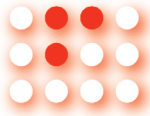


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Annual Subscription £87.00 (£73.50 for LRD affiliates)

Volume 78, Issue 31, 4 August 2016

Cut in interest rates

UK interest rates have been cut to a record low of 0.25% by the Bank of England.

The Bank said it expected the economy to stagnate for the rest of 2016 and suffer weak growth throughout next year.

The last interest rate cut – to 0.5% – was in March 2009 at the height of the economic crisis. So the rate has remained at 0.5% for over seven years.

Last month, the Bank of England's Monetary Policy Committee (MPC) voted to hold interest rates, despite economists predicting a cut.

www.bbc.co.uk/news/business-36976528

Days lost to strikes at very low level in 2015

The number of working days lost to industrial action in 2015 was the second lowest annual total since records began in 1891, the Office for National Statistics (ONS) said.

In 2015, 169,600 working days were lost in the UK from 106 stoppages of work arising from strike

action, according to the review of 2015 labour disputes published by the Office for National Statistics (ONS).

The days lost figure was well down on the total lost in 2014 of 788,300 from 155 stoppages.

The 2015 total was the second lowest on record since records began in 1891; the only year when the total was lower was in 2005 when the figure was 157,000 days lost.

There were 81,000 workers involved in labour disputes during 2015, the lowest since records began in 1893.

Pay was once again the principal cause of disputes. In 2015, 121,000 working days were lost over wage rates and earnings, accounting for seven out of 10 days lost.

TUC general secretary Frances O'Grady said: "These figures show that going on strike is always a last resort when your employer won't negotiate and won't compromise. Strikes are far less common these days and tend to be short.

"Most strikes are about people demanding fair pay, which is unsurprising given that real wages have fallen off a cliff in the past decade.

"Good industrial relations depend on fair wages and decent rights at work. The new prime minister

LABOUR RESEARCH DEPARTMENT

Published weekly by LRD Publications Ltd, 78 Blackfriars Road, London SE1 8HF. 020 7928 3649 www.lrd.org.uk

has spoken about raising wages – now it's time to live up to that promise."

Redundancy accounted for 34,000 days lost or one in five days. Other categories for days lost, such as hours, working conditions and staffing, lagged well behind the top two reasons.

A public sector/private sector breakdown showed that in 2015 the number of working days lost in the public sector decreased to 90,000 from 716,000 in 2014.

In terms of days lost, the public sector accounted for just over half (53%). There were 53 stoppages in the public sector the same as for the private sector. The number of days lost in the private sector was 79,000 or 47% of days lost.

On an industry basis, transport and storage lost 60,200 days – or just over one in three of the total (35%) – in 19 stoppages involving 28,400 workers.

Second place was taken by public administration and defence industry group with just 25,400 working days lost in 13 stoppages involving 23,100 workers.

The figures show up the Conservative Party's purely political purpose in bringing forward what is now the *Trade Union Act 2016*, with its strict balloting procedures and strike ballot thresholds.

Listening to government ministers debating the passage of the Act, the impression given was that the UK was engulfed in permanent industrial strife, with strikes crippling the economy.

Michael Pidgeon, a press officer at the TUC, writing on the Stronger Unions blog, said the statistics show something different. Strikes are rare – very rare. And short – three out of five strikes are over within three days.

Thirdly, strikes are mostly (70%) about people looking for fair pay. That's not unreasonable, given that UK real wages fell by more than 10% in the last decade.

He concluded that the best way to keep the number of strikes low isn't to try to restrict people's democratic rights, "but instead to address the problems that are causing people to take this last resort step. That means ensuring that people have real opportunities, decent conditions, and of course fair pay for a fair day's work".

- Information regarding labour disputes within the

UK is collected by ONS from a variety of sources. Certain major industries and public bodies provide regular centralised returns, but more often the information is collected directly from the employer or trade union involved after ONS have identified disputes from press reports.

The statistics exclude disputes that do not result in a stoppage of work, for example work-to-rules and go-slows; this is because their effects are not quantifiable to any degree of certainty. Stoppages involving fewer than 10 workers or lasting less than one day are also excluded unless the total number of working days lost in the dispute is 100 or more.

Stoppages over issues not directly linked to terms and conditions between workers and employers are also omitted.

However, "lock-outs", where an employer prevents their employees from working by refusing entry to the place of work, and "unlawful" or wildcat strikes are included. Nevertheless, no distinction is made between a "strike" and a "lock-out" or between "lawful" and "unlawful" stoppages.

www.ons.gov.uk/releases/labourdisputesannualarticle2015

<http://strongerunions.org/2016/08/02/lowest-ever-strike-figures-so-why-did-we-need-the-trade-union-act-again/>

Voluntary Living Wage needs revision

The voluntary Living Wage needs to be calculated with a clear and transparent methodology if it is to deliver on its aim of raising living standards and further differentiating itself from the National Living Wage introduced by former chancellor George Osborne, according a report from the Resolution Foundation.

The roots of the Living Wage go back to 2001. However, thousands of organisations have signed up to pay the Living Wage, a voluntary rate set by the Living Wage Foundation's Living Wage Commission since 2011, and calculated to reflect what its supporters say is the true cost of living.

It currently stands at £9.40 an hour in London and £8.25 elsewhere in the UK. This is not to be confused with the Conservative government's new legal minimum for over-25s, introduced in April 2016 at £7.20 an hour, named the National Living Wage,.

Making the Living Wage: The Resolution Foundation review of the Living Wage proposes an

assessment of the different ways the London and UK Living Wage rates are calculated, with the aim of aligning the methodologies.

Accepting that the Living Wage still has room for improvement, and responding directly to changes in living costs in the capital and the wider country, is essential to securing the Living Wage's future, said Katherine Chapman, director of the Living Wage Foundation.

"We are in a very different place now than we were five years ago," she said. "The Living Wage campaign has grown exponentially since 2011 and there have been some major breakthroughs with organisations across broad sectors becoming Living Wage-accredited. After the introduction of the National Living Wage in July 2015, our member sign-ups have continued to spike – our concern now is to make sure our campaign is grounded and its methodologies aligned."

The Living Wage Commission will respond in autumn 2016, with the new methodology in place in time for Living Wage Week, at the end of October.

www.resolutionfoundation.org/wp-content/uploads/2016/07/Living-Wage-Review.pdf
www.livingwage.org.uk/news/making-living-wage-resolution-foundation-review-living-wage-1

Rise in value of council outsourcing contracts

The value of outsourcing contracts signed by UK local authorities in the first half of 2016 increased by 84%, despite a dip in the value of overall public sector spend.

The Arvato UK Outsourcing Index has revealed the value of outsourcing contracts signed by councils in the first six months of this year increased to £684.9 million, with IT deals representing the largest proportion of outsourcing deals (61%). This was despite a decrease in the value of public sector spending to £1.6 billion.

The research also recorded a 50% increase in the number of deals procured by local authorities (from 12 to 18) between January and June, compared with the same period last year.

The average deal values rose, according to the Index, by 22% and the proportion of new work coming into the sector grew from 50% of contracts in the first half of 2015 to 72% during the same period of 2016.

Overall, UK outsourcing contracts worth £3.91 billion were signed in the first half of 2016. This represents a 19% year-on-year rise.

www.localgov.co.uk/Outsourcing-contracts-signed-by-councils-on-the-rise/41362

Search for gig economy in UK

Digital services and platforms are disrupting the way labour markets work throughout the world. The emergence of the "gig economy" is part of this disruption, says the Work Foundation think tank.

In the first in a series looking at what constitutes the gig economy and its impact on the UK labour market, the report, *In search of the gig economy*, sets out the evidence of the impact of the emerging gig economy at an aggregate level and the need for better definitions and measurement.

The gig economy is related to but is different from the "sharing economy". Both have proved elusive to define, and both have lent themselves to exaggeration about their current size and likely growth. It has been described as "the economic sector consisting of freelance workers who survive by taking on a series of small jobs, particularly when those jobs are arranged using a website or app".

In its report, the foundation's working definition of the gig economy includes all those who use digital platforms to negotiate discrete parcels of work directly with customers and clients.

The Work Foundation found no evidence that the gig economy has increased the share of insecure employment in the labour market. It has not reduced the aggregate supply of permanent and full-time employee jobs, or as yet significantly reduced conventional employment opportunities at a UK level.

As yet there is no direct measure of the gig economy, but all the evidence suggests that it accounts for a modest share of employment.

The report's best estimate is that regular and occasional participants can account for no more than 6% of total UK employment at most. And overall the study finds little evidence that the gig economy has so far fundamentally changed the long-term structure of employment in the UK.

The report concludes that employment in the gig economy is very likely to become more significant over the next decade, albeit no more than a shift

of a few percentage points in the share of total employment. However, even a modest shift in the share would imply that gig economy-type employment was making a significant contribution to employment growth.

www.theworkfoundation.com/DownloadPublication/Report/407_In%20search%20of%20the%20gig%20economy_June2016.pdf

National scandal of homecare wage cheats

Failure to honour the statutory National Minimum Wage is endemic across the care sector as many homecare workers are unpaid for the time taken in travel between home visits – which can be up to a fifth of their working day, says the public services union UNISON.

The union is urging the government to end the systematic underpayment that it believes is widespread in the sector, by tweaking minimum wage regulations so employers are forced to make pay calculations easier to understand.

Confusing wage slips mean workers struggle to see how they are being paid, so it's difficult for them to challenge their employers, the union said.

Although homecare companies claim to be paying the minimum wage, their failure to pay travel time means that staff are often being paid well below the legal minimum.

Most homecare employees work in isolation and rarely see colleagues so it's difficult for them to compare their experiences. And even when companies are successfully challenged by individuals over their failure to pay for travel time, these tend to be dealt with on a case-by-case basis.

If caught out for failing to pay for travel time, firms seldom make amends and correct the payments across the whole of the workforce.

UNISON said it should not be for individual low-paid workers (often on zero-hours contracts) to stand up to each employer when the government – and HM Revenue and Customs (HMRC) in particular – should be making sure that employers are paying a legal wage.

And when firms are caught not paying the minimum wage because they don't pay for travel time, HMRC should step in to ensure that appropriate payments are made to the rest of the staff, said UNISON.

The issue of unpaid travel time was highlighted earlier this year when UNISON backed a case against Sevacare – one of the largest homecare providers in the UK – on behalf of Judith Montgomery, from Bury, Greater Manchester. In March 2016, she won £3,250 for withheld travel time payments, equivalent to nearly 500 hours at the then National Minimum Wage rate of £6.70 an hour.

UNISON general secretary Dave Prentis said: "Homecare workers support the elderly and vulnerable across the UK, yet they continue to be paid below the minimum wage. The government promised to act, but so far ministers have abjectly failed to help these low-paid workers.

"Homecare firms who only pay their staff for the face-to-face time they spend with their clients are guilty of law-breaking on a grand scale. The increasing use of 15-minute visits places untold pressure on homecare workers, yet their pay doesn't reflect the importance of the work they do."

UNISON wants to see HMRC publish a report – commissioned by the government over a year ago – into six major care companies and potential breaches of minimum wage laws.

The union has published its own report on 15-minute homecare visits, which is available at: www.unison.org.uk/content/uploads/2016/03/23741.pdf

www.unison.org.uk/news/press-release/2016/07/unison-urges-government-to-end-national-scandal-over-homecare-minimum-wage-cheats/

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