



Fair Work Focus



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Week ending 25th September 2020

Issue 6

Compared to the start of the month, the second half of September saw fewer job loss announcements - yet several developments continue to fuel concerns of massive losses to come, particularly in retail and hospitality. Rising coronavirus cases have triggered local lockdown's across south Wales, compounding fears of job losses as thousands of businesses face restrictions. Welsh Government announced more measures to protect jobs, although statistics showing that almost 200,000 people still remain furloughed have made clear the scale of potential job losses. The UK Government outlined future job protection support following the end of the furlough scheme in October, with its deliberately less generous terms causing alarm.

Read on for news about:

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As always we welcome your feedback – please contact us at the address below, or get in touch with the project officer Huw Anslow at huw.anslow@bevanfoundation.org.

1. Job Security

The last two weeks have been marked by a return to lockdown in six local authorities across south Wales, with a likelihood that restrictions [will spread](#) to other areas. Alongside these measures, restrictions were also [being placed](#) on hospitality businesses across all of Wales requiring them to close by 10pm. This has added to fears within the sector, with the Welsh Independent Restaurant Collective [writing to](#) the Welsh Government calling for more financial support and changes to the rules on eating out.

As the furlough scheme started to wind down, official statistics showed that unemployment in Wales [increased](#) for the first time since the pandemic began. Against this worrying sign, the UK Chancellor of the Exchequer outlined a new Job Support Scheme to take effect on 1st November after the furlough scheme ends. Lasting for six months, the new scheme will top up the wages of people working at least a third of their normal hours. It is designed to support “*viable*” jobs which are more likely to be sustainable over the long-term.

Responses were mixed. Usdaw [criticised](#) the lack of specific help for the retail sector despite it being one of the worst hit industries. GMB [lamented](#) the lack of bolder policies. FSB Wales welcomed the Chancellor’s announcements while [arguing](#) that more support is needed for the self-employed. Make UK [identified](#) the aerospace

and automotive sectors as areas which need more targeted support, as there is still not enough demand to justify part-time work. UKHospitality [argued](#) that the hospitality sector needed more targeted support, including covering the full cost of unworked hours. This comes as a Pre-Vaccine Jobs Risk Index produced for the Joseph Rowntree Foundation [found](#) that sectors including hospitality and retail are likely to be the hardest hit until a vaccine is readily available. The Foundation also [criticised](#) the Chancellor's proposals for not including policies to retrain workers or create new jobs.

1.1 Job losses

Figures [revealing](#) that 195,000 people in Wales were still furloughed going into August fuelled concerns of massive job losses once the furlough scheme ends. Welsh Government announced more measures to try and mitigate this threat, [extending](#) protection for businesses facing eviction until the end of 2020. Welsh Government also [announced](#) a £14m recovery fund for the sport and leisure sector, targeting sports clubs, independent providers and sporting events. To strengthen immediate support for those either made redundant or facing redundancy, funding was [extended](#) for debt, employment and benefit advice until March 2021.

The First Minister [joined with](#) the First Ministers of Scotland and Northern Ireland urging the creation of a specialist task force to support the ailing aerospace sector. 1,400 Airbus jobs have already been lost in north Wales, while GE Aviation announced 369 job cuts at its Nantgarw plant. Unite [welcomed](#) the move while highlighting the continuing impact on the wider aerospace supply chain in Wales.

1.1.1 Retail

Waitrose [announced](#) it will close its Caldicot shop alongside three other sites across the UK. Concerns for further job losses increased as [new figures](#) showed that while retail sales are up, the high street is failing to enjoy this growth.

1.1.2 Hospitality

Whitbread [announced](#) it would be cutting 6,000 jobs across its total workforce. Amongst the chains it owns are Premier Inn, Beefeater and Brewers Fayre. In further evidence of the long-term implications on employment in the sector, a [new report](#) from IGD has forecast that the UK food-to-go market will only return to 88% of 2019 levels in 2022. A survey commissioned by hospitality trade organisations [found that](#) 23% of UK pubs, bars and restaurants surveyed expected to go out of business within three months, unless more financial support is made available.

As parts of Wales and the UK return to lockdown, Cineworld [expressed](#) anxiety over its ability to survive a second lockdown. The cinema chain reported losses of £1.3bn for the first half of the year, adding to fears for its 5,500 staff across the UK.

1.1.3 Other sectors

Hitachi decided to pull out of the Wylfa nuclear project, prompting Unite [to call](#) on the UK Government to urgently publish their energy White Paper to provide a blueprint for long-term job protection. The CBI also [responded](#) to the news by stressing that focus must continue on driving forward opportunities for a new nuclear plant in Anglesey.

With Ford's Bridgend plant closing, Welsh Government [highlighted](#) that of its 1,644 workforce, the vast majority have accessed training opportunities, 236 took retirement or severance, and 362 have either found new employment or started their own business. Slightly more than 50 workers will remain at Ford and be redeployed to other sites. Unite [highlighted](#) the wider impact on local economies beyond Bridgend, with the plant's workforce coming from 23 different Senedd constituencies.

1.2 Job Gains

1.2.1 Sectors

There was some positive news for workers in the entertainment sector, as furloughed workers from Venue Cymru and Theatr Colwyn [have been](#) temporarily employed to work on the new series of 'I'm a Celebrity'. The reality show will be filmed at Gwrych Castle, with the pandemic causing plans to film at its usual Australian site to be scrapped.

Some other good news included:

- Caldicot-based sealant and repair company SD has [launched](#) a recruitment drive aiming to take on 50 additional workers. The company has managed to weather the pandemic, providing cosmetic repairs and sealant application for housebuilders, businesses and marine repairs.
- A new Burger King restaurant [opened](#) at Barry Waterfront Retail Park, creating around 40 jobs.
- In a drive to enhance safety measures, Asda is [planning](#) to hire 1,000 additional safety marshals across its UK stores.

2. Hours

Welsh Government [set out](#) its ambition for a hybrid workplace model allowing staff to work more flexibly either from the office, at home, or at a hub location. This objective was explicitly linked to fair work principles, with a long-term target of 30% of Wales' workforce working remotely on a regular basis.

Disability campaign groups in Wales have [urged](#) employers and the Welsh Government to maintain and strengthen flexible working beyond the pandemic, arguing the potential to thousands of new jobs for disabled people. Usdaw also [called](#) on the UK Government to deliver on its commitment to make flexible working the default, emphasising the benefits to women in balancing responsibilities such as childcare.

In a push for long-term changes to working practices, the Wales TUC joined the Future Generations Commissioner [in urging](#) the UK Treasury to consider a reduced working week and greater flexibility over working hours. They cited the benefits to short-term job protection in the sectors hit hardest by the pandemic, alongside long-term benefits to health and wellbeing and freeing up time for workers to develop skills.

3. Pay

In a recognition of the lack of adequate sick pay coverage for many low-wage workers, the Welsh Government [announced](#) a new £500 payment for those on low incomes who need to self-isolate. This followed the UK Government making the same spending commitment for England, with the Welsh Government making this decision despite [uncertainty](#) over additional funding through the Barnett formula.

Unison [wrote](#) to the First Minister and Health Minister, urging them to publicly join the trade unions' campaign to secure UK Government funding for an early pay rise for healthcare workers. Rumours continued to swirl that the UK Government is [considering](#) a pay freeze for public sector workers, alongside [concerns](#) that the scheduled increase of the National Minimum Wage in April will be scrapped on grounds of affordability.

The Resolution Foundation [published](#) a new report on low pay in Britain, and what the pandemic has meant for those on low incomes. Going into the crisis, the proportion of low-paid workers across Britain fell to its lowest level

since 1978, but it argues that minimum wage workers are likely to receive a pay increase of just 15p next April as a result of the crisis.

4. Health and well-being

There has been growing [frustration](#) over a lack of availability for coronavirus testing. Eight education unions representing thousands of school staff [urged](#) the Welsh Government to include the whole school workforce as a priority group for coronavirus testing

As Welsh Government [stressed](#) the need for shoppers to wear face coverings and social distance in shops and supermarkets, a survey conducted by Usdaw [found](#) that enforcing social distancing is the biggest trigger for abuse of shop workers. This is a significant departure from previous surveys identifying shoplifting as the main trigger.

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