



Fair Work Focus

SEFYDLIAD
bevan
FOUNDATION

Fair Work Focus

Week ending 23rd October 2020

Issue 8

The Welsh Government’s decision to bring in a Wales-wide “fire-break” lockdown dominated discourse around protecting jobs, seeing a mixed response. Some businesses argued this is an extreme measure which threatens their survival prospects, particularly for the retail and hospitality sectors. For workers, this period has brought yet more anxiety over wage losses as the Job Retention Scheme wraps up and the launch of the less generous Job Support Scheme looms. More evidence emerged of a contracting labour market as unemployment rose further, and a number of new reports projected additional job losses in sectors including manufacturing and hospitality.

Read on for news about:

- [Job Security](#)
- [Pay](#)
- [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

The Welsh Government recognised the need to increase support for businesses and jobs during the return to lockdown, [doubling](#) the amount of funding made available through the third phase of the Economic Resilience Fund. The expanded economic package will include payments of up to £5,000 for eligible retail, hospitality and leisure businesses.

Despite this, it is clear that the Welsh economy is bracing itself for more disruption, with the retail and hospitality sectors once again facing more significant losses in revenues. For many businesses and workers in these sectors, a second lockdown this close to the busy Christmas period could prove fatal. Both the [Welsh Retail Consortium](#) and the [Welsh Conservatives](#) criticised the Welsh Government’s decision, arguing that they have failed to clearly explain the evidence behind this. Hospitality businesses in Pembrokeshire also [questioned](#) the decision to impose a Wales-wide lockdown, pointing out that the county has the lowest test positivity rate in the country. Retail organisations went on [to write](#) to the First Minister urging the removal of rules requiring retailers to sell only ‘essential items’, on the basis that they are too restrictive and it is unclear what meet the “essential” criteria. There were some hopeful indications for the high street, with KPMG finding [signs](#) that those people who have been able to maintain their income throughout the pandemic may end up spending more on Christmas shopping. But such consumer spending

projections offer little comfort at a time when many wonder exactly how long the second lockdown will last, if more are on the way, and how much of the high street will be left to reopen.

Tensions between Cardiff Bay and Westminster over the right economic approach continued. Despite pressure from Welsh Government, the UK Government [did not agree](#) to bring forward the Job Support Scheme to align with the start of the Welsh lockdown, arguing that there will be no gap in support as the new scheme begins once the furlough scheme comes to an end. However, some [trades unions](#) and the [Joseph Rowntree Foundation](#) disputed how much the Job Support Scheme will protect jobs and provide stable incomes for workers.

1.1 Job losses

More evidence emerged of the pandemic's impact on jobs, as unemployment in Wales [rose](#) to 3.8%. Although below the UK rate, the number of unemployed in Wales increased at twice the UK rate in the last quarter. In line with this trend, the Recruitment and Employment Federation's (REC) Jobs Recovery Tracker [found](#) a slight decrease in the number of job adverts across the UK in early October.

1.1.1 Hospitality

Pret a Manger [announced](#) it would be making 400 more job cuts, on top of 2,800 redundancies already made during the pandemic.

A number of sectoral organisations [conducted](#) an industry-wide survey finding that 750,000 hospitality jobs could be at risk across the UK without increased financial support.

1.1.2 Other sectors

New research [estimated](#) that 170,000 jobs in the UK live music sector could be lost by the end of 2020, almost two-thirds of the total workforce.

While the pandemic remains at the forefront of challenges plaguing the labour market, a new report has [highlighted](#) the impact Brexit could have on jobs in former 'red wall' UK constituencies. Several parts of Wales are identified as being vulnerable to a Brexit job shock due to a higher reliance on manufacturing, including Wrexham, Bridgend and Ynys Mon.

1.2 Job Gains

1.2.1 Sectors

Poundland announced a number of new store openings, including one in [Maesteg](#) opening just after Wales is scheduled to return to lockdown. The discount retailer is [planning](#) an expansion over the next two years, expected to create 1,000 new full- or part-time jobs.

Hydrogen-fuelled vehicle business Riversimple is [in talks](#) with Welsh Government about potential plans to develop factories in mid and south Wales, with each site estimated to create between 180-220 jobs.

2. Hours

There were more indications that long-term working culture is set to change as a result of the pandemic, as a survey from the Institute of Directors [revealed](#) that three-quarters of respondents would be keeping increased home-working even after the pandemic.

3. Pay

3.1 Social Care

Unison [criticised](#) the UK Government's decision not to waive tax and National Insurance deductions from the £500 one-off bonus payment to social care workers in Wales. They highlighted that the tax paid on this bonus could see the bonus reduced to £125.

The joint health and social care workforce strategy [was published](#), outlining ambitious plans to develop a sustainable and healthy workforce, attracting people with the right values and skills to work in the sector. [New research](#) on worker terms and conditions in the sector, however, underline how challenging this will be to achieve. Amongst the findings is evidence that workers in the independent and voluntary sectors have lower pay and poorer employment benefits than those employed by local authorities.

3.2 Other sectors

The return to lockdown has brought more anxiety over worker pay. Although workers who have been furloughed before can be put back onto the JRS and receive 80% of their income, their employer will only get funding to cover 60% of their workers wages. Furthermore, under the new Job Support Scheme due to start on 1st November, workers will only get 67% of their previous pay. As we explored in a [recent article](#), for the typical full-time workers in hospitality or retail this could mean a weekly wage of around £375 could be cut by £125.

Unite [warned](#) of potential "industrial discontent" in construction sites across the UK, following the Construction Industry Joint Council decision to impose a pay freeze affecting over half a million workers in the sector.

Next have been [accused](#) of destroying key documents related to an ongoing equal pay claim being brought by store staff. The claim centres around a dispute regarding pay rate differences between shop floor and warehouse staff.

A [joint report](#) from the High Pay Centre and Autonomy has found that capping the highest salaries could protect jobs and better distribute wealth amongst workers. Among the findings are that a maximum salary cap of £187,000 would allow a minimum wage of £10.50 an hour to be achieved, a pay rise to over 3 million workers.

4. Health and well-being

An ITV Wales survey of social care workers [found](#) that 53% of respondents have felt pressured by their health board to accept people straight from hospital, without having taken a Covid-19 test.

A GMB UK survey [found](#) that one in four black and minority ethnic workers had not been given necessary PPE. The union called on the UK Government to increase support for these workers, including underwriting sick pay for vulnerable workers.

The EHRC published new guidance on several issues, including:

- [Tackling workplace harassment](#)
- [Supporting staff who are experiencing domestic abuse](#)
- [Retailers' legal obligations to disabled customers](#)

Bevan Foundation 145a High Street, Merthyr Tydfil, CF47 8DP

www.bevanfoundation.org

T: 01685 350938

Registered charity no. 1104191

Company no. 4175018

This update is part of a wider project funded by the Welsh Government's Foundational Economy Challenge Fund. The views here are those of the Bevan Foundation alone and may not be shared by the Welsh Government.