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Older workers a boost to the economy

Britain's economy could be boosted by £80 billion a year if the country employed as many older workers as Sweden, recently published figures reveal.

The UK ranked just 19th out of 34 OECD countries in PwC's latest Golden Age Index, which measures how effectively countries harness the economic power of older workers, defined as those aged over 55. Iceland took the top spot, while Sweden came in fourth place.

PwC found that, if Britain's employment rates of those aged between 55 and 64 matched those of Sweden, GDP could be boosted by around 4.2%, which equates to £80 billion at current values.

"As the number of people over 55 continues to grow and life expectancy increases, the UK needs to make it as easy as possible for people to continue working for longer if they wish to," said John Hawksworth, PwC's chief economist. "This would boost both GDP and tax revenues."

Dr Jill Miller, diversity and inclusion adviser at the CIPD, encouraged employers to make the most of what older workers have to offer. "Many have a wealth of experience and are at the top of their game. Why wouldn't we make the most of their tal-

ents and engage them to give their best at work?" she queried.

However, she warned that HR professionals "need to stop treating older workers as a homogenous group". She added: "People work longer for different reasons, which will affect how managers motivate and engage their staff. HR professionals need to be challenging age-related assumptions and educating managers about the benefits of age-diverse teams."

Recently, a number of major companies, including Barclays, Aviva and The Co-operative Group, pledged to increase the number of older workers on their books by 12% by 2022.

<http://www2.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2017/06/20/lack-of-older-people-in-employment-costs-uk-163-80bn-a-year.aspx>

Factory output shrinks in first quarter

The drugs industry has distorted the recent three-monthly figures for manufacturing output, according to the Office for National Statistics.

Factory output in the three months to April was down by 0.7% on the previous three-month period ending January.

The decrease in manufacturing was due mainly to the highly volatile pharmaceutical industry, which

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fell by a record 11.9%, following an increase of 10.1% in the three months to January 2017.

Other industries recording falls in output included coke and refined petroleum products with a 3.7% decrease and computer, electronic and optical products where output was down by 3.6%.

Offsetting those falls were an increase of 5.1% in textiles and clothing and a 2.4% increase in other machinery and equipment.

Factory output was up by 1.7% on the same period a year ago.

The more volatile monthly figures show manufacturing output in April up by 0.2% on the previous month and unchanged on the same month the previous year.

The production industries (mining, utilities as well as manufacturing) saw output shrink by 1.2% in the three-month period ending April compared with previous three-month period.

However, production output was up by 1.0% on the same period a year ago.

April posted a 0.2% increase on March, but a 0.8% decrease on the same month 2016.

www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/indexof-production/apr2017

News dads miss out on paternity leave and pay

The TUC has called on the government to give new dads better paternity leave and pay entitlements.

One in four men who became fathers in 2016 didn't qualify for paternity leave or pay, according to a TUC analysis.

In 2016 there were around 625,000 working dads around the UK with a child under one. However, a quarter of them (25%) – more than 157,000 new fathers – did not qualify for the up to two weeks' statutory paternity leave and statutory paternity pay.

The main reason is that they were self-employed – this affected nearly 113,000 working dads. Unlike self-employed mums who are eligible for a maternity allowance, dads who work for themselves don't get a similar paternity allowance.

And another 44,000 dads didn't get paid paternity leave or pay because they hadn't been working for their employer for long enough. The law requires employees to have at least six months' service with their current employer by the 15th week before the baby is due to qualify for paternity leave.

The TUC is concerned that so many dads are missing out on the chance to spend valuable time at home with their partners and babies because they cannot afford to.

Many low-paid fathers struggle to take the time off because statutory paternity pay is just £140.98 a week. This is less than half what someone earning the minimum wage would earn over a 40-hour week (£300).

TUC general secretary Frances O'Grady said: "It's really important for dads to be able to spend time at home with their families when they have a new baby.

"But too many fathers are missing out because they don't qualify – or because they can't afford to use their leave.

"We'd like to see all dads being given a right to longer, better-paid leave when a child is born – and for this to be a day one right.

"When parents share caring responsibilities it helps strengthen relationships – and makes it easier for mothers to continue their careers."

www.tuc.org.uk/equality-issues/quarter-new-dads-are-missing-out-paternity-leave-and-pay-says-tuc

Landmark ruling on voluntary overtime

Veolia Environmental Services was accused by the Unite general union of hiding behind Brexit when it failed to incorporate overtime pay into annual holiday pay citing "Brexit legal uncertainty".

Unite hailed an employment tribunal ruling as a "landmark victory" which will have implications for the union's several thousand members working on French-owned Veolia's council waste and refuse contracts across the UK.

Employment judge Skehan found that the voluntary overtime worked was part of members' normal pay, because there was an intrinsic link between the overtime and their role, and because it was performed with sufficient regularity to be part of normal pay.

Despite Veolia having claimed Brexit as the reason for not incorporating overtime pay, when it came to the hearing the company did not put forward any legal arguments to back up that "spurious" contention.

As a result, voluntary overtime must be included in the calculation of the successful claimants' holiday pay for the first 20 days of their holiday each year in accordance with EU law.

Contractually guaranteed overtime should also be included for the first 28 days based on long established UK law, which Unite said Veolia was forced to concede on day two of the hearing.

Unite national officer for local government Fiona Farmer said: "This judgment will have widespread implications for the several thousand members we have working for Veolia across the UK, who should be getting average holiday pay and could be in line for backdated payments."

The union questioned why Veolia spent more than two years and enormous legal bills fighting the flagrant lack of acknowledgement of EU law.

www.uniteunion.org/news/refuse-workers-win-landmark-victory-in-overtime-pay-case-says-unite/

Safe and comfortable working in a heatwave

The appearance of the sun and the rise in temperature has brought out useful reminders for workers of the risks associated with exposure to the sun's radiation and how to keep cool.

The TUC has called on employers to temporarily relax workplace dress codes so staff can work through any heatwave as comfortably as possible.

To keep work cool, the TUC would like to see employers introduce a number of measures including:

- the distribution fans to staff and provision of portable air cooling cabinets;
- allowing flexible working so that staff can have the option of coming in earlier and staying later to avoid the sweltering conditions of the rush hour commute;
- moving desks away from windows, drawing blinds or installing reflective film; and
- allowing staff to take frequent breaks and providing a ready supply of cool drinks.

The Acas employment service also points out that many Muslims will fast each day from sunrise

to sunset during Ramadan as part of their faith. This includes not eating food, drinking liquids or smoking.

When Ramadan falls in the summer months it can be particularly challenging as the days are longer. Employees may wish to use annual leave when observing the Ramadan rules, and employers may help by holding meetings, for example, in the mornings when energy levels are higher. Where possible employers should consider a temporary change in working hours.

<https://www.tuc.org.uk/about-tuc/regions/workplace-issues/health-and-safety/relax-workplace-dress-codes-and-working-hours>

www.acas.org.uk/index.aspx?articleid=5349

Scandal of unpaid holiday pay

Employers are cheating British workers out of at least £1.5 billion a year in holiday pay to which they are legally entitled, a study has found.

One in 20 workers report not being given statutory holiday pay, while one in 12 workers do not receive a payslip as required by law.

A further £1.2 billion of wages owed for hours worked are unpaid each year, according to a research group at Middlesex University business school in a report called *Unpaid Britain*.

Employers failing to pay basic wages are a widespread problem, but the weakness of enforcement means they can generally do so with impunity, the report says.

"We've focused on the so-called gig economy and zero-hours contracts, but the much more pervasive practices of employers who simply pocket workers' wages have continued largely unremarked," Nick Clark, lead researcher, said.

Researchers used official statistics from sources including employment tribunals, the Insolvency Service, the Labour Force Survey, the Acas conciliation service, and data from Citizens Advice to estimate the scale of deliberately unpaid work in the UK.

They also calculated an "index of employer delinquency" to identify the sectors where workers' wages were most likely not to be paid in full. The worst five were: recreation and amusement activities; food and drink service; personal services

such as hairdressing, nail bars, and dry cleaning; temporary agency working; and the hotel trade.

The Unpaid Britain group suggested that two types of cheating were prevalent. Where workers have variable hours and no payslips, employers are able to make a significant financial gain by cheating them a little and often, and it is hard for workers to keep track of hours worked or to prove what they are owed.

A separate pattern involved bosses deferring pay on the grounds that their business was struggling and then repeatedly going into administration before workers had been paid. The researchers found many phoenix businesses being wound up with debts owed to workers and HM Revenue and Customs, but then reappearing with the same or related directors and premises under a different name.

Citizens Advice experienced a doubling of cases of what it calls “wages theft” between 2014 and 2017, with about 9,000 workers asking for help in recovering deliberately unpaid wages, and 75,000 having problems with pay and entitlements in the last year.

The right to paid holiday in the UK – now 28 days a year for full time workers – was introduced as part of the European working time directive. For those with variable hours it is the equivalent of 12.07% of their average pay, but workers are often not made aware they are entitled to it or are only paid it if they challenge employers. There is no penalty on employers for failing to pay.

The report also highlights the barriers, such as tribunal and court fees, cuts in legal aid, and protection offered to employers by limited liability, that all too often prevent workers recovering unpaid wages.

The number of individual workers taking employers to a tribunal has fallen by 67% since the government introduced fees in 2013. Even when

workers win at a tribunal, they may still have to pay the costs of court enforcement orders and bailiffs where employers fail to pay up.

www.theguardian.com/law/2017/jun/19/uk-workers-cheated-15bn-a-year-holiday-pay
www.mdx.ac.uk/_data/assets/pdf_file/0019/371017/Weighted-scales-Unpaid-Britain-Interim-report.pdf?bustCache=15096591

Merger and takeover market much quieter

The start of 2017 saw a lower level of merger and acquisition (M&A) activity involving UK when compared with fourth quarter 2016 and with the same quarter 2016, the latest official figures show.

There were a total of 127 successful domestic and cross-border M&A involving UK companies in first quarter 2017, valued at approximately £12 billion.

The first quarter 2017 total includes 48 domestic acquisitions valued at £3.62 billion. The final quarter 2016 figures were 90 acquisitions worth £2.36 billion.

At the start of 2017, the main deals were the £340 million takeover of business energy supplier Opus Energy by power generator Drax. In addition, private health group BUPA completed the £835 million takeover of Oasis Dental Care in the quarter.

There were 40 inward acquisitions – foreign companies buying UK companies – valued at £5.16 billion in the first quarter of the year well down on the 76 such deals worth £85.18 billion in the final quarter of 2016.

Meanwhile, there were 26 outward acquisitions – UK companies buying companies abroad – valued at £1.87 billion against 22 deals worth £3.45 billion in the final quarter of last year.

<https://www.ons.gov.uk/businessindustryandtrade/changestobusiness/mergersandacquisitions/bulletins/mergersandacquisitionsinvolvingukcompanies/jantomar2017>

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