FACT
SERVICE

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Splashing the cash on consultants and pay-off

A private consultancy firm was paid more than £930,000 to make "efficiency" suggestions by Northamptonshire County Council, including £170,000 as it hurtled towards bankruptcy, the GMB general union has revealed.

The council also appointed DDL Consultancy boss Damon Lawrenson as its acting chief executive officer — at a cost of more than £1,000 a day — just months before the council ran out of cash.

The GMB, which used a Freedom of Information request to expose the consultancy bill, said it was "sickening" to find out that the council had spent almost £1 million on consultants while council workers lost their jobs and services were cut.

Like all local authorities, the Tory-run council has been hit by savage cuts in government funding.

It began forking out local taxpayers' cash to DDL in 2008-9, when it handed over £86,000.

In following years, the amounts paid were £237,000 (2009-10), £236,700 (2010-11), £200,600 (2016-17), and £170,700 (2017-18). The grand total tops £931,000.

Then, as bankruptcy loomed in November last year, the council appointed DDL's boss as its acting chief executive officer. There were reportedly no other candidates for the job and he was paid £1,150 a day.

After five months in the job Northamptonshire has announced that he is to leave "by mutual consent."

The council has now been forced by the government to abandon its proposed budget for 2018-19, shelve plans for new spending and find £40 million in cuts.

GMB regional officer Rachelle Wilkins said: "The staggering financial incompetence of the Tory council has made a bad situation much, much worse.

"Under the Conservatives our public services have been weakened, conditions for the workforce have deteriorated, and meanwhile fat cats like Damon Lawrenson have got richer."

To make matters worse, the cash-strapped council may not have provided "value for money" with an exit package given to its former chief executive, according to an auditor.

Dr Paul Blantern received a £95,000 pay-off after quitting the council in October 2017.

Auditor KPMG said it would now be reviewing the "circumstances surrounding his departure" and "any payments" made to him.

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In a report to the council's audit committee, the auditor said there was a "risk that the terms and conditions of the departure [of Blantern], including any exit package, did not provide value for money".

It added any review of his departure will need to "ensure effective arrangements were in place to achieve value for money".

The auditor also questioned the manner of the appointment of Lawrenson, who took over from Blantern in an interim role, but who has also since left the authority.

www.morningstaronline.co.uk/article/near-bankrupt-northants-council-paid-%C2%A31m-consultants

www.bbc.co.uk/news/uk-england-northamptonshire-43628667

Balance of payment's deficit narrows in 2017

Last year, the UK's current account deficit narrowed substantially on the back of a lower trade deficit, official figures show.

In 2017, the current deficit was down to £82.87 billion from £113.57 billion the year before.

As a percentage of gross domestic product (GDP), the UK's current account deficit was down to 4.1% from the revised figure of 5.8% for 2016, the Office for National Statistics said.

The 2017 figure is the narrowest deficit as a percentage of GDP since 2011 when it was 2.4%.

The UK's overall trading position with the rest of the world improved. However, the deficit in trade in goods widened marginally by £87 million to £135.58 billion in 2017 as growth in exports could not match could not match the growth in imports. Exports increased by £40.41 billion to £342.48 billion, while imports increased by £40.49 billion to £478.06 billion.

Trade in services is usually positive, and last year the surplus increased by £12.14 billion to £106.96 billion.

Combined, the figures for goods and services show an improvement in the balance of trade. This showed a £28.62 billion deficit in 2017 against a deficit of £40.48 billion the previous year.

EU A current account deficit of £95.57 billion was recorded with the EU in 2017 – down from the £114.36 billion deficit the previous year.

The deficit in trade in goods narrowed slightly to £94.7 billion from £96.46 billion as exports grew faster than imports. Exports increased by around £21.7 billion to £167.25 billion, while imports increased by around £20.0 billion to £261.94 billion.

Trade in services was much stronger: its surplus increased to £23.13 billion from £16.8 billion.

Exports were up by almost £13 billion to £108.23 billion, while imports increased by £6.6 billion to £85.1 billion.

Non-EU The current account balance with non-EU countries showed a surplus of £12.69 billion in 2017 against just £795 million the year before.

The trade in goods deficit increased to £40.89 billion from £39.03 billion, as exports rose by £18.64 billion in 2017 to £175.23 billion. Meanwhile, imports increased by £20.49 million to £216.12 billion.

The trade in services surplus was up to £83.83 billion from £78.02 billion in 2016. Exports increased by £14.0 billion to £171.35 billion, while imports rose by £8.14 billion to £87.52 billion.

www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/balanceofpayments/quarter4octtodec2017

Government consults on bereavement leave

The government has announced a consultation into parental bereavement leave and pay.

Its aim is to help shape the *Parental Bereavement (Leave and Pay) Bill*, which is currently being considered in parliament. The Bill, which proposes two weeks' paid leave for bereaved parents, was first published in parliament in October 2017.

The initial Bill proposed that employees with a minimum of 26 weeks' service would be eligible for a statutory rate of parental bereavement pay, for which employers would be able to reclaim some or all of the cost.

The consultation will focus on the definition of a bereaved parent, how and when parents might take leave, and what kind of notice or evidence they might have to provide.

One question it proposes, for example, is whether stepparents should be covered by the right, or "others who have a long term relationship with a child which is parental in nature, but who are not the child's legal parents".

The consultation closes on 8 June.

www.personneltoday.com/hr/government-launches-consultation-into-parental-bereavement-leave-and-pay/

www.gov.uk/government/consultations/parental-bereavement-leave-and-pay

Rights of workers in UK supply chain

The government should give UK supply-chain workers the right to challenge their "parent employer" over minimum wage and holiday pay abuses, says the TUC.

A TUC report, *Shifting the risk*, estimates that five million UK workers cannot enforce their basic rights with their "parent company": 3.3 million are employed through outsourced companies; 615,000 are employed by franchise businesses; and at least one million are employed by recruitment agencies, umbrella companies and personal service companies.

The TUC says that unless joint liability is extended to parent employers many supply chain workers will remain at risk of being cheated out of holiday pay and the National Minimum Wage.

The Low Pay Commission estimates that as many as 580,000 workers do not receive the statutory National Minimum Wage. However, under the current law a fast food worker at a McDonald's franchise could not bring a claim against McDonald's HQ if they were paid less than the National Minimum Wage.

The same applies for other supply chain workers.

The TUC study reveals that two million UK workers missed out on £1.6 billion of holiday pay entitlements last year.

However, a hospital cleaner working for an outsourced company in the health service couldn't bring a claim against an NHS trust if they weren't given their correct holiday pay.

Again, the same applies for other supply chain workers.

The TUC wants joint liability laws extended so that workers can bring a claim for unpaid wages and holiday pay against any contractor in the supply chain above them. This would be similar to countries like Australia where Fair Work laws extend liability to franchisors like McDonald's.

The TUC believes there are many reasons for establishing a system of joint and several liability:

- organisations should take greater responsibility for the people that do work for them;
- joint liability opens up multiple avenues for a worker to seek compensation;
- joint liability ensures that where a company goes insolvent, in phoenix cases or where the employer disappears, workers still have a course of action to enforce their rights;
- wider liability would make contractors more diligent and careful in choosing their subcontractors;
- wider liability would strongly incentivise the lead contractor to risk assess and tackle potential breaches of employment standards in their supply chains; and
- joint liability incentivises the creation of more secure, permanent employment, as fewer contractors are willing to take the risk of working with subcontractors who might create liabilities for them.

TUC general secretary Frances O'Grady said: "Employers have a duty of care to workers in their supply chains. They shouldn't be allowed to wash their hands of their responsibilities.

"Joint liability must be extended to parent employers. Without it they can shrug their shoulders over minimum wage and holiday pay abuses."

The TUC's call comes as the government's new labour market tsar Sir David Metcalf prepares to publish his first report.

"Our labour enforcement laws urgently need beefing up. We look forward to raising this with Sir David Metcalf," O'Grady said.

www.tuc.org.uk/sites/default/files/Shifting%20the%20risk.pdf

Postal group fined £1.6m over safety

Royal Mail received its biggest ever health and safety fine last December, the CWU communications workers' union has revealed.

Royal Mail pleaded guilty to health and safety offences on 7 December 2017, in relation to an accident which occurred in a mail centre yard in 2014 when a CWU member, employed as a yard marshal was struck by a departing 7.5 tonne vehicle and knocked unconscious. The worker suffered multiple serious injuries including a fractured jaw and several fractured ribs among other injuries.

The court heard that Royal Mail's safety failures consisted of failures to undertake suitable and sufficient risk assessments and monitoring, failure to provide adequate safety information, training, instruction, supervision and failure to maintain safe workplace transport arrangements including road markings and signage.

The court fined Royal Mail £1.6 million plus costs.

Dave Joyce, national health and safety officer at the CWU, expressed concern over Royal Mail's yard safety record.

"The same types of accidents seem to crop up and they are easily avoidable if you learn from past mistakes," he said. "Safety procedures are not being enforced.

"Royal Mail needs to take action and work with CWU safety reps to improve safety standards and ensure similar incidents are avoided."

www.cwu.org/news/royal-mail-group-fined-1-6-million-for-health-and-safety-offences-employer-pays-their-largest-ever-safety-fine/

New Acas guidance on agency workers

The employment relation service Acas has updated its guidance on agency workers.

The updated version provides a thorough breakdown of the rights and responsibilities of an agency worker from the very start of the employment relationship through until it ends.

The guidance should help to ensure that anyone who works for an agency can quickly understand what they are entitled to from their agency and from the organisation that hires them, and what their responsibilities are while working as an agency worker.

The guidance provides simple explanations about the employment status of an agency worker, explains who the agency worker is actually employed by and how umbrella companies can fit in to this process.

It includes a detailed breakdown of what an agency worker should receive from their agency before an assignment can begin. This includes details of who they will be working for and the nature of the business, the type of work they will be required to do, and the rate of pay and any other benefits they will receive for the role.

It also lays out all the main rights of an agency worker while on assignment, including pay, holiday, protection from discrimination and union membership, and provides details about how to resolve issues if they arise.

In particular, the employment relationship in agency work can often make it unclear who should be contacted about the matter. The guidance, therefore, includes in what situations an agency worker should approach the hiring organisation and when they should talk to their agency.

Although most issues can be resolved informally, the guidance also includes how certain matters can be taken further if necessary, including making a claim at an employment tribunal.

www.hrmagazine.co.uk/article-details/acas-releases-new-guidance-for-agency-workers
www.acas.org.uk/index.aspx?articleid=1873

Growth in economy revised upwards

The UK economy performed slightly better than previously thought last year.

The economy, as measured by gross domestic product (GDP), was estimated to have grown by 1.8% between 2016 and 2017, an upward revision of 0.1 percentage points from the second estimate. However, growth was lower than the 1.9% growth in 2016 and the 2.3% growth in the year before that.

Manufacturing had a good 2017 with output up by 2.5% against a 0.9% increase the year before.

Output of the production industries (manufacturing, mining and utilities) increased by 1.9% last year against 1.3% growth the year before.

Services, which account for 80% on the economy, grew by 1.8% in 2017 against 1.7% in 2016.

www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/octobertodecember2017

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