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Millions to be worse off

It takes less than a day for the respected think tank, the Institute for Fiscal Studies (IFS), to burst a chancellor's good news balloon.

As many headlines concentrated on George Osborne's climbdown over tax credit, the IFS pointed out that it changes nothing in the long run because the cuts would still feature in the new Universal Credit system, which is due to replace tax credits by 2018. And millions of families will be hit.

Existing benefit claimants on the likes of Jobseeker's Allowance will be protected in cash terms when moved onto Universal Credit, the IFS said. However, 4.5 million working families will be affected by introduction of Universal Credit of which 2.6 million stand to lose an average of £1,600 a year. A much smaller number —1.9 million working families – will gain an average of £1,400 a year.

Out of the 1.8 million non-working families affected by introduction of Universal Credit, 1.2 million will lose an average of £2,500 a year. And just 0.6 million will gain an average of £1,000 a year.

IFS research economist Andrew Hood said welfare will be "significantly less generous in the long-run" because the Conservative government aims to shrink non-pension benefits to their smallest share of national income for 30 years.

He also pointed that the cut to work allowances announced in the Summer Budget in July is still going ahead and will hit a similar group to those affected by the abandoned tax credit cuts.

Fiona Weir, chief executive of single parent pressure group Gingerbread, said: "Both Gingerbread and campaigners up and down the country who have fought hard to overturn the planned cuts to tax credits should be pleased at the outcome. However, this announcement only covers the first phase of tax credit cuts, due to kick in next year.

"Single parent families on Universal Credit will still suffer cuts to the support they receive if the planned reduction in the work allowance goes ahead."

www.ifs.org.uk/uploads/publications/budgets/Budgets%202015/Autumn/Hood_Benefit_tax_credit_changes.pdf

Work-related violence – get it down

The reporting of work-related violence is important on any day of the week and not just a shopping frenzy day like Black Friday when shopworkers have faced widespread abuse.

Without a strong and well-used reporting system, employers cannot respond to incidents or identify potential hotspots and trends and tackle the problem at source, a TUC briefing says.

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There are a number of features of reporting systems that union health and safety reps should seek to negotiate. These include a clear, agreed definition of work-related violence.

An agreed reporting form, preferably kept as short as possible, will encourage those affected by violence to complete the reporting process.

The reporting form should be written in plain and straightforward language, and translated forms should be available for all workers for whom English is not their primary language.

The form should direct the person completing it to provide factual evidence with critical elements, such as the incident time and location; a description of assailant; and a description of any injuries suffered.

There is a link on the TUC's website to what a draft report could look like. And once agreed, an employer should ensure that it is made widely available with all staff notified about the policy and encouraged to complete and return the form after any incidents.

www.tuc.org.uk/workplace-issues/health-and-safety/violence/reporting-work-related-violence

https://www.tuc.org.uk/sites/default/files/Violence%20and%20Abuse%20Reporting%20Form%20%28pdf%29_0.pdf

Growth in UK economy is confirmed

The economy grew by 0.5% in the third quarter of 2015 compared with the second quarter, the latest official estimate shows.

The second estimate for gross domestic product (GDP) is unchanged, as is the 2.3% increase on the same quarter.

However, there were changes within the sectors of the economy, the Office for National Statistics said. The output of production industries (manufacturing, mining and utilities) was revised downwards by 0.1 percentage point from 0.3% to a 0.2% in the third quarter, compared with the second quarter 2015.

The fall in manufacturing output was worse than first thought, with a 0.4% contraction against the first estimate of a 0.3% contraction. On the same quarter a year ago, manufacturing output fell by 0.9%, not the 0.7% fall initially recorded.

Output of the service sector, which accounts for over three-quarters of the economy, increased by 0.7% (unchanged on previous estimate), and growth on the same quarter a year was unchanged at 2.7%.

www.ons.gov.uk/ons/dcp171778_425674.pdf

Transgender guidance

Sometimes a lack of awareness and understanding in relation to gender identity results in employers failing to support staff effectively; often they lack the knowledge and the confidence to do so.

New guidance, jointly published by Inclusive Employers and the Government Equalities Office, is designed to provide employers with advice on the recruitment and retention of trans employees.

Unions, staff support networks as well as recruiters may also find the guidance of interest.

www.inclusiveemployers.co.uk/sites/default/files/documents/the_recruitment_and_retention_of_transgender_staff_-_guidance_for_employers1.pdf

Firms should have to reveal pay ratios

Companies should have to publish the pay gap between bosses and their workforces in the hope of shaming firms into curbing excessive pay and benefits for chief executives, the latest report from the think tank, the High Pay Centre, says.

Pay ratios: just do it, written by Paul Marsland, deputy director of the centre, argues that it would not be onerous or add to business red tape to produce a pay ratio between the chief executive and the workforce.

UK company law already requires the disclosure of the average number of employees and employee costs broken down between wages and salaries, social security costs and pensions. Companies quoted on the Stock Exchange have to provide and audited single figure for the remuneration of the chief executive. It would, therefore, be a simple calculation to produce a rough pay ratio between the chief executive and the workforce.

That figure will highlight all too well the chasm between the pay of the chief executive and the workforce. The report, for example, produces various pay ratios including one based on the chief executive's single figure of total remuneration against average employee earnings. This shows a multiple of 125 in 2014 against 137 the year before, while in the four previous years the multiple was between 124 and 138.

The report also explores other possible pay ratios, the merits of median figures versus average figures and various possibilities of calculating the average number of employees in a company.

Marsland concludes: "Pay ratios offer companies the chance to demonstrate a practical commitment to consider pay elsewhere in the organisation by recognising that all employees' pay belongs on the same spectrum."

Much to the disgust of the Business Roundtable – an association for chief executives of large US companies – the US regulators have introduced a pay ratio disclosure rule. John Hayes, chair of the governance committee of Business Roundtable complained that most US companies have no easy and efficient way to gather pay data from operating divisions around the world, as they use a wide range of different and often incompatible pay roll systems.

However, as Marsland points out, US companies have to submit figures on employees and payroll costs to the regulator, the Securities and Exchange Commission. And if US companies don't have a clue about their most significant costs, then it raises concerns over the governance of these companies.

http://highpaycentre.org/files/High_Pay_Centre_Pay_Ratios_just_do_it.pdf

Freeze in statutory payments next April

The government is proposing to freeze a vast swathe of statutory payments from April 2016.

Although there is no statutory requirement to raise these rates every year, they normally increase each April in line with rate of inflation under the Consumer Prices Index (CPI) for the September of the previous year. However, as the CPI fell by 0.1% in the year to September 2015, there will be no increase to the rates in 2016-17.

From April 2016, the weekly rate of statutory maternity pay and other parental payments will remain at £139.58 or 90% of the employee's average weekly earnings if this figure is less than the statutory rate. Statutory sick pay is also frozen at the current weekly rate of £88.45.

To be entitled to these statutory payments, the employee's average earnings must be equal to or more than the lower earnings limit. This amount is also frozen at £112.

www.gov.uk/government/uploads/system/uploads/attachment_data/file/480317/proposed_benefit_and_pension_rates_2016_to_2017.pdf

Cuts threaten key public services

Severe spending cuts are already undermining public service quality, the TUC warns, and that if the chancellor doesn't rethink his plans to cut spending further, public service outcomes are set to plummet.

A TUC-commissioned report, *Making the case for public spending,* which was written by Robert Tinker from the Fabian Society, shows how public spending cuts have led to strained public services, less provision and longer waiting times for key services.

The report details how funding cuts to adult care services in England have resulted in local authorities being unable to provide care to almost one in three or over half a million fewer adults in 2013 than in 2009.

And local government spending cuts resulted in the number of Sure Start children centres falling from 3,631 in April 2010 to 3,019 in June 2014.

If spending cuts continue as planned, the report foresees a major recruitment and retention problems in the public sector. The report says that further years of pay restraint will make it a struggle for hospitals, schools and other essential services to keep their best and most dedicated staff.

The report warns that years of progress on reducing inequality and poverty will be at risk by cuts to services and benefits.

And more cuts will have a negative impact on UK growth. The report says that public spending cuts made over the last parliament suppressed demand and led to the UK having its slowest recovery on record. Additional cuts would risk reducing economic output again.

The report warns the government against "fixating on the size of the state" and says that public money is "critical to social and economic stability".

TUC general secretary Frances O'Grady said: "The report highlights once again the importance of protecting and investing in our public services.

"A high productivity recovery needs world-class public services, which means local authorities, hospitals and schools need to be properly funded, not run into the ground."

www.tuc.org.uk/sites/default/files/caseforpublicspending.pdf

Is leaveism the new presenteeism?

The phenomenon of "leaveism" seems to be widespread, particularly in the public sector, new research shows.

Leaveism is the practice of taking holiday instead of sick leave when ill, or using annual leave to complete work at home that can't be finished during normal work hours. Presenteeism, on the other hand, is where a worker goes into work despite being unwell.

In a recent study of the practice among police officers, three-quarters (76%) admitted they had taken annual leave instead of phoning in sick or leaving work unfinished. A research paper, *Leaveism and work-life integration: the thinning blue line*, also found that officers practising leaveism actually worked longer hours than colleagues who did not use their holiday in this way.

Professor Sir Cary Cooper of Manchester Business School, co-author of the paper, says the police are likely to be a bellwether for the entire public sector, as budget cuts squeeze staffing levels and employees experiencing insecurity try to manage ever-expanding workloads.

"We have now discovered that leaveism is endemic in the public sector," he says of his ongoing research into the trend. "We're getting a lot of that now as the public sector has been reduced by 20 or 30 per cent. It's affecting the police, local government and central government."

As cuts bite, the inclination towards leaveism may begin to wane as employees reach work saturation, which could prompt increased sickness absence – with obvious costs and disruption for employers, suggests Cooper. "People who don't take their full holiday entitlement to get away from work is a real problem. It's not healthy."

For overworked staff too frightened to admit they can't cope, access to work anytime, anywhere via smartphones and laptops might seem like an answer. By working on mobile devices, people can easily conceal that they are enduring long hours. But with UK workers regularly putting in 40- to 50-hour weeks, in addition to lengthy commuting times, doing extra work when you should be recuperating or relaxing is unsustainable, says Cooper.

www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2015/11/25/leaveism-the-new-public-sector-epidemic.aspx

Action over utility pension closure

Trade unionists in the North West working for United Utilities are considering their next steps after rejecting the company's plan to close its final salary pension scheme by next spring.

Under the company's plan, all staff would move from a defined benefit, final salary pension scheme to a defined contribution, bought pension scheme after 31 March 2016.

The final salary scheme was closed to new entrants in 2006, but it still has more than 2,200 active members, who would lose out under the company's proposals.

The joint trade unions – UNISON, Unite, GMB and Prospect – held consultative ballots of their members, which returned 96% to 97% rejections.

The company is carrying out a 60-day consultation, which started with a meeting on 16 November, where the joint unions presented their consultative ballot results

Eddie Parker, GMB regional officer, said: "The company has enjoyed a £226 million tax windfall over the past five years, due in part to low interest rates. It is now proposing to close the scheme because low interest rates are affecting future liabilities. You can't make it up.

"United could have paid off the deficit with the tax windfall over the past five years."

www.gmb.org.uk/newsroom/north-west-water-no-to-pension-cuts

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