FACT SERVICE

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Pay gaps in black and white – TUC findings

The pay gap between black and white workers is at its widest at degree level, a TUC analysis shows.

The analysis of official statistics shows that a black worker with a degree will earn £14.33 an hour, on average. However, a white graduate will typically earn £18.63 an hour – £4.33 or 23.1% more.

The pay gap between all black, Asian and minority ethnic (BAME) workers with degrees and white graduates is 10.3% – the equivalent of £1.93 an hour.

Black workers with A-levels earn 14.3% or £1.65 an hour less on average than their white counterparts, while the gap is wider for BAME workers with A-levels as they earn 17.1% or £1.98 an hour less on average.

And black people who leave school with GCSEs typically get paid 11.4% or £1.18 an hour less than their white peers; BAME workers 13.6% or £1.40 an hour.

The pay gap with white workers for all groups, regardless of their educational attainment, is 12.8% or £1.72 for black workers and 5.6% or 85p an hour for BAME workers.

TUC general secretary Frances O'Grady said: "The harsh reality is that at any level of education, black and Asian workers are getting paid less than their white counterparts. Even today race still plays a huge role in determining pay."

The TUC has called on the government to recognise the scale of the problem and urgently develop a race equality strategy as a matter of political priority, with clear targets and adequate resourcing.

This should include measures to tackle the growth of casualised work, which disproportionately affects BAME workers; requirements on employers to analyse and publish pay data by ethnicity; and a requirement for public authorities to use procurement to spread good practice.

www.tuc.org.uk/equality-issues/black-workers/labour-market/black-workers-degrees-earn-quarter-less-white

Disgraceful delays over workers' deaths

Construction union UCATT has said that it is highly concerned about the delay in bringing charges following the worst fatal accident in the industry for many years.

On the 21 January 2011, four workers who were erecting a large steel structure in Great Yarmouth were killed when it collapsed. Over five years after the accident, the Health and Safety Executive (HSE) has finally finished their investigation and are bringing charges against four companies. The companies have been summoned to appear at Great Yarmouth Magistrates Court on 2 February 2016.

Ron McKay, acting regional secretary of UCATT's Eastern Region, said: "This was a terrible tragedy and the worst accident resulting in loss of life in construction for many years. The fact that it has taken over five years before this case has even got to court is far too long."

McKay added: "Action needs to be taken so that HSE investigations are completed more quickly and to ensure that no other family has to endure such an excessive wait as the wheels of justice turn in the future."

Only last November, the union highlighted the case of an electrician, working on a demolition site in Elephant and Castle in south London, who lost his life in August 2007 when falling concrete joists crushed him to death. However, it was only eight years later that his employer admitted negligence.

www.ucatt.org.uk/ucatt-concern-justice-delay-following-great-yarmouth-tragedy
www.ucatt.org.uk/eight-long-years-too-long

Council job cuts

Over 25,000 jobs are under threat at 52 councils across Britain as Tory funding cuts hit home yet again.

A survey by the GMB general union of job losses in the pipeline shows that there are a total of 25,165 job losses threatened at 52 councils in England, Wales and Scotland.

Since the survey, Stirling Council in Scotland has announced 350 job losses, taking the GMB's total to 25,515.

The job cuts will lead to poorer services, such as bin collections every three weeks, or savage cuts to services for the elderly and for children, along with the decimation of parks and leisure services, the union says.

The job losses range from 39 at Rochdale Borough Council in the north west of England up to 2,000 at Edinburgh City Council and 3,000 in Glasgow.

www.gmb.org.uk/newsroom/council-job-losses
www.gmb.org.uk/newsroom/job-losses-at-stirling-council

Families worse off under Universal Credit

The introduction of Universal Credit will leave working families worse off on average, the Institute for Fiscal Studies (IFS) has said.

This is one of the findings of the first comprehensive analysis of Universal Credit's effects since the cuts to its generosity announced in the July Budget: cuts that were left untouched in the Autumn Statement, despite the U-turn on cuts to tax credits.

The new analysis by IFS researchers forms part of the forthcoming IFS *Green Budget 2016*, produced in association with the ICAEW chartered accountants body and funded by the Nuffield Foundation.

Universal Credit combines six benefits into one monthly payment. It was intended to be more generous than the current system, but the IFS said cuts to the programme meant this would not be the case. However, it said Universal Credit would save £2.7 billion a year.

According to the IFS research, an estimated 2.1 million families will face an average loss of £1,600 a year, while 1.8 million will gain an average of £1,500.

Its figures suggest 1.1 million homes with no-one in paid work will lose out by about £2,300 a year, while 500,000 are expected to gain of £1,000. Working single parents are said to face an annual loss of £1,000.

The government has claimed said that Universal Credit would encourage more people to find work.

The IFS said that was true for most people, but not all. Single parents, for example, had less of an incentive to work under Universal Credit than under the old benefits system.

Where couples are concerned, Universal Credit encourages just one of them to find employment, rather than both, the IFS said.

Fiona Weir, chief executive of single parent family charity Gingerbread, said the IFS' finding match the charity's own analysis; showing that single parents will be disproportionately hit by the introduction of Universal Credit.

"While almost two-thirds of single parents – a record number – are in work it's telling that the IFS research reveals that 73% of single parents will be less incentivised to work as a result of Universal Credit," she said. "These figures undermine the government's own plans to encourage more people into work."

Gingerbread urged the government to reverse the cut to the work allowance to ensure that those who want to work, including those who need to balance employment alongside childcare commitments, aren't discouraged from doing so.

www.ifs.org.uk/publications/8135

www.gingerbread.org.uk/news/314/Gingerbread-responds-to-IFS-report-on-universal-credit

UK economy grows, but annual rate slows

The UK economy, as measured by gross domestic product (GDP), edged higher in the final quarter of the year, official preliminary estimates show.

GDP, the main indicator of economic growth, is estimated to have increased by 0.5% in fourth quarter 2015 compared with growth of 0.4% in third quarter and 0.5% growth in the second quarter. In the final quarter of 2015, output increased in two of the main industrial groupings within the economy: the service sector increased by 0.7% and agriculture by 0.6%.

However, production output decreased by 0.2%, but, within the sector, manufacturing was unchanged. And construction output was also depressed, with a 0.1% decrease.

The preliminary estimate of economic growth for the third quarter makes use of only half of the data that will be used to produce the final estimate.

With the service sector now accounting for 80% of the economy and overall year-on-year economic growth slowing, the British economy is becoming dangerously lopsided, with foundation industries such as steel being allowed to wither on the vine warned the Unite general union.

Unite assistant general secretary Tony Burke said: "George Osborne's rhetoric about re-balancing the economy has become divorced from reality.

"Scratch the surface though and on his watch we've seen manufacturing shrink and the UK steel industry which supports tens of thousands of decent well paid jobs plunged into crisis. Osborne's promise of a 'march of the makers' has rung hollower and hollower for those who have lost their jobs or face the uncertainty of redundancy in the industry."

According to the Office for National Statistics, GDP was 1.9% higher in the fourth quarter 2015 than the same quarter a year earlier.

The annual percentage growth figure for GDP was 2.2% for 2015, down from the 2.9% annual growth in 2014.

How is the UK faring against its competitors? Last December, in his Spending Review and Autumn Statement, chancellor George Osborne said: "Since 2010, no economy in the G7 has grown faster than Britain.

"We've grown almost three times faster than Japan, twice as fast as France, faster than Germany and at the same rate as the United States."

However, Osborne failed to mention two other G7 countries – Canada and Italy. And OECD data from the third quarter 2010 to the third quarter 2015 shows Canada's GDP growing by 11.3% and Italy's falling by 3.9% against UK's growth of 10.6%.

So Osborne appears to have been economical with the truth.

The latest economic review from the ONS published earlier this month takes a longer perspective than the chancellor and again the figures don't match Osborne's bullishness.

"Taking the economic recovery as a whole, the UK's performance has been middling in international terms. While GDP continues to grow, comparing GDP with its level in [the first quarter of] 2008 (its pre-downturn peak) indicates that the UK's economic performance compared with similar economies lies toward the middle of the range," the review concludes.

www.ons.gov.uk/ons/dcp171778_431376.pdf

www.unitetheunion.org/news/latest-growth-figures-show-george-osbornes-rhetoric-is-divorced-from-reality-says-unite/?

www.ons.gov.uk/ons/dcp171766_432046.pdf

Skill shortages lead to unfilled vacancies

A significant increase in the number of unfilled vacancies resulting from skills shortages is reported in the latest official skills survey for the UK.

The UK Commission for Employment and Skills (UKCES), which commissions the biennial survey, says that "the modest economic growth of the past four years has been met by an unprecedented shortage of skills leaving thousands of vacancies unfilled". In total, nearly 210,000 vacancies were identified as skills shortage vacancies; this was up from 146,000 in 2013 and 91,000 in 2011.

Researchers interviewed over 90,000 establishments across the UK to produce the Employer Skills Survey for the UKCES. Widely regarded as being one of the largest and most comprehensive surveys of its kind in the world, the survey gathers data from employers on a wide range of issues — from skills gaps and shortages to investment in training and under-employment.

Although most sectors are suffering from skills shortages, the situation is particularly acute for some. Over a third of vacancies in electricity, gas and water and construction are now due to skills shortages, with transport and manufacturing not far behind. Only in public administration are skills shortages below 10%.

The report finds that:
- the financial services sector has seen the sharpest rise in skills shortages, rising from 10% in 2013 to 21% in 2015;
- time management is a significant issue, with nearly 60% of establishments who reported a skills gap saying that their staff lacked the ability to manage their own time and prioritise tasks; and
- across the UK, two million workers are under-used — that is, they have skills and experience which are not being used in their current job.

Liz Rees, director of the TUC's education arm unionlearn, said: "These latest findings from this highly reputable skills survey show exactly why new policy measures, such as the apprenticeship levy and procurement regulations, are urgently required to make sure that more employers invest in the skills of their existing staff and make a commitment to recruiting high quality apprenticeships."

The latest research shows that the proportion of union members accessing regular training is 39% compared to 23% of non-unionised employees and that training and productivity levels are boosted in organisations where unions are active in supporting learning and skills.

"Unions can do much to assist employers and employees to increase their investment in training through the activities of union learning reps and joint strategies with employers to improve learning and skills," Rees said.

www.gov.uk/government/news/employers-facing-talent-poverty-as-skills-shortages-rise-130-in-four-years

www.unionlearn.org.uk/news/more-skills-shortages-training-trends-remain-static

Boost for Boots staff

Chemist chain Boots is increasing the starting rate of pay for customer assistant staff outside of London by 7%, and that of customer assistants in London by 3%.

Customer assistants based outside of London will get a basic rate of £7.70 an hour — up from £7.20 — and those based in London will see their base rate rise from £8.77 to £9.07 in April 2016.

The increase will ensure all hourly paid employees will begin on a higher rate than the National Living Wage, regardless of their age. The statutory £7.20 National Living Wage rate will come into effect from April 2016 for staff aged 25 and over.

However, even after the rise, the hourly rates are below the voluntary Living Wage currently set at £8.25 an hour outside of London and £9.40 in London. The voluntary Living Wage is calculated according to the basic cost of living in the UK.

www.employeebenefits.co.uk/boots-uk-increases-base-pay-for-hourly-paid-staff/

www.livingwage.org.uk/

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