



Fair Work Focus



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Week ending 13th November 2020
Issue 9

This briefing covers the period of lockdown and the week following the easing of restrictions. The period was marked by disagreements over the support offered to businesses and to employees during lockdown. Despite the financial support available, unemployment has increased sharply. For those in work, Living Wage Week saw the new real Living Wage rate set at £9.50 an hour and the number of accredited employers reaching a new high although more than a quarter of Welsh workers have yet to benefit.

There was more sobering news as new ONS statistics [have shown](#) that the Welsh economy was in decline even before the pandemic hit, with Welsh GDP falling by 2.4% between January-March.

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

After 17 days, Wales emerged from firebreak lockdown on 9th November just as England entered into a month-long lockdown. Welsh Government took a number of initiatives both during and after the lockdown to protect jobs. New financial incentives were [announced](#) for employers to hire apprentices where businesses will be able to claim between £1,000 and £3,000 depending on the age of the apprentice and hours worked. The amount of funding available for employers through the Cultural Recovery Fund was [increased](#), alongside opening another phase of the Freelancer Fund.

Despite this, questions remain over the effectiveness of current financial support to meet the severity of the crisis. The £100m business grants element of the Economic Resilience Fund's third phase was [fully subscribed](#) in just 36 hours, with over 5,500 applications. Some businesses [argued](#) that this left them facing lockdown without any financial support.

The UK Government extended the Coronavirus Job Retention Scheme until March 2021, allowing employees to continue receive 80% of their normal wage for hours not worked. The extension has

[postponed](#) the launch of the Job Support Scheme, which in contrast was going to cover 67% of employee's wages. The Job Retention Bonus will not be paid in February 2021 as its purpose - encouraging employers to retain staff until the end of January - has been made irrelevant. The extension was welcomed as a lifeline but Welsh Government [criticised](#) the delay in confirming this only when England's lockdown was announced, resulting in help coming too late for some workers already affected by the firebreak lockdown in Wales.

Plans for post-pandemic reconstruction focused on the need to improve job quality and other fair work characteristics. The Resolution Foundation [outlined](#) a £40bn plan to including a new Health and Social Care Levy to be introduced on a UK level to improve funding in social care, alongside addressing problems such as insecure work. Carnegie UK [published](#) a report examining the impact of the crisis on job quality. Among the findings are that there is insufficient focus on the immediate and long-term implications of the pandemic on working terms and conditions, growing inequality in access to good work, and that low-paid workers both need and deserve a pay rise. A [separate](#) Carnegie UK report focused on the impact of the pandemic on Black and Minority Ethnic workers, recommending that current UK Government economic support for businesses should be used to encourage employers to improve on key dimensions of 'good work'.

1.1 Job losses

Unemployment in Wales [increased](#) further to 4.6%, with 28,000 people becoming unemployed between July-September. This represented the [largest](#) percentage increase in the unemployment rate compared to the previous quarter of any of the UK nations and English regions. It was also the largest quarterly increase of the unemployment rate in Wales [since records began](#) in 1992.

1.1.1 Hospitality

More evidence of the impact of the pandemic on the hospitality sector emerged. Analysis from Kantar [found](#) that the first UK-wide national lockdown cost the UK food and drink industry an average of £751m a week in lost revenue during the first month of lockdown. The IFS released [new research](#) on how UK consumer spending has changed during the pandemic, finding substantial differences across the sectors with hospitality being significantly more affected than other sectors.

Closer to home, research from PwC [found](#) that Cardiff has been particularly badly hit by the decreased demand for hotels during the pandemic, with a drop in revenue way below the UK average.

1.1.2 Other sectors

More redundancies were announced by employers:

- Lloyds Banking Group has [moved forward](#) with plans to cut 1,070 staff as part of restructuring programmes.
- There are [reports](#) that as many as 360 people have been made redundant across Well Pharmacy sites across the UK.
- Sainsbury's [announced plans](#) to make up to 3,500 redundancies in efforts to reduce operations costs, with the closure of 420 Argos outlets and all of its meat, fish and deli counters.
- Unite Wales [urged](#) Welsh Government to step in to save the Whittan Group's storage locker production plant in Saltney, which is set to close in January with a loss of 55 jobs.
- Anxiety mounts for retail workers, as new figures emerge finding that the firebreak lockdown led to high street footfall in Wales [dropping](#) by 78.5% in the last week of October.

1.2 Job Gains

In some much needed positive news, Wales is one of six UK nations and regions to have higher job postings than in March, with postings [increasing](#) by 33.4% between March and October. Only the north west of England had a higher increase, while London saw an 18.7% decrease. By profession, the largest increases in postings were for food and drink process operatives, large goods vehicle drivers, and nurses. The disproportionate impact on hospitality and leisure jobs was evident, however, seeing the greatest decline in the number of job postings.

1.2.1 Sectors

Two manufacturers announced plans to create jobs after receiving Welsh Government funding. Ammanford-based manufacturer LSN Diffusion [is planning](#) an expansion to meet demand including creating 20 jobs, and Anglesey manufacturing firm Joloda Hydraroll is [moving](#) to expand its premises and create new jobs.

Poundland [outlined](#) the full list of new stores opening across the UK, including one in Colwyn Bay.

In a reminder of the 'pandemic-proof' nature of care, new residential care home for adults with autism is set [to open](#) in Pontarddulais, creating 30 jobs.

2. Pay

November 9th marked the start of Living Wage Week. The First Minister announced the new real Living Wage hourly rate of £9.50, an increase of 20p. This move will benefit over 11,000 workers at 262 Living Wage employers across Wales, and was [welcomed](#) as making a real difference to low paid workers. However, trades unions including the Wales TUC [highlighted](#) that this increase will not benefit the thousands of workers paid below the real Living Wage, including most of our key workers. Employer organisations praised the increase but [stressed](#) that the priority for businesses is not increasing wages but simply staying afloat and keeping people employed.

Living Wage employers and employees [explained](#) their reasons for paying this rate, and what benefits this brings. Motivations for employers included improving morale and retention, ensuring staff receive a fair reward, and being socially responsible. For employees, receiving the real Living Wage provides financial security benefitting wellbeing and productivity, and gives those with caring responsibilities greater choice to work fewer hours.

During our Twitter chat on gender equality and the real Living Wage, organisations [considered](#) issues including the benefits for women, and how to encourage more employers to pay this rate. Among the discussion points were that women benefit more as they are more likely to be paid below the real Living Wage and that the professions which women tend to dominate are 'undervalued' by society, resulting in low pay being a constant feature of sectors such as social care.

A new Joseph Rowntree Foundation report on poverty in Wales [identified](#) low pay as part of a combination of factors trapping 700,000 people in poverty, particularly for workers in hospitality and accommodation.

3.1 Sectors

GMB and Unison [criticised](#) housing association Bron Afon after it tried to impose a 2% pay deal on staff, despite the deal being rejected by union members.

Usdaw [welcomed](#) the new real Living Wage rate, highlighting its new deal for workers including a £10 minimum wage for all employees. It also called on the Low Pay Commission to increase minimum wage rates in line with the commitment to two-thirds of median earnings, as a minimum requirement to recognise the efforts of our key workers.

Aldi [announced](#) it will be rewarding its 35,000 workers across the UK with a 10% Christmas bonus, as a 'thank you' gesture for continuing to work during the pandemic.

The Resolution Foundation [launched](#) the WorkerTech Partnership, aimed to support social entrepreneurs focused on improving working conditions and career options for workers locked in low-paid and insecure employment. The Partnership is offering £1.7m in funding applications for plans to build worker-focused technology including online tools and apps, with the aim of empowering workers to secure changes.

3. Health and well-being

The pandemic has highlighted continuing defects in many workers terms and conditions. Basic health & safety is one of the most prominent concerns that workers have, with insufficient sick pay being singled out as a priority area. Welsh Government has started seriously addressing this, at least in the short-term. During the firebreak lockdown, two schemes were announced designed to help low-paid workers to self-isolate. The Statutory Sick Pay Enhancement Scheme is targeting social care workers, topping up statutory sick pay to eligible workers' full pay. An [infographic](#) was released explaining eligibility to the scheme. Under a separate Welsh Government scheme, other workers on low pay can apply for a one-off £500 payment if they test positive or are asked to self-isolate by NHS Wales Test Trace Protect, are unable to work from home and are in receipt of Universal Credit or another specified benefit..

A [new report](#) from the Resolution Foundation has found that one in three workers are concerned about catching the virus in the workplace. It also found that the lowest paid workers are around half as likely as the highest paid workers to report their Covid-19 related complaint as fully resolved.

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