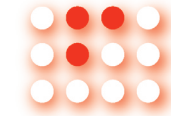


# FACT

S E R V I C E



109 Taylor review 'no game-changer, says TUC

111 Weekly earnings fall in real terms

110 Landmark ruling on gay person's pension  
Unemployment slips below 1.5 million

112 ... weekly earnings continued

Annual Subscription £90.05 (£76.00 for LRD affiliates)

Volume 79, Issue 28, 13 July 2017

---

## Taylor review 'no game-changer', says TUC

Trade unions have given a muted welcome to the much anticipated review of modern working practices, headed by Matthew Taylor.

Many workers in the gig economy are paid according to tasks completed, rather than hours worked, the review said. It therefore proposes a new worker status of "dependent contractor", which will cover workers such as Uber drivers and Deliveroo riders.

The report concludes that those who fall under "dependent contractor" status are most at risk of being taken advantage of and so suggests that these people are given additional employment rights, such as sick pay and holiday pay.

However, Stephen Cavalier, chief executive of Thompsons Solicitors, said the proposed status complicates existing categories of employment.

"This new status is unclear and unnecessary," Cavalier added. "Recent employment tribunal rulings have required prominent gig economy employers to pay their workers basic benefits, like sick pay, holiday leave and the National Living Wage. What is needed is for these rights and responsibilities to be clearly set out in legislation."

The report also recommends extending some minimum pay rights to these workers, making sure the average dependent contractor at any particular firm is earning 1.2 times the National Minimum Wage.

"Bad work – insecure, exploitative, controlling – is bad for health and wellbeing, something that generates cost for vulnerable individuals but also for wider society," said Taylor.

"As many business leaders recognise, low-quality work and weak management is implicated in our productivity challenge. Improving the quality of work should be an important part of our productivity strategy."

The review addresses agency workers and those on zero-hours contracts, but not in a robust way.

Taylor said the government should introduce a right to request a direct contract of employment for agency workers who have been placed with the same hirer for 12 months, with an obligation on the hirer to consider the request in a reasonable manner.

And Taylor does not call for a ban on zero-hours contracts merely that the government should act to create a right to request a contract that guarantees hours which better reflect the actual hours worked, for those on zero-hour contracts.

The average weekly hours worked over the previous 12 months should be the starting assumption for any new contract, Taylor said.

**LABOUR RESEARCH DEPARTMENT**

Published weekly by LRD Publications Ltd, 78 Blackfriars Road, London SE1 8HF. 020 7928 3649 [www.lrd.org.uk](http://www.lrd.org.uk)

TUC general secretary Frances O'Grady said: "It's no secret that we wanted this review to be bolder. This is not the game-changer needed to end insecurity at work.

"A 'right to request' guaranteed hours is no right at all for many workers trapped on zero-hours contracts. And workers deserve the minimum wage for every minute they work, not just the time employers choose to pay them for.

"But Matthew Taylor is right to call for equal pay for agency staff and sick leave for low-paid workers – something which unions have long campaigned for. The government should move swiftly to implement these recommendations."

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf)

[www.tuc.org.uk/industrial-issues/tuc-comment-taylor-review](http://www.tuc.org.uk/industrial-issues/tuc-comment-taylor-review)

---

## Landmark ruling on gay person's pension

The Supreme Court has ruled a man and his husband should have the same pension rights as an opposite-sex couple, clarifying that schemes cannot discriminate against same-sex couples.

Former chemical company worker John Walker won the case to gain equal pension rights for his husband, despite initially losing his plea to overturn chemical firm Innospec's decision to refuse scheme benefits on death.

Walker worked for Innospec from 1980 to 2003 and had lived with his husband since 1993. Walker and his husband had been in a civil partnership since 2006 and later converted this into a marriage.

Walker asked Innospec if it would pay his, at the time, civil partner the spouse's pension provided in its scheme upon his death but the company refused. It said the provision of pension benefits on death excluded same-sex couples before civil partnerships were made legal in 2005.

Walker succeeded in overturning Innospec's decision in the Employment Tribunal in 2012, under the EU directive on equal treatment in employment and occupation, as it was argued this was incompatible with the European Convention on Human Rights.

However, this was then overturned by Innospec in the Employment Appeal Tribunal and the Court of Appeal, in 2014 and 2015 respectively.

In the final decision, the Supreme Court ruled pension schemes should issue pensions to those married by retirement or their 60th birthday, whichever comes first, without discriminating between same-sex and opposite-sex couples.

The TUC welcomed the ruling. General secretary Frances O'Grady said: "This is a huge moment, which trade union members have long campaigned for. Pension law must catch up with the times, and discrimination against same-sex couples and those in civil partnerships must end.

"The courts today have removed a barrier to equality. This ruling must end a system that has left thousands of people with added stress when they are grieving for loved ones.

"The ruling results from the equality rights that come from the EU. The government must make sure that the Repeal Bill, and the Brexit deal, do not allow these rights to be rolled back after Britain has left the EU."

[www.professionaladviser.com/professional-adviser/news/3013724/landmark-pension-rights-victory-for-gay-couple-in-supreme-court](http://www.professionaladviser.com/professional-adviser/news/3013724/landmark-pension-rights-victory-for-gay-couple-in-supreme-court)

[www.tuc.org.uk/equality-issues/lesbian-gay-bisexual-and-transgender-rights/tuc-hails-court-pensions-victory-same](http://www.tuc.org.uk/equality-issues/lesbian-gay-bisexual-and-transgender-rights/tuc-hails-court-pensions-victory-same)

---

## Unemployment slips below 1.5 million

UK unemployment has posted another fall, official figures show.

The number of unemployed people decreased by 64,000 to 1.49 million in the three-month period ending May 2017, according to the Labour Force Survey data.

The fall in numbers was enough to cut the overall unemployment rate to 4.5% from 4.7%. The last time the rate was as low was in 1975.

The number of unemployed men fell by 24,000, cutting their total to 831,000. Their unemployment rate was cut to 4.7% from 4.8%.

The number of unemployed women was down by 40,000 to 664,000 and their unemployment rate fell to 4.2% from 4.5% in the previous three-month period.

There was, however, an increase on the other main unemployment measure – the claimant count – which only includes claimants receiving Jobseeker's

Allowance and those on the means-tested Universal Credit.

In June 2017, unemployment under this count increased by 5,900 to 814,500 from the revised figure for May of 808,600.

The increase in numbers was not enough to affect the joblessness rate of 2.3%.

The number of male claimants increased by 3,100 to 509,200, but their joblessness rate was unchanged at 2.7%.

For women, the increase was 2,800 taking their total to 305,300, but the increase did not affect their joblessness rate which remained at 1.8%.

Unemployment seasonally adjusted				
	Claimants <sup>1</sup>		LFS <sup>3</sup>	
	(000s)	% <sup>2</sup>	(000s)	%
April 2016	763	2.2	1,676	5.0
May	776	2.2	1,647	4.9
June	779	2.2	1,640	4.9
July	778	2.2	1,630	4.9
August	788	2.3	1,658	5.0
September	793	2.3	1,606	4.8
October	807	2.3	1,612	4.8
November	808	2.3	1,600	4.8
December	787	2.3	1,594	4.8
January 2017	746	2.2	1,580	4.7
February	740	2.1	1,559	4.7
March	773	2.2	1,541	4.6
April	795	2.3	1,530	4.6
May (r)	809	2.3	1,495	4.5
June (p)	815	2.3		

<sup>1</sup> Jobseeker's Allowance and Universal Credit claimants <sup>2</sup> Percentage of working population – the employees, unemployed, self-employed and the armed forces.

<sup>3</sup> The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

**Regions** In the three months to May 2017, unemployment was down in eight of the UK's 12 regions/countries, was unchanged in two (South East and Scotland) and increased in two (West Midlands and South West).

The largest falls were 19,000 in Scotland and 16,000 in the London.

The unemployment rate was above the UK average of 4.5% in six of the 12 regions/countries. The

highest rates were 6.0% in North East and 5.9% in the West Midlands.

In June, the claimant count increased in the nine English regions but fell in the three other countries Scotland, Wales and Northern Ireland. The claimant count rate was above the UK average of 2.3% in seven regions/countries. The highest rate was 4.4% in the North East.

Region	June claimants		LFS Mar – May	
	Number	%	Number	%
North East	53,900	4.4	78,000	6.0
North West	111,800	3.0	154,000	4.3
Yorkshire & the Humber	76,900	2.7	130,000	4.8
East Midlands	46,400	2.0	90,000	3.8
West Midlands	86,900	3.0	166,000	5.9
East	50,500	1.6	127,000	4.0
London	125,000	2.1	271,000	5.5
South East	65,400	1.3	158,000	3.4
South West	45,200	1.5	101,000	3.5
Wales	40,500	2.7	70,000	4.6
Scotland	81,500	2.9	104,000	3.8
Northern Ireland	30,500	3.3	46,000	5.3

[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2017)

## Weekly earnings fall in real terms

Real wages declined again in May as the rise in weekly average earnings was much less than the rise in the cost of living as measured by retail price inflation.

In May, growth in average weekly earnings in the whole economy was provisionally estimated to be 1.8% against the revised rise for April of 1.3%.

With retail price inflation rising by 3.7% in May and 3.5% in April, there was a real-terms decrease in earnings of 1.9 percentage points in May and a 2.2 percentage points decrease in April.

TUC general secretary Frances O'Grady said: "Ministers must set out a plan to get real wages rising across the public and the private sectors.

"They should start by scrapping the unfair pay restrictions on nurses, midwives and other public

sector workers. And the minimum wage must be raised to £10 as quickly as possible."

Average weekly earnings <sup>1</sup>					
£ a week	Whole economy	Manufacturing	Services	Private sector	Public sector <sup>2</sup>
March 2016 (r)	491	576	475	488	499
April (r)	496	575	481	494	501
May (r)	494	580	478	492	498
June	494	578	479	493	500
July	496	579	481	494	498
August	496	579	480	494	504
September	497	580	481	495	500
October	498	578	483	497	501
November	500	579	484	498	503
December	499	579	483	496	502
Jan 2017	499	581	484	497	503
February	499	582	484	498	504
March	502	581	488	501	505
April (r)	503	584	487	501	505
May (p)	503	583	488	501	508
% annual change					
Single month	1.8	0.5	2.1	1.8	2.1
3-month average <sup>3</sup>	1.8	1.0	2.0	1.8	1.3

<sup>1</sup> Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. <sup>2</sup> Excludes financial services. <sup>3</sup> Average of the seasonally adjusted data for the latest three months compared with three months a year earlier. (p) provisional (r) revised

The sectoral figures published by the Office for National Statistics' (ONS) show manufacturing earnings growth was cut drastically to just 0.5% from 1.7% in April. Meanwhile, there was a rebound in services with growth of 2.1% in May against 1.3% the previous month.

In the private sector as a whole, growth was up to 1.8% from 1.4%.

Growth in the public sector, excluding financial services, was up to 2.1% in May against a 0.8% rise in April.

Headline earnings growth (the rolling three-month average) for the whole economy was cut to 1.8% in May from 2.1% in April.

In manufacturing, growth was down to 1.0% from 1.7%, while in services it was down to 2.0% from 2.2%.

In the private sector as a whole, earnings growth was down to 1.9% from 2.4%. In the public sector, excluding financial services, growth was up to 1.3% from 1.1%.

The regular pay figures produced by the ONS strip out bonuses. For the whole economy growth was up to 2.3% in May from 1.8% the previous month.

The increases in the year to May for various sectors, along with the previous month's rises in brackets, were: manufacturing 0.9% (1.3%); services 2.5% (1.7%); private sector 2.4% (2.1%); and public sector, excluding financial services, 2.1% (0.8%).

The average rise for regular pay in the whole economy for the three-month period ending May edged up to 2.0% from 1.8% in the previous period ending April.

The three-month sectoral increases were: manufacturing 1.4% (1.7%); services 2.1% (1.8%); private sector 2.2% (2.0%); and public sector, excluding financial services, 1.4% (1.1%).

The following table is based on the median average earnings figures for April 2016 published in the Annual Survey of Hours and Earnings.

The original median figures have been updated by the 1.4% increase in average weekly earnings, including bonuses, for the whole economy between April 2016 and May 2017 to give a rough estimate of earnings now in the various occupational groups.

Full-time average weekly earnings by occupation	
	£ a week
All employees	546.20
All male	585.90
All female	487.20
Managers	808.80
Professionals	736.00
Associate professionals	602.00
Admin & secretarial	429.20
Skilled/craft	505.00
Services	357.80
Sales	359.90
Operatives	474.00
Other manual jobs	361.40

[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/july2017)