

## **Good Work Plan: Proposals to support families**

### **Government consultation on Parental leave and pay: supporting parents and achieving equality**

#### **UCEA Consultation Response**

##### **UCEA**

This is the response from the Universities and Colleges Employers Association (UCEA) to the government consultation – “Parental leave and pay: supporting parents and achieving equality”. The response is based on views provided by 32 of our member higher education (HE) employers.

UCEA represents the views of higher education institutions (HEIs) across the UK in their capacity as employers. UCEA is a membership body funded by subscriptions from 163 HEIs in the UK, in addition to eight sector associate members. Our purpose is to support our member HE employers in delivering excellent and world-leading higher education and research by representing their interests as employers and facilitating their work in delivering effective employment and workforce strategies.

HEIs are independent employers and determine their own employment policies, often in consultation with recognised trade unions; therefore, there are a variety of HR practices in place in the sector. HEIs tend to pay occupational maternity and paternity pay at a higher rate than statutory pay.

#### **Consultation – Parental leave and pay**

##### **Summary Response**

HEIs support the government’s agenda to improve diversity and inclusion, calling for a departure from the “mother and father” stereotype. At the same time, our members acknowledge that the unique needs of the birth mother should be protected.

Our members recognise a need to either build a more fit-for-purpose parental leave and pay system, or to make helpful improvements to the existing system.

In particular, HEIs see potential for reforming the shared parental leave system which presents an opportunity to provide better benefits for fathers/partners. Our members find the current process confusing and labour intensive to administer.

While our members are supportive of reforms to the parental leave and pay system, they have questioned how the proposals will be financed. Overall, HEIs believe that there should be an equitable contribution shared between the government and employers, in line with the current split.

Our members have highlighted the need to take smaller employers into account should there be a planned increase in costs. HEIs strongly support the view that any decision to enhance above statutory pay should be down to the individual employer.

## **Section 1: Paternity leave and pay.**

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

There were differing views among our members on this point, a slightly higher proportion being in favour of a shorter period of leave with higher pay.

#### **Please provide reasons for your answer below:**

On balance, HEIs felt that a higher rate of pay would be appealing, as there is relatively low take up from men taking paternity leave. Members have evidenced annual leave being substituted for paternity leave to avoid a loss of pay. HEIs further commented that annual leave is frequently used to extend paternity leave, suggesting that statutory paternity leave is too short. Our members also commented that much will depend on individual circumstances.

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

HEIs held the view that changing either leave or pay would have an overall positive impact on achieving government policy objectives. Some of our members commented that changing pay would have more of a positive impact, because lack of pay is thought to be the main barrier to taking paternity leave in line with the current statutory offering.

In particular, HEIs felt that a change to leave or pay would have a positive impact on assisting mothers returning to work. However, HEIs also expressed concern about the potential increased financial burden on employers in funding increases to already enhanced pay rates.

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

HEIs felt that the costs should be shared between the government and the employer in line with the current split. Our members also commented that employers should retain the discretion to enhance pay, as part of an autonomous business decision. HEIs pointed out that a requirement to enhance pay could adversely affect small businesses in particular, placing them under financial pressure.

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

HEIs highlighted the lack of data available to assist in responding to this question. Our members considered that lower paid employees may benefit from an enhancement to SPP and extension to paternity leave. Our members felt that this approach might make it possible for lower income families to benefit from taking paternity leave. HEIs recognised that there are different cultures and beliefs about caring for newborns which are likely to influence the level of take up.

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

There was strong resistance among HEIs to the proposal of a high earnings cap. While our members felt that in principle it would be fair to introduce some differential for high earners, it was felt that this would be administratively impractical. Some of our members highlighted the

fact that applying a cap would be incongruous with other leave types that are uncapped. HEIs also recognised the need for an equitable approach in line with other statutory leave types.

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

HEIs largely agreed that reimbursement levels should vary according to the size of the business. There were, however, some reservations on this position. Our members accepted that some smaller employers may not be able to afford to meet increases on statutory pay. Most of our members who commented would support reimbursement in respect of small employers. Nevertheless, varying the level of reimbursement according to business size would introduce unnecessary complexity for employers. HEIs also highlighted the fact that for larger employers the administration of leave would be greater and more costly than for smaller employees who employ fewer staff.

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

HEIs felt that the decision to further enhance statutory pay should rest with the employer. Our members mentioned that there are likely to be many businesses who wish to remain market leaders and will opt to enhance. However, HEIs also recognised that it may be unaffordable for employers to further enhance statutory pay. Our members felt that the proposition would need to be more clearly defined in order to provide a definitive answer to this question.

**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?**

HEIs hold the view that the aim should be to create flexibility for families and not to determine how employers can influence parental behaviours. Our members were of the opinion that fathers/partners should be able to take time off at any time following the first year of the child's birth. Of our members who commented, some felt that it may be helpful for some of the leave to be taken when the mother has returned to work, as this could assist with childcare arrangements. HEIs emphasised the need for adequate notice periods to enable employers to plan their business needs.

**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?**

On balance our members are in favour of fathers/partners taking leave in blocks, with reasonable notice provisions in place to enable employers to plan business needs. Some of our members expressed concerns that covering blocks of leave could lead to an increased use of temporary and fixed term contracts, which are unpopular in the HE sector. Our members also felt that fathers/partners should have the option (if desired) to take leave when the mother returns to work. Our members suggested that this might boost female participation in the labour market.

**Section 2: Shared Parental Leave and Pay**

**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.**

HEIs called for simplification of the shared parental leave scheme and felt it was too complicated. In particular, our members pointed out that each shared parental leave case has to be administered individually, making the process unduly labour intensive. Our members highlighted a perceived irregularity concerning the application process for shared parental leave. Whereas a single request for three discontinuous blocks of time off can be refused, three separate requests for three continuous blocks of time per request (covering the same dates) cannot be refused. HEIs also commented that the definition of “family” is evolving and that there is a need to update the language adopted in legislation to reflect this.

Although HEIs found the shared parental leave scheme complicated and confusing to administer, they did feel that the scheme increased flexibility for parents. In particular, our members were positive about the move towards parents having the choice to take their leave separately, or at the same time as each other. Our members referred to existing notice period provisions as being helpful in relation to business planning.

**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 ☒:

There were differing responses among HEIs in relation to this question. While the majority were unsure, a high number of those who responded felt that there should be a dedicated pot of leave and pay for each parent, although some of our members disagreed with this proposal.

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

On balance HEIs agreed that mothers should remain ‘gatekeepers’ for the purposes of allocating shared parental leave and pay.

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

HEIs largely felt that there should be an element of pay enhancement in the schemes, although some of our members did not agree and others were unsure.

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

The majority of our members who responded felt that the cost should be split in line with the current apportionment. Our members felt that the government should subsidise the cost to an extent, with employers retaining discretion on whether to enhance.

**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)?**

Our members reflected that the proposal is unlikely to impact positively where there is a strong expectation of traditional gendered roles. HEIs queried the language used in the question, as the reference to “fathers” purportedly excludes same sex couples. Some of our members felt

that the proposal could impact low income families, particularly if the father/partner earns more than the mother. More specifically, our members felt that the level of pay would no doubt determine whether that impact would be positive, or negative.

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

Most of our members who responded felt that income support should not vary according to family characteristics, although some of our members supported the opposite view. Our members commented that it would be inappropriate and intrusive for employers to access financial data concerning individuals and their partners. HEIs reflected that it would be wrong to penalise high earners who may have delayed having children until they were more financially secure. Our members recognised that lower income families should not be placed at a disadvantage.

**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?**

HEIs commented that paternity pay was too short to have any real impact and that the focus should be centred around increasing paternal/partner involvement through statutory shared parental pay. Some of our members would welcome a complete overhaul to simplify the benefits and entitlements system. However, it is important to prioritise the unique needs of the birth mother. It was suggested that basic entitlements should be protected in the first instance, with enhancements added on where appropriate and feasible. Some of our members went on to suggest that where pay is enhanced, take up is bound to be higher.

**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?**

The consensus among HEIs was that the decision whether to enhance entitlements should rest with employers. HEIs felt that employers who currently enhance above statutory entitlements are unlikely to volunteer further enhancements. Of our members who responded, a small number commented that businesses might be prepared to enhance shared parental pay in line with any increased statutory enhancement.

**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?**

Overall, HEIs did not feel that (in relation to the proposed reforms) the length of maternity leave presented any foreseeable implications for maternity arrangements.

**B. The level and extent of Statutory Maternity Pay**

Overall, HEIs did not feel that (in relation to the proposed reforms) the level and extent of statutory maternity pay presented any foreseeable implications for maternity arrangements.

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

There were differing opinions among HEIs in relation to this question, with a virtually even split between the three possible outcomes (Yes/No/Don't know).

## Section 4 - Parental leave for parents of older children

**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.**

Our members noted the following successful aspects relating to the parental leave scheme:

- The scheme allows for families to cope with child-related needs as and when they arise.
- The scheme offers flexibility as to how leave can be taken.
- The scheme is manageable for employers; the 21-day notice period being reasonable.
- It is helpful for parents to have access to 4 unpaid weeks in the calendar year to cover childcare during school holidays.
- The scheme is easy to administer and the process is uncomplicated.

Our members noted that the following aspects relating to the parental leave scheme would benefit from reform:

- The leave is unpaid resulting in low take up.
- The scheme ends when the child reaches 18 years old, which is unhelpful for employees with disabled children whose needs may extend beyond 18 years.
- Employees are often unaware that the leave applies per child per year.
- The marketing of the provision is poor which affects take up.

**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?**

HEIs felt that introducing a limited number of statutory paid parental leave days per year would increase uptake. Some of our members highlighted the need to ensure this is affordable and cost effective, if employers are to contribute.

**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?**

While our members held the view that there is already adequate provision in place, they recognised the need to promote the use of parental leave. Some of our members who responded suggested that one day blocks of unpaid leave might prove more practical and helpful than weekly blocks. Other ideas offered by our members included introducing a higher statutory annual leave entitlement in place of parental leave; making parental leave transferrable between parents; or offering additional parental leave options for parents with children in hospital.

## Section 5 - Towards a comprehensive suite of parental leave policies

**Question 22: Do you agree with the government's objectives for parental leave and pay policies?**

HEIs agreed with the government's objectives for parental leave and pay policies.

**Please give your reasons**

Our members felt that a comprehensive suite of parental leave policies would support paternal/partner involvement in child development. On balance HEIs held the view that the objectives would support more equity for women in the workplace, leading to more inclusive

parenting. However, HEIs also recognised the need to consider same sex relationships and single parents.

**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?**

Of our members who responded, the majority were in favour of a more radical approach. However, a significant number of our members preferred the proposal to reform the existing system.

**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:**

**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** ☐

On balance, without reducing the current support around the time of birth and the first year, HEIs identified the need for greater support later in a child’s life, especially in the light of escalating childcare costs. While our members acknowledged that parental needs are greater around the time of birth, they also highlighted that the majority of support is currently available during a child’s early years. HEIs felt that support was also needed later in life. Our members recognised that challenges are different during each stage in a child’s life but respected that the enormity of responsibility could be just as great regardless of the specific stage. Our members cited the types of anecdotal challenges affecting older children such as increased mental health issues, bullying, drugs, knife crime etc. Some of our members felt that it might be helpful for parents to have more support around ‘transition points’, e.g. transition to nursery, primary school and secondary school.

**Should any incentives for fathers/partners 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** ☐

**Don’t know** ☐

**Please give your reasons:**

HEIs felt that incentives for fathers/partners should be equally focused on paternity entitlement and shared parental leave and pay. Our members felt that enhancing paternity pay would have the most positive impact on families. HEIs also commented on the benefit of fathers/partners bonding with their child and supporting the mother immediately after birth. However, it was also recognised that the father/partner should be in a position to provide ongoing support to the child later in life.

**Should the government give greater priority to the length of leave available or to the pay enhancements available?**

Overall HEIs felt that pay enhancements should be given greater priority.

**Please give your reasons:**

HEIs identified loss of income as the main barrier to taking leave and were therefore doubtful about the prospect of a longer period of unpaid leave. Overall, our members felt that pay enhancements would probably lead to increased take up of paternity leave and shared parental leave. Some of our members commented that pay enhancements to paternity leave in particular could help to close the gender pay gap. HEIs also mentioned the need to take same sex couples into consideration.

**Should support be directed to any particular groups of families? If so which groups, and how?**

On balance, HEIs were not in favour of directing support towards particular groups and commented that the approach should be fair and equitable to all. However, our members recognised that lower income families and those with disabled children may require more support. Some of our members expressed concern that directing support towards particular groups could be administratively onerous and lead to discrimination claims.

**How should the costs of any reforms fall between families, the government and business? Please provide reasons for your answer.**

HEIs supported the current split between the government and employer. Our members felt that employers should be able to reclaim statutory entitlements from the government and employers should have the discretion to enhance. Some of our members highlighted a need for small business exemptions in the event of any additional costs falling to the employer.

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

On balance, HEIs felt that parental leave policies should not be treated with higher priority than other government policies. Our members commented that making government policies mutually exclusive would defeat the object of supporting working families.

Some HEIs mentioned that parental leave policies are confusing and called for a holistic review. In their responses, our members acknowledged individual parental leave policies impact on each other and do not logically stand alone.

A few of our members felt that parental leave policies should take priority over other government policies.

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

Of our members who did feel that parental leave policies should take priority over other government policies, most thought that shared parental leave should be simplified. More specifically, our members commented that the focus should be on removing confusion from the shared parental leave system and increasing accessibility in relation to eligibility, flexibility and usage. Some of our members felt that paternity leave was most in need of reform to acknowledge the crucial role that fathers/partners play in caring for a child.