

Unite representation ahead of the Comprehensive Spending Review and fiscal events

Autumn 2020

This submission is made by Unite, the UK's largest trade union with over one million members across all sectors of the economy including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

Introduction

1. At the time of writing there is speculation that as well as a Comprehensive Spending Review there may be a further Budget and other stand-alone announcements due to the uncertainty and fast changing situation the country faces. This representation provides a current overview of Unite priorities and calls that Government should adopt for the benefit of the country and to protect and create jobs.
2. Unite members have deep concerns about their health, the health of their families and friends, and concerns about the future and what it holds for them, their jobs, their families and communities. Unite welcomed the Prime Minister and Chancellor's commitment to doing 'whatever it takes' to see the country through this crisis. As a union we have repeatedly stated our wish to work constructively with the Government in achieving this.
3. A continuing public health crisis is unfolding into an economic crisis. This is not inevitable and does not have to happen. People need their government now more than ever to take action in securing their jobs and incomes and to reduce the uncertainty and insecurity ahead, wherever it can do so. The Government must now do 'whatever it takes' and take the necessary, urgent action to prevent mass scale job losses and to tackle the public health crisis.
4. Further, the depth of the economic challenges we now face can be traced to the fragility of the foundations of our economy due to the past decade. Indeed, very many more households are now closer to the financial edge than when we experienced the impact of the financial crash, with this economic crisis already much more severe.
5. There is an urgent need for an ongoing and significant support package for the economy and, as stated in our earlier response to the Treasury Select Committee, the Government must put in place financial measures that enable people to follow government health advice. Action should not be seen through the lens of tackling the economic *or* public health crisis and as counter-posed. Unite would argue the two must be tackled together – raising the level of Statutory Sick Pay, for example, is necessary in

protecting people's incomes and in them being able to self-isolate and break the chain of transmission. An on-going public health crisis and high levels of virus in circulation is in itself causing deep economic problems for our economy.

6. Rather than an even worse re-run of the mistakes of the past decade where an increase in unemployment was met with the creation of widespread insecure and low paid work – helping to deepen the current crisis we now face - there has to be a focus on solutions that protect and create decent jobs. Measures must deliver security to jobs and incomes, and strengthen the resilience of the foundations of our economy and the financial situation of workers and households.
7. Government must use every lever at its disposal to achieve this with every penny of an on-going and significant support package and Government spend going towards the goal of protecting and creating decent jobs. This must include continuing job retention measures past October as part of putting in place comprehensive sector support packages.
8. In addition, our public health and our economy both demand equipping our public services to meet these challenges when services have already been weakened and overstretched by the last decade.
9. Unite believe measures should improve people's everyday lives, deliver social justice with a more equal economy and society and tackle the climate crisis. This includes tackling wealth inequality and the structural inequality and discrimination experienced by women, Black and Asian Ethnic Minority communities, disabled and LGBT+ people. Limiting the economic, social and human damage that the economic crisis will do and addressing the ongoing public health concerns will require taking bold, ambitious action to protect people's lives and livelihoods. The scale of the economic crisis we now face is unprecedented and it has the potential to do severe and lasting damage to our social fabric.
10. **Measures should, in short, be at the scale the current crisis demands and create a legacy so that the actions we take now to rebuild our country give us a better future.**

Protecting jobs and incomes with a fresh iteration of the Job Retention Scheme and comprehensive packages of sector support

11. The Government must urgently act to bring security to jobs and incomes with a fresh iteration of the Job Retention Scheme and comprehensive packages of sector support. Without such action there will be mass unemployment – with deeply damaging economic, social and human repercussions.
12. Unite have written to the Prime Minister to move swiftly on this matter, with a modification and continuation of the Jobs Retention Scheme along with targeted assistance for sectors under stress, such as manufacturing sectors, including aerospace, and sectors such as aviation and hospitality. This is action we see being taken in other European countries and even in the USA. Many of the industries in which Unite represent members are not just viable in the medium and long-term, but have a huge role to play in building back our economy. To play this role however they need further short-term government assistance to weather the coming months. With our competitor nations announcing the extension or modification of their jobs retention schemes, the Government must act on the need for UK businesses and workers to receive similar support.

13. Unite believe that an element of the required response will involve putting in place the structures in place to enable those who wish to re-enter education to do so, and to re-train. More young people (16 to 25-year olds) will need college places due to high unemployment. There is a large cohort of young people, particularly new college starters, needing support to 'catch up' in learning after several months of lockdown. Fewer apprenticeship places are resulting in a large number of apprentice redundancies and a shortage of new places for aspiring apprentices. Additionally there will be a large numbers of adults requiring training to help them move from the sectors in most difficulties into those which might expand or recover more quickly. Incorporating training and upskilling to a fresh iteration of the Job Retention Scheme will benefit workers, businesses and the country in the future.
14. It should also involve developing our Further Education sector to meet the challenge the country now faces, and to ensure that every young person (16 to 18 years) has a confirmed high-quality education or training place, funded to meet their needs and the learning they have lost. Funding needs to be flexible enough to allow students to start throughout the year and to support colleges adapting to the 'new normal'. There should be a suite of employment related, skills-based training programmes including extended traineeships and apprenticeships, that accommodate work experience and jobs, underpinned by a comprehensive bursary system and government incentives to employers. In supporting retraining for those that will require it there should be one, easy to access, funding pot to provide further education training for adults who have been made redundant, flexibly and from intense short courses all of the way to higher technical and professional qualifications. This must be underpinned by the necessary resource and funding, including a simplification of the funding rates and rules colleges work to in order to have the flexibilities to meet demand.
15. Unite believe that to develop the necessary sectoral support packages and to ensure they are implemented in the most effective way requires Government to work with industry bodies and trade unions represented in those sectors. Unite supports the TUC call for a National Recovery Council and Regional such bodies, bringing together trade unions, industry and business bodies and government to ensure proper regional investment, the priority of protecting and creating decent jobs and that the impact of the pandemic and that the economic crisis does not entrench the structural inequalities in our society even further.

Protecting jobs and incomes by making work more secure, increase Statutory Sick Pay and deliver pay rises

16. The Government must act to end 'fire and rehire', increase Statutory Sick Pay and use its own power to deliver pay increases. Such actions would all have positive impacts on the economic crisis we face by bringing security to jobs and incomes and would also help in tackling the public health crisis.

End 'fire and rehire'

17. Unite has seen increasing numbers of employers using Section 188 notices to terminate the employment of workers, effectively blackmailing them into re-signing contracts on worse pay, terms and conditions. This causes untold distress at an already anxious and fearful time. Cutting pay, terms and conditions at this time can place workers' homes at risk, pushing families who are just holding on

into damaging debt and poverty. This has economic and social repercussions – we need to be keeping as many people out of poverty as possible and protecting their incomes. In addition, increasing people’s fear of unemployment and making their work increasingly insecure also increases the likelihood that they will be too fearful to self-isolate for the required period and instead continue going to work – raising the threat of virus transmission. Unite believe the practice of ‘fire and rehire’ must be outlawed urgently to prevent it from spreading across our economy. In the interim Unite believe that where workers have their employment terminated they should be entitled to redundancy payments – regardless of whether they are subsequently re-hired.

Increase and expand Statutory Sick Pay

18. The same argument applies to why the rate of Statutory Sick Pay (SSP) must be increased to the level of the real living wage. The current weekly rate of statutory sick pay (SSP) is just £96. This is around one-fifth of average weekly earnings. If the average worker is off work sick for a week they lose around 80 per cent of their usual earnings. A TUC/BritainThinks survey¹ found that 43 per cent of workers would have to go into debt or not pay bills if they were on SSP for two weeks. We need to increase SSP to the equivalent of a week’s living wage (£326) and expand SSP, for example by removing the lower earnings threshold, so that it is available to all.

The Government can deliver pay increases to support people

19. The Government itself directly has the power to help the incomes of millions of workers to help them weather the economic storm - and through maintaining and increasing the disposable income of workers would show they are not only valued but would have a positive multiplier impact. The Government should deliver a pay increase to NHS, local government and social care workers. NHS workers should receive an early pay rise of 15 per cent or £3,000, whichever is greater. Local government workers are keeping vital local services running – including schools, refuse collection, cemeteries, child protection, and the care of our older and at risk persons – were already low paid. Over the past decade they have seen their pay packets cut by more than 20 per cent in real terms. Yet, they have received a pay increase which amounts to just an extra £1.83 a day for the lowest paid. Through providing improved funding packages for public transport that is facing collapsing revenues Government should not only tie-in obligations to maintain rural and other socially important public transport routes to this funding, but also retaining affordable fares and include a pay increase for drivers and transport workers as key workers.
20. The Government must raise the Statutory Minimum Wage to £10 an hour for all those aged 18 years and over, equalising the statutory minimums across ages. The Self-Employment Income Support Scheme must continue, as should the higher levels of Universal Credit.

¹ TUC, 10th September 2020, <https://www.tuc.org.uk/news/tuc-more-4-10-workers-would-be-plunged-financial-hardship-if-forced-self-isolate>

Making work more secure

21. There remains a need – and Unite would argue the pandemic has made it even more necessary -to tackle our one-sided ‘flexible’ labour market. Insecure and precarious work accelerated after the financial crash and 2010. This has helped create a situation where households and families are ill-equipped for an economic downturn, with the Trussell Trust estimating six emergency food parcels each minute will be given out this winter². Insecure and precarious work has also significantly contributed to the lack of productivity growth in our country.
22. Rather than learn from these mistakes, Unite are already seeing employers repeat them – risking a further surge in the growth and spread of insecure and precarious work that will damage our country for decades to come. This includes the use of ‘Fire and Rehire’ mentioned above and Unite are seeing the emergence of employment contracts that include ‘lay-off’ clauses that include an employer’s right to lay workers off for a prolonged period unpaid. These contracts often also include exclusivity clauses. This is an appalling practice. Employers should not be able to restrict the work and earnings of people in this way – at the very least such exclusivity clauses should also be prohibited as they are for zero hours contracts.
23. Crucially however there is a much more fundamental point about the need to address insecure and precarious work that requires action- action that should be taken urgently by this government. This includes giving workers the right to a regular hours contract, workers should have compensation for cancelled shifts, ending the use of umbrella companies, making employees the default status of all workers unless there is proof of genuine self-employment as well as measures such as sectoral collective bargaining.
24. The pandemic has also demonstrated the need for the updating of workers’ rights enforcement and of Health and Safety legislation and rights. Unite believe enforcement bodies such as HMRC, GLAA and the HSE require an uplift in funding to ensure workplaces are safe and that rights are being respected. Unite has also repeatedly called for the expansion of the rights of trade union Health and Safety representatives so they can be ‘roving’ representatives. This would enable them to visit workplaces other than their own and be part of the stronger assessment and enforcement regime that is urgently needed to ensure that where people have to work those workplaces are safe and are not vectors of transmission of the virus.

Covid-19 and deepening inequality

25. It is clear that the structural inequality, discrimination and entrenched disadvantage faced by women, Black and Asian Ethnic Minority (BAEM) workers, disabled and LGBT+ workers and others with a protected characteristic under the Equality Act have meant an unequal exposure and impact of the past decade and now of Covid-19 – both directly and indirectly – in its consequences.
26. As part of protecting workers during the current crisis Unite has produced a Unite Equalities Covid-19 ‘Checklist for Action’ setting out the vital need for Equality Impact Assessments to be carried out. These are necessary to ensure that all are protected through Covid-19 measures, that caring responsibilities

² Trussell Trust, 14th September 2020 <https://www.trusselltrust.org/2020/09/14/new-report-reveals-how-coronavirus-has-affected-food-bank-use/>

are valued and protected, that there is protection for all when self-isolating, and that steps are taken to ensure Covid-19 does not intensify existing discrimination.

27. Unite believe the Covid-19 crisis has, and will continue to, expose how inadequate the rights and protections workers in this country have – with women, BAEM, disabled and LGBT+ workers the most likely to endure this. Unite are clear that people’s ability to raise issues at work and to assert their rights at work is inextricably linked to their security at work. The TUC report ‘Living on the Edge’ from January 2018 looked at the rise of workplace insecurity, with 3.2 million workers being classified as insecure at that point, and concentrated on the retail, logistics and delivery and the higher education sectors. As well as finding that casual workers were more likely to be young and Black and Asian Ethnic Minority workers it found that these working practices led to poorer mental health as workers found themselves under strain and struggling with the financial insecurity and inability to plan your life that such work brings³.
28. We also know that women are over-represented in such low-paid and insecure work. Workers in insecure, temporary, agency and zero and short hour contracts feel less able to raise health and safety issues at work as their future income – and financial situation - is dependent on their compliance. Migrant workers in particular are at greater risk of not knowing their rights at work, as well as being in insecure work that makes it harder to assert their rights at work.
29. TUC analysis has found the significant barriers disabled people experience in getting and keeping jobs results in an employment gap of around 30 per cent and a pay gap of approximately 15%⁴. To guard against an even worsening of this disability employment and pay gap during the continuing pandemic and its economic aftershocks not only should long recommended actions such as mandatory disabled pay gap reporting be put in place but also measures such as a universal disabled workers reasonable adjustment passport and the expansion in funding, and strengthening, of the Access to Work fund. At the present time there is a need to ensure that reasonable adjustments already agreed by employers with disabled workers are being respected and they are being properly consulted with, rather than assumptions made by employers.

Protect and create jobs by Government using its procurement power and by upgrading our infrastructure

30. Government must use every lever at its disposal to protect and create jobs with every penny of an on-going and significant support package and Government spend going towards the goal of protecting and creating decent jobs. This includes ensuring the public procurement budget and that public investment is proactively used to maintain and to create decent jobs in this country. There must be obligations on receipt of public funds to ensure that companies receiving such contracts, public investment and spend do not use insecure working practices, that they recognise trade unions, provide quality apprenticeships, have equality targets and best practice to diversify the future workforce, have high environmental and sustainability , and pay their taxes in this country.
31. All of these obligations would ensure that the investment, procurement, sectoral support and public service spend all goes towards the protection and creation of decent jobs in our communities. Unite

³ TUC, January 2018 – Living on the Edge. Please see <https://www.tuc.org.uk/research-analysis/reports/living-edge-0>

⁴ TUC, November 2019 – Disability Employment and Pay gaps https://www.tuc.org.uk/sites/default/files/2019-11/Disability%20doc%20%28003%29%20%28003%29_2.pdf

has highlighted in our 'Manufacturing Matters – Recover and Rebuild'⁵ plan and in work on specific economic sectors that require support the practical ways in which this could happen

32. The Government should use its purchasing power to support industries and jobs and create an upgraded, sustainable future. It could, for example, commit funds from the transport spend to purchasing 4,000 new, greener buses to come from British manufacturers with the obligation that such spend must maintain and create jobs in this country. The government and/or local councils could then lease these to bus operators in localities across the country. The past few months has shown the need to urgently upgrade our broadband infrastructure. This could and should be done using cables manufactured in Britain, again with jobs maintained and created here in Britain. Retrofitting homes and the building of wind turbines is also an opportunity to pump capital spend into our supply chain providing vital support for SME manufacturers in this country and sustain jobs in communities. The TUC has also set out, for example, in 'Rebuilding after Recession: a plan for jobs'⁶ how Government action could ensure the creation of 1.24 million jobs in this country by 2022.
33. Housing in particular is an area where there has long been a need for urgent action to ensure that everyone has access to quality, affordable housing. Inaction in addressing our housing crisis has multiple social and economic costs that will continue to worsen; while measures taken to fix our broken housing market can create a huge, nationwide economic boost, deliver better lives and be a major contributor to us reducing our carbon emissions as a country. Unite support a mass investment and construction programme of council homes, with construction workers and apprentices directly employed and benefitting from industry collective agreements. The Unite construction charter means that construction firms planning to work on GLA building projects will now need to meet the standards laid down in the charter. The charter commits to working with Unite in order to achieve the highest standards in respect of direct employment status, health and safety, standards of work, apprenticeship training and the implementation of nationally agreed terms and conditions of employment. Support for the aviation industry should include upgrading to newer, cleaner planes that would support aerospace manufacturing jobs – as well as being one element in the urgent need to support aviation jobs.
34. Crucially, all of the above projects would also improve people's lives and put us on a clearer path to a sustainable economy.

Protect and create jobs by equipping our public services

35. The Government can also play a direct role in protecting and creating jobs by addressing the crisis across our public services – devastated by the past decade of cuts, with staff and resources already overstretched they are now asked to cope with the pandemic, and the wider health and social challenges this and the economic crisis is posing. The country and our local communities would have been better equipped to meet the challenges of the pandemic if our public services, including the NHS, social care and local government were properly funded and integrated. We must not continue with this mistake; investment in our local services and integrating those services will be crucial in building a society that can meet the challenge of achieving social justice and climate breakdown at a time of both

⁵ Unite, Manufacturing Matters – Fighting for the Future of UK Manufacturing, <https://unitetheunion.org/campaigns/fighting-for-the-future-of-uk-manufacturing/>

⁶ TUC, Rebuilding after Recession: a plan for Jobs, 24th June 2020, <https://www.tuc.org.uk/research-analysis/reports/rebuilding-after-recession-plan-jobs>

living with Covid-19 and its impacts and the economic crisis. As TUC work has demonstrated there is scope for Government to directly improve people's lives, quality of service and create jobs through equipping our public services with sufficient resources. As set out in 'A plan for public services jobs to help prevent mass unemployment', Government could create 600,000 public service jobs by 2022⁷.

36. The funding for the measures taken during the crisis by local government has to be met by central government – not result in consequent cuts to local services. The future funding of local government must be increased and secured at a level where services – such as public health, social care, child and youth services, as well as environmental services and arts and leisure – that have been cut and underfunded can finally be provided at the level local communities deserve. This must also include funding being provided with an additional weighting towards local areas that are currently socio-economically deprived and need additional services to 'level up'. This is a necessary part of regional economic protection and regeneration and supporting jobs in all areas of our country.
37. The public health crisis and its economic impact demand universal access to public services such as health care, education, childcare and the importance of local government services. The short termism of ignoring of public health needs in particular has been tragically exposed – and the centrality that tackling wealth inequalities has to achieving economic and social justice. This has been tragically demonstrated by the pandemic with the ONS recording death rates of up to twice as high in poorer areas compared to wealthier areas. There has also been a correlation shown between care home death rates being higher in those that did not provide proper sick pay for workers.
38. Such funding provision must also be made with a view to delivering quality services – and that means ending the privatisation of services. The pandemic has demonstrated starkly the need for local government to be able to plan and deliver services and to shape local services to meet the needs of local communities. This will be needed as the public health concerns continue, for local councils to lead the economic regeneration of local communities and to limit the health and social challenges created by a decade of austerity and that will arise from the economic impact of a severe and deep recession.
39. The NHS and its staff have acted heroically to deal with the pandemic. Yet this crisis has exposed the deep damage that has been done by years of underfunding and privatisation (in England in particular), and this Government's commitment to finding answers in the private sector even when this is not the most efficient and effective option, as 'We Own It' have repeatedly exposed. Most recently this has been the use of Serco in the vital contact tracing function. The President of the Institute of Biomedical Sciences has spoken out against how the Government's adherence to the private sector rather than first assessing capacity in the NHS contributed to problems in establishing the country's Covid-19 testing regime. Unite members working in pathology have expressed their concerns about the quality of service in the Super Labs and how they have taken resources away from existing NHS laboratories.
40. There will now be additional areas of resource and capacity expansion required to ensure the continued meeting of needs of Covid-19 care, the backlog of health needs that have built up during the pandemic and will require more intensive treatment than otherwise would have been needed if treated earlier, and a greater call on mental health services to name just a few. The backlog in non-Covid health

⁷ TUC, A plan for public service jobs to help prevent mass unemployment, 13th September 2022, <https://www.tuc.org.uk/research-analysis/reports/plan-public-service-jobs-help-prevent-mass-unemployment>

interventions should not be used as an excuse for outsourcing and privatisation. There must also be recognition that underfunding the NHS is a false economy.

41. The pandemic has demonstrated why a publicly owned and universal health system is so important, the recognition that privatisation must end and that health services must be brought back in house. This includes the services that have in the past been almost dismissively referred to as 'backroom' or whose importance has not been recognised – such as pathology labs and cleaning services. The pandemic has focused attention on these crucial services and their role as central in the delivery of quality healthcare.
42. We need a reverse of the underfunding and privatisation and fragmentation of the NHS and our health services. Unite fully supports local communities and staff fighting to keep their services 'in house'. Unite has also consistently argued that the NHS should not be run on market principles and that the internal market, with its false division between provider and commissioners of NHS services, should be removed. Privatisation has fragmented the service which runs contrary to the aims of building whole person patient centred care and developing a preventative service that reduces demand. Universal access also means ending migrant charges for accessing the NHS.
43. There are significant concerns over the de-regulatory and harmful trade deals this Government is seeking to strike. Despite the pandemic demonstrating yet again the importance of a publicly funded, publicly owned and accountable NHS, even during this crisis the Government has been discussing US corporate access to our NHS and health services. Public services should be excluded from all legally binding commitments under trade agreements and inclusion in investment chapters.

This submission is made on behalf of;

Len McCluskey, General Secretary, Unite
23rd September 2020

For further information please contact;
Siân Errington,
Political Officer, Unite
Sian.Errington@unitetheunion.org