

Fair Work Focus

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Issue 7

The spread of lockdown measures across Wales has contributed to increasing anxieties over the ability of businesses to weather yet another drop in trade, particularly for retail and hospitality. The Welsh Government has announced a slew of new initiatives to protect jobs, alongside its post-pandemic reconstruction strategy. Businesses which received Welsh Government funding were reminded of their commitment to the principle of fair work, as momentum continued to grow for a pay increase for social care workers. More job losses were announced, although several companies are going ahead with job creation plans, particularly in retail.

Read on for news about:

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- [Health and Well-being](#)

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

Local lockdown measures [spread](#) to four local authorities across north Wales, as the Chief Medical Officer [indicated](#) that rolling lockdowns will be a fact of life over the winter period. The leader of Conwy Council [wrote](#) to the First Minister urging restrictions to be lifted, pointing to the “catastrophic” impact it will have for the local economy.

Against this, the Welsh Government announced several new initiatives to protect jobs. Their [strategy](#) for post-pandemic reconstruction was published, outlining eight priorities including more opportunities for “decent work” with long-term prospects, ensuring that young people are not disadvantaged educationally or economically, and a focus on the foundational economy to improve economic resilience. A package of £320m was [announced](#) to support the immediate reconstruction work, targeting areas such as capital investment and support for young people. This is welcome news given [new evidence](#) that the pandemic is having a disproportionate effect on young people.

A new £7m fund was [launched](#) to help freelancers working in the creative industries. Alongside this, the Welsh Government is working on a freelancer pledge to reaffirm their commitment to involving the creative sectors in recovery plans. A new [campaign](#) through Working Wales was also launched, to promote available support for those who have been made redundant or whose jobs are at risk. Delivered by Careers Wales, this will include opportunities ranging from help with childcare responsibilities to improving skills.

The [third phase](#) of the Economic Resilience Fund began, providing an additional £140m in business support. £20m of this is being ring-fenced for businesses in the tourism and hospitality sectors in recognition of the unequal impact these businesses will face over the winter period. FSB Wales welcomed this recognition but [argued](#) that support for these sectors needs to go further, citing their proposal of a Tourism Hibernation Fund.

As minds turn to next year's Senedd election, Plaid Cymru [outlined](#) key economic policies at their party conference including a Youth Jobs Guarantee. As part of this, a Future Wales Fund would be set up to offer a job to every unemployed 18-24 year old in Wales. Significantly, these jobs would have to meet specific criteria including meeting the minimum wage and at least 25 hours per week.

The UK Government continues to have a dominating presence within debates for greater economic assistance. UK Hospitality [called on](#) them to take advantage of the upcoming winter period by providing hospitality-specific training programmes. While [exploring](#) the potential impact of the pandemic and Brexit on the UK Government's levelling-up agenda, the IFS identified south Wales as being highly exposed to economic disruption due to having higher concentrations of less-educated workers. UK Government meanwhile [announced](#) the Job Entry Targeted Support scheme, designed for those people aged over 25 who have been made jobless due to the pandemic to move into growing sectors such as construction and social care.

1.1 Job losses

The scale of the damage caused by the pandemic has been made clearer in [new figures](#) showing that just under half a million job cuts were planned across the UK during the first five months of the pandemic. On top of this, a new Acas survey [found](#) that over a third of UK employers surveyed are likely to make staff redundancies in the next three months, while a quarter of employers are unaware of the legal requirement to consult staff before making redundancies.

New figures have [shown](#) an increase in the number of apprentices in Wales being made redundant or having their apprenticeship terminated. Those most affected include young people, those living in less deprived neighbourhoods, and those working in hospitality, construction, or hair and beauty.

1.1.1 Retail

Shoe retailer Clarks is reportedly drawing up [plans](#) to close 50 stores, and [Ann Summers](#) is likely to announce some store closures after failing to reach better rental terms with landlords. H&M made the [decision](#) to cut 250 stores globally, although it is unknown how many stores in Wales will be affected. House of Fraser also [stated](#) that a number of stores will be forced to close unless the UK Government reforms the business rates system.

1.1.2 Hospitality

There has [been anger](#) over the decision to impose lockdowns across parts of north Wales, with North Wales Tourism branding the move an "*overreaction*" that will further damage hospitality and

tourism businesses. The British Beer & Pub Association released a [report](#) forecasting that a third of jobs in the industry will be lost across the UK if current trends continue. Greggs [warned](#) that the end of the furlough scheme will force it to make job cuts, as sales remain below pre-pandemic levels.

As the return to local lockdowns takes hold for most parts of Wales, Cineworld [announced](#) it would temporarily close all of its sites as trading becomes increasingly difficult. A total of approximately 5,500 jobs across the UK have been put at risk from this decision.

1.1.3 Other sectors

The aviation industry continues to show signs of significant damage due to the pandemic, with Cardiff Airport [seeing](#) a year-on-year drop in business of 93%. The Welsh Conservatives [outlined](#) a plan to support the Airport, including improving accessibility by investing in transport links.

Car part manufacturer Stadco [unveiled](#) proposals to restructure its UK operations, in a move that would see the closure of its Powys factory with a loss of 129 jobs.

More job losses were announced, including:

- [TSB bank](#) is to close a third of its branches at a loss of just under 1,000 jobs due to increased online banking, although it is not yet known how this will affect branches in Wales.
- Bangor University [announced](#) 200 job cuts, comprising 80 academic jobs with the rest made up of support staff jobs.
- [Newport Leisure Centre](#) is in a consultation process with trades unions over proposals to cut up to 97 jobs in January. The Centre runs cinema, theatres, and sports facilities.

1.2 Job Gains

1.2.1 Sectors

There was some good news as Fashion Enter Ltd (FEL) [hired](#) 77 former Laura Ashley workers, as FEL go ahead with plans to open a new production facility in Powys following Welsh Government financial support.

Holiday resort Bluestone had [approval](#) for a new restaurant development proposal in Pembrokeshire, expected to create or support over 250 construction jobs and, once completed, almost 90 operational jobs.

A number of companies in retail and food outlined plans to create jobs:

- Morrisons started a [recruitment drive](#) to hire over 1,000 new staff in respond to massive demand for online orders through Amazon Prime Now.
- Announcing a huge investment plan, Aldi is [expected](#) to open 100 new UK stores creating 4,000 jobs, on top of 3,000 permanent roles already created this year.
- 180 jobs will be [created](#) at [2 Sisters Food Groups'](#) ready meals factory in Rogerstone.
- Flooring Superstore is to [open](#) its largest store in Swansea, creating four new jobs.
- Discount retailer [B&M](#) is to open 40-45 new stores in the UK, although it is not yet clear if jobs will be created in Wales.

2. Hours

Increased flexibility to work from home has been a feature for many workers during the pandemic, while the Welsh Government recently outlined ambitions to significantly increase flexible working across the economy. In this context, Unite has [produced](#) a new framework homeworking agreement to support union representatives to negotiate with employers, arguing that employers should reach homeworking agreements to mitigate issues arising from turning homes into workplaces.

3. Pay

3.1 Social Care

The Resolution Foundation [highlighted](#) the Migration Advisory Council's report on the Shortage Occupation List as the latest evidence of the damage caused by "appalling" pay and conditions in the social care sector. They argued that the benefits of expanding the care workforce – namely improving the quality of care while providing much needed job market growth – is only possible if a number of changes are made, including setting a real Living Wage and sustainable funding models established.

Speaking at Plaid Cymru's digital conference, leader Adam Price also added to momentum for a pay increase for social care workers. He [identified](#) the sector as one of three priorities for the next Welsh Government, and outlined proposals including bringing it into the public sector as part of a National Health and Care Service, with a minimum wage of £10 an hour.

The Welsh Conservatives [drew attention](#) to reports that almost two-thirds of social care workers are yet to receive the £500 one-off pay bonus, five months after being announced.

3.2 Retail

Frasers Group, owner of Sports Direct, is [urging](#) shareholders to back an employee bonus scheme requiring their share price to triple before workers receive a pay-out. Qualifying workers could receive cash bonuses equivalent to up to four weeks salary, and outstanding performance could be rewarded with share awards. The retailer argued that the scheme strikes the balance between rewarding as many workers as possible while ensuring those workers who contribute the most get recognition. The move [is seen](#) as part of a 'charm offensive' to shareholders, following damaging reports of its treatment of staff.

Hundreds of equal pay claims have been [submitted](#) by shop floor staff at Next, alleging that they are being paid on average £2 less per hour than workers in distribution centres. The claims highlight the gender divide, with women making up the majority of shop floor staff while distribution workers are more likely to be men. It is estimated that each claimant could be entitled to backpay of £6,000.

With the news of a successful takeover bid for Asda, GMB have [argued](#) that this should be an opportunity for Asda to allow their workers to have a greater voice in their pay and terms of employment.

4. Health and well-being

The Welsh Government published [an update](#) on its Care Home Action Plan showing progress being made on improving social care workers' well-being including setting up a well-being network for the sector, support for using the Workforce Risk Assessment Tool, and publication of a road map

signposting workers to existing support and learning materials. Next steps include setting up an Employee Assistance Programme delivered by Social Care Wales.

Caerphilly Council became the first local authority in the UK to [formally agree](#) adoption of a 'Unity over Division' charter. Developed in conjunction with trade unions, this sets out core organisational principles designed to create a more inclusive workplace, including mandatory training on adhering to equality and diversity policy.

5. Voice

A [letter](#) from Economy Minister Ken Skates to recipients of the Economic Resilience Fund sparked differing reactions. The Wales TUC [welcomed](#) the letter for reminding recipients of their commitment to the principle of fair work as a condition of funding, prioritising widening access to trades unions to uphold this. The Welsh Conservatives meanwhile [criticised](#) the assumption that employers which fail to recognise unions are therefore treating their workers unfairly as *"insulting"*.

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