting point should be what people want, not what services think they need.

4.1.3 An eighteen month study undertaken by the Family Commission of 4Children directly engaged service recipients.¹⁶ When the Family Commission asked questions, UK families gave clear advice. They wanted to be listened to but felt their voices were not being heard. They said they wanted more joined up and preventative public services that view individuals as part of a family unit.¹⁷ This fits very well with a Liberal Democrat early intervention approach to empowering individuals and families.

4.1.4 This is not a new issue. The Social Exclusion Task Force under the previous Government published a report — “Think Family: Improving the Life Chances of Families at Risk” — in January of 2008. This document asserted the need for public services to engage families’ unique and multiple needs and ensure joined-up support to families, rather than to isolated individuals.¹⁸

4.1.4 Among the most pressing needs is better access to services by broadening restrictive opening hours. Childcare and eldercare are particular examples, but other services such as GP and Children’s Centre appointments, schools, libraries and public transport present similar issues. There are many good examples, for instance schools that make their facilities available to the wider community outside of school hours. As finances allow it is vital to give local people more of a say in the manner in which their local services are run. By the further roll out of community budgets we would allow local people to prioritise access to those services upon which they most rely.

4.1.5 It is equally important that service providers work together to provide a ‘family centred’ approach to support. This would involve taking the needs and entitlements of other members of the family into account to provide a streamlined and holistic approach to support.

¹⁶ The Family Commission: 4Children. “Starting a Family Revolution: Putting Families in Charge.” (2010).

¹⁷ 4Children. “Give Me Strength Crash Barriers: A New Approach to Preventing Family Crisis.” (2011).

¹⁸ Cabinet Office: Social Exclusion Taskforce. “Think Family: Improving the Life Chances of Families at Risk.” (2008).

4.1.6 This chapter will suggest concrete actions to address public service delivery needs for families that have long been recognized in public policy discourse but never implemented. Actions run across a range of areas, including transport, schools and hospitals.

4.2 Information and Choice in Public Services

4.2.1 Expanding access to services not only empowers the individual, but also incentivises these services to continue to improve, and can be promoted through work with existing service providers. While there is strong public support for choice in the selection of public services relating to health, education and social care, around a third of the population lack proper information to choose freely.

4.2.2 Parents of children with chronic conditions have expressed concern about the lack of access to information. These were often parents who would not consider themselves financially disadvantaged but still found themselves forced to rely on other parents in order to find out where they could access help. The review also found that lack of access to affordable transport and a lack of online and telephone services requiring face-to-face appointments with GPs for minor queries caused significant inconvenience.

4.2.3 Liberal Democrats exist to build a society in which everyone has the chance to fulfil their potential and to get on in life. However, many vulnerable people with on-going needs for health treatment or other social services are often hindered from engaging in the job market due to the difficulties of accessing such services. We therefore recommend a pilot programme of support for those people furthest away from the job market to bring together their social care needs. This would include support for those with mental health problems or disabilities, treatment for those with drug and alcohol problems and rehabilitation support for ex-offenders. This programme would enable those who need substantial support to be held in the system in 'work readiness preparation' until they are ready to move forward to engagement with Jobcentre Plus. The programme would also assist those with on-going needs to plan their support around their working life.

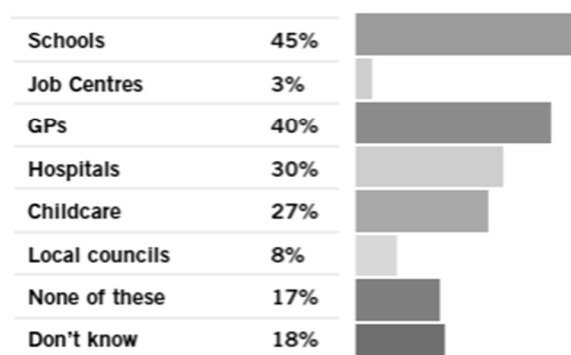
4.3 Improved Public Services for Workers doing Non-traditional Hours

4.3.1 Public services need to be turned inside out to recognize that non-traditional working hours are fast becoming the rule, not the exception. For shift workers and those working fluctuating and unpredictable hours, especially lone parents (more than one-quarter of all parents)¹⁹ as well as parents in two-earner households and parents of children with disabilities—rigid access to public services simply does not work.

¹⁹ Office for National Statistics "Lone Parents With Dependent Children." (Jan 2012).

From the YouGov Poll 2

Which, if any, of the following public services do you think are family friendly in the way they work?



4.3.2 Parents understand this disconnect. When the Family Commission of 4Children asked families about this issue, schools and GPs garnered 45% and 40% of approval respectively, while Job Centres and local councils collected only 3% and 8% respectively. No service scored more than 50%.

4.3.3 We also recommend that all commissioners and providers of services undertake an accessibility audit as part of the procurement process, based on obtaining direct feedback from current and potential service users.

4.4 Health Service

4.4.1 Access is hugely important and the hours that many people work mean they are unable to gain access to a GP without taking time off work. Making GPs accept people who wish to register nearer their place of work would ease this burden.

4.4.2 We recognise that inadequate local services provision means parents of disabled children often spend several hours each day taking their child to distant schools or appointments, superseding work responsibilities. As many appointments and support services are not available outside of working hours, parents often feel this prohibits career advancement. 51% of respondents to a recent survey agreed that not being able to access services locally negatively impacted their job or working life. Yet, the importance of proximity of public services to the places where people work is often overlooked.

4.4.3 We recommend addressing the current rigidity in the GP appointment structure. Government-commissioned research on the barriers to choice in public services by David Boyle found that selecting a GP surgery close to their home was the top priority for 80 % of respondents. This indicates a demand to make healthcare fit in with busy lives. Boyle recommended the use of Skype or telephone consultations with GPs when both parties choose. Such reforms were also recommended by the Department of Health's Digital First report, which are projected to save the NHS £2.9 billion annually. We further recommend the creation of a 'family appointment' option, as a means of enhancing flexibility for

parents and their children. This would allow a parent to schedule his or her appointment at the same time as his or her children for routine visits.

4.4.4 Local Councils have a responsibility to make sure that local services are accessible but some councils could do more. Steps like extending the opening hours and transport links to services like hospitals and libraries could massively improve the experience of service users, although we recognise how challenging this is for councils in the current climate.

4.4.5 We recognise that people in rural communities face particular problems when it comes to the accessibility of public services. We support the actions of the government in trying to make services in rural communities sustainable, e.g. multi-service ventures such as libraries hosting other local services instead of being closed. We would encourage further improvements such as rural-proofing of government policies across all government departments when bringing in new policies, in the same way that impact upon small business has to be measured. We welcome investment in rural high speed broadband coverage and mobile phone reception and would like to see it done faster, ensuring that the hardest to reach areas are serviced.

4.5 Transport

4.5.1 Lack of public transport can have a major effect on people's quality of life. People on low and middle incomes don't only rely on public transport to get to work, but also to access public services like schools and hospitals.

4.5.2 Good quality, reliable public transport can be a driver of social mobility and stimulant of local growth, benefitting both the individual and the wider economy. For this reason we are glad that Transport will be considered carefully in the upcoming Public Services working paper.

4.5.3 One concern that was raised with the group during the conference consultation session was the fact that disabled passes for public transport do not offer discounted/free travel until 09.30. The idea that people with disabilities are not entitled to use their pass during the rush hour is illogical and we would recommend the use of these bus passes at any time of the day.

4.5.4 Access to public services such as schools and hospitals is especially important to young families, the elderly and vulnerable people. However, private bus companies may not service these routes if they do not appear profitable (pensioners and small children pay concessionary fares on which bus companies often make a loss). We therefore propose, following on from recommendation 5.4 that local people have a greater say in the tendering process for local bus services, including the power to insist that certain local routes are included.

4.5.5 We encourage the further roll-out of smart card technology and recommend that 'one week bus passes' be replaced by '7 day bus passes' which won't penalise people who only need to travel by bus between 3 and 6 days a week. In the absence of technology, tickets could be presented as a 'book' to be stamped or punched in the same way as train tickets.

Conclusion

Liberal Democrats believe in building a stronger economy in a fairer society enabling everyone to get on in life. Everyone means everyone. Therefore this paper seeks to help those people of working age who are struggling to get by. It proposes policies that, as resources become available, will make a tangible difference to their lives. We have been especially keen to recommend policies that promote social mobility for all age groups, advance the cause of mutualism, encourage good relationships and wellbeing at work in a way that is fair to both employer and employee alike, help parents and carers with the choices they need to make, promote gender equality and empower individuals. These are the values and themes that have underpinned all our work.

Evidence Givers

Oral Submissions

- Janet Grauberg, Department for Education
- Katherine Rake, then Chief Executive of the Family and Parenting Institute
- Cary Cooper, Distinguished Professor of Organizational Psychology and Health, Lancaster University Management School
- Peter Morey, Energy Campaign Manger, Which?
- Julia Margo, Director of Consumer Insight, Which?
- Linda Jack, former Youth Adviser, Financial Services Authority
- Working Families
- David Nash, Federation of Small Businessess
- Steve MacIntosh , Policy and Public Affairs Manager, Carers UK
- Madeleine Starr, Head of Innovation, Carers UK
- Anne Longfield, Chief Executive, 4 Children
- James Plunkett, Director of Policy, Resolution Foundation
- Richard Dunstan, Social Policy Officer (Employment), Citizens Advice Bureau
- Rosemary Wattwyness, Princes Trust, Director of Policy and Strategy
- Terry Ryall, vInspired, CEO
- Kayte Lawton, IPPR
- Srabani Sen, Chief Executive, Contact a Family

Written Submissions

- Scope
- Carers UK
- 4 Children
- Resolution Foundation
- Citizens Advice Bureau
- IPPR
- Princes Trust
- Contact A Family

A Balanced Working Life

A Balanced Working Life - Policy Paper 108

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. The Party in England has chosen to pass up policy-making to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

Working Group on Low and Middle Income Households

Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.

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Bex Cooper
Giles Derrington
Charles Dundas
Debbie Enever
Jeremy Hargreaves
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