ERIS

EUROPEAN RESEARCH & INFORMATION SERVICE

ESTABLISHED IN 1989 FOR TRADE UNIONS IN THE SOUTH AND SOUTH-WEST

Visit ERIS website – www.eris-tradeunion.eu

ERIS, Tolpuddle Martyrs House, 238 Holdenhurst Road, Bournemouth BH8 8EG
E-mail: erispapers@mypostoffice.co.uk

- **Beware Trade Deals**
- **Government Proposals on Corporate Governance Too Weak**
- **Unions take on gig economy firms**
- **Fall in tribunal claims**
- **Business Faces Migrant Crisis as Brexit looms**
- **Cars £1,500 dearer after single market exit**

ERIS

UK NEWS

December 2016

Beware Trade Deals

Following the temporary blocking in October of the Canada-European Union CETA trade agreement as a result of opposition led by the Belgian Wallonia region, UK unions have called for a new approach to trade post-Brexit Unions are concerned that international trade deals like CETA could undermine health and safety standards, as well as workers' rights and consumer and environmental protection, and open the door to more privatisation TUC general secretary Frances O'Grady said a new approach to trade that "creates good jobs and protects public services and workers' rights" was only possible if "trade unions are meaningfully involved in negotiations from the start" In addition, public services union UNISON called for full parliamentary scrutiny and approval of any trade agreements before the UK signs them CETA was signed at the end of October 2016 and will be debated and voted on in the European Parliament in February 2017

Government Proposals on Corporate Governance Too Weak

The government is facing calls to take bolder action to reform corporate Britain after launching proposals it said were intended to hold business to account, after a series of scandals and rows over executive pay. The green paper - open for discussion for three months - was launched after Theresa May's pledge to reform big business during her campaign to become Conservative party leader. But unions criticised the government for backtracking on having workers' representatives on boards, and opposition MPs questioned whether enough safe-guards were being put in place to avoid a rerun of the debacle at the collapsed BHS department store. Greg Clark, the business secretary, said the publication of the green paper was intended to kick-start a debate. "Ordinary working people, who work hard for their living, deserve to have confidence that businesses act responsibly and fairly," he told MPs in the Commons yesterday. "This government is unequivocally and unashamedly pro-business but we hold business to a high standard in doing so;' he said. The green paper asked whether share-holders should be given a binding vote on executive pay, how employees could be heard in the boardroom and whether private companies should be subjected to some of the rules faced by companies listed on the stock market, Clark said. It provided a number of options in each area - including the binding vote, which it suggested could be on only part of a directors' pay packet or when there had been significant protests about pay in the past. Iain Wright, the Labour MP who chairs the business, energy and industrial strategy committee, which is rimming its own investigation into the topic, said: "Tentatively setting out a range of options in a green paper suggests a government whose resolve may have weakened on getting to grips with corporate governance." Frances O'Grady, general secretary of the Trades Union Congress, said the proposals were disappointing and would "not do enough to shake up corporate Britain", although Clark insisted workers voices could be represented through non-executive directors. The average pay of a chief executive of a FTSE-100 company has risen to £5.5m from am in 1998, outpacing wage growth outside the boardroom. The green paper was published as Sir Martin Sorrell, chief executive of the advertising company WPP, whose pay deals have previously faced scrutiny from politicians, was handed £11.2m in shares. They will pay out in five years. Sorrell received more than £70m in shares and cash in 2015. Last year Boris Johnson, as the mayor of London, appeared to single him out when he criticised the gap between boardroom pay and the wider workforce. Johnson quoted figures of a boss receiving 780 times the average pay of the firm's workforce, matching statistics compiled for WPP.

Unions take on gig economy firms

Trade unions are using the courts to take on employers in the gig economy over the bogus self-employment of the workforce.
The GMB general union brought a tribunal case against ride hailing app firm Uber on behalf of two drivers.

And the London Employment Tribunal has determined that Uber has acted unlawfully by not providing drivers with basic workers' rights.
The tribunal decided that Uber drivers are entitled to receive holiday pay, a guaranteed minimum wage and an entitlement to breaks. The decision will have major implications for over 30,000 drivers in London and across England and Wales and for workers in other occupations.
The GMB found last year that a member working exclusively for Uber received just £5.03 an hour after costs and fees were taken into account, significantly below the National Living Wage of £7.20.
Lawyers for the drivers also argued that Uber acted unlawfully by frequently deducting sums from drivers' pay, often without informing the drivers in advance, including when customers make complaints.
Maria Ludkin, legal director at the GMB, said: "Uber drivers and thousands of others caught in the bogus self-employment trap will now enjoy the same rights as employees "
It will come as no surprise that Uber is to appeal the ground-breaking decision.
Meanwhile, in a different line of attack on gig economy companies, the Independent Workers Union of Great Britain (IWGB) has written to Deliveroo's chief executive asking the firm to recognise it as a union representing riders in one area of London.
Currently, the riders are classed as self-employed contractors, and are not entitled to the rights available to workers, including sick pay and the National Living Wage. The firm's contract even tells those who sign up to make deliveries that they cannot test this status at the employment tribunal — although lawyers have dismissed this as unenforceable.
The request for collective bargaining, which will cover only those working in Camden, north London, is designed to force the company to acknowledge the riders as workers. Independent contractors are not able to request collective bargaining in this way.
The letter, from IWGB general secretary Jason Moyer-Lee to Deliveroo's founder and chief executive Will Shu, calls for the company to recognise drivers working in Camden, north London. The letter gives the company 10 days to respond, and says that if the request is refused or unanswered the union will go to the Central Arbitration Committee (CAC).
It adds: "Of course, for the CAC to entertain our request they will need to decide that Deliveroo drivers are 'workers' and not the 'independent contractors' you have bogusly deemed them to be."
http://www.gmb.org.uk/newsroom/GMB-wins-uber-case
https://www.theguardian.com/business/2016/nov/08/deliveroo-union-recognition-iwbg-camden-london-uber

Fall in tribunal claims

The TUC has condemned the huge cost of taking a tribunal which allows bad bosses to get away with discrimination and unfair treatment.
The number of working people challenging discrimination or unfair treatment at work has fallen by 9,000 a month since fees of up to £1,200 came in, according to a new TUC analysis.
The analysis shows that in 2012-13 — the year before tribunal fees were introduced — 16,000 people a month, on average, took a claim against their employer to tribunal.
But by 2015-16, the average number of people taking claims had dropped to 7,000 a month. This includes a drop of nearly three-quarters (73%) for unfair dismissal claims. And there have also been sharp falls in challenges over sex discrimination (71%), race discrimination (58%) and disability discrimination (54%).
The TUC says the figures show that a key mechanism to stamp out discrimination and stop unfair sackings is broken, allowing discrimination to "flourish unchecked".
In a prime example of government inaction, the Ministry of Justice was due to publish a review on the impact of fees by the end of 2015. However, nearly a year on, nothing has happened. The TUC says the review must be published urgently It has also called on prime minister Theresa May and chancellor Phillip Hammond to abolish fees in the Autumn Statement.

TUC general secretary Frances O'Grady said: "The evidence is there for all to see. These fees — of up to £1,200, even if you're on the minimum wage — are pricing out thousands each month from pursuing cases."
https://www.tuc.org.uk/equality-issues/industrial-issues/discrimination-work-allowed-%E2%80%9Cflourish-unchecked%E2%80%9D-employment

Business Faces Migrant Crisis as Brexit looms

THE tensions in Whitehall were writ large this week as a leaked memo revealed there are more than 500 Brexit-related projects under the microscope. But at the heart of almost all of these is one issue: migration. Fears are rising that Britain could face a catastrophic skills shortage. Concerns have been expressed across virtually every industry:

For the hospitality industry, our impending divorce from the European Union could mean jumping off a cliff that's if the government caps immigration from the trading bloc, which provides an estimated 15% of hospitality's workforce — 700,000 people at a conservative estimate, according to British Hospitality Association chief executive Ufi Ibrahim "Within a year or two, the consequences could be catastrophic," she warns. Ibrahim is unequivocal on the threat posed by Brexit "Limits or barriers to being able to tap into the EU migrant workforce would push our industry to a cliff edge." For Sally Beck, whose team at the Lancaster Hotel in London is made up of 53 nationalities, 24 of which belong to the EU, the uncertainty is badly timed. She and her peers are already dealing with a "perfect storm"— a rise in the national minimum wage, the pound's slump and the impending apprenticeship levy. But it's not just companies that will suffer. A slowdown in skills from Europe will exacerbate current difficulties in recruiting chefs and sommeliers. On Ibrahim's wish-list is a 10-year period of adjustment and, first, a "strong signal" that current EU workers can stay in Britain

TECHNOLOGY Entrepreneur Tom Adeyoola has just lost his third potential hire to Brexit. This time, the candidate was a Brit living in Paris who decided it wasn't the right time to come home. If this becomes a trend, London could lose its status as a premier tech and venture capital hub and miss out on the next generation of Facebooks and Ubers. "We've got people who wouldn't have considered working in China even though they would have earned three or four times their salary there," says Adeyoola, founder and chief executive of fashion technology start-up Metail. "But if you start to say `those values we hold dear, we're not too sure about them any more', then you might just see them take the money." Bernard Liautaud, managing partner of £2 billion venture-capital fund Balderton, agrees that access to talent is critical for the capital's future in tech: "The risk is that Brexit creates a real slowdown, primarily because what London has done really well is attract people from outside the UK."

CONSTRUCTION The construction industry is already short on skills. In the October Construction Market Survey of the Royal Institution of Chartered Surveyors (RICS), 51% of respondents said skills shortages were a constraint on growth, with quantity surveyors and bncklayers particularly thin on the ground. The prospect of those gaps widening in post-Brexit Britain is worrying, given the long list of high-profile infrastructure projects in the offing — HS2, Crossrail 2, Heathrow expansion — and the London housing crisis, according to RICS president Amanda Clack. "We need to maintain access to key skills because basically we're just not going to be able to build to the level of ambition we have," she explains. Pete Redfern, chief executive of Taylor Wimpey — one of the UK's biggest house builders — estimates that about 12% of his 15,000-strong site labour force comes from the EU. He's not expecting a sudden or dramatic shift in the near future, but adds: "We have to assume it will have an impact on labour flexibility and availability over the next five years."

FOOD SUPPLY Ali Capper, a hops and apples grower from Worcestershire who also oversees the National Farmers' Union's horticulture team, has met the Home Office to discuss the future of the overseas workers that many m her industry rely on The concern is for both permanent and seasonal staff, but the latter is "urgent".

Capper wants a commitment to trial a permit scheme to bring workers in for a fixed term by

Christmas because the uncertainty and rhetoric around Brexit has already discouraged some of the 80,000 seasonal workers who came to assist on British farms this year from returning. Without action, a crisis could arise in six to eight weeks. "Crops could be left to rot in fields, creating a massive waste issue," she says "We may have to import, possibly raising prices due to the exchange rate. She has delayed her own investment in new apple trees. Patrick Coveney, chief executive of sandwich-maker Greencore, which was famously forced to recruit from Hungary to meet its staffing needs, wants the role that is played by migrant staff reflected in Brexit negotiations.
HEALTHCARE Old people's charity Independent Age has laid bare what is at stake for British social care, which employs 84,000 staff from the European Economic Area — about 6% of the total workforce It estimates that if the Government pursues zero net migration, the social-care workforce gap could reach just above 11 million workers by 2037 — a ratio of 13.5 older people for every care worker, compared with seven to one today. Even if high levels of migration prevail and care becomes a more attractive career, the gap will be as big as 350,000 people in the next two decades Trade body Care England has started fostering relationships with Government ministers "to ensure that the social-care workforce is not neglected in arrangements to come". It's also part of the newly formed Cavendish Coalition, which plans to set out a lobbying strategy Tim Hammond, chief executive c care and nursing home provider Four Seasons Health Care, is particularly worried about the fate of nursing With a national shortage estimated at 30,000 and a few years before the results of training initiatives come through, Hammond says "It is difficult to see how the NHS and independent care providers could maintain services without turning to overseas qualified nurses".
WITH UK unemployment at a relatively low 4.8%, it is unlikely homegrown workers can make up the shortfall, but that isn't stopping thousands of companies investing in schemes to train up domestic staff and attract new people into their industries. From apprenticeships to initiatives to get disabled people and ex-prisoners back to work, industry is working with government and charities to help create employment. It won't be enough, however, to prevent a potential gaping hole in Britain's workforce.
WEAK POUND ADDS TO PAIN FOR EU WORKFORCE
AS well as facing uncertainty over their future in the UK, many EU migrants who send money to relatives back home have been hit by the pound's weakness. Sterling has dropped 16% in value since the EU referendum, meaning they must top up transfers to keep monthly payments stable. Marta Krupinska, who co-founded online money-transfer service Azimo, says the vast majority of users are making up the shortfall in the knowledge that recipients are relying on the funds to pay for medical bills or mortgages. However, a small number of customers have trimmed transfers by about 8%. Krupinska, a Polish migrant, sends cash to her mother because her pension doesn't cover her living expenses. "I am now paying about 20% more to send her the same amount of money I usually do. "I can't tell her that, due to the social, economic and political situation in Europe, she can't buy any meat this Friday."

Cars £1,500 dearer after single market exit.

New cars imported from the European Union could rise in price by £1,500 if the UK leaves the single market, according to the industry's lobby group. The Society of Motor Manufacturers and Traders (SMMT) said failure by the government to retain access after Brexit could cost the industry and consumers £4.5bn a year in export and import tariffs. Urging the government to "make the right decisions" and secure access to the single market, the SMMT said EU tariffs of 10% on cars could add at least £2.7bn to Import costs and £1.8bn to exports. "Import tariffs alone could push up the list price of cars imported to the UK from the continent by an average of £1,50o if brands and their retail networks were unable to absorb these additional costs," the SMMT said. Based on the £23,029 average price of a new car sold in the UK, it would amount to a 6.5% rise. The average UK-built car has about 6,000 parts, with the majority coming from the EU.

The SMMT backed the remain camp in the EU referendum and is now campaigning on behalf of its members for the UK to stay within the single market. Addressing industry leaders and government officials at the society's booth annual dinner in London, its president, Gareth Jones, said. "We must make the right decisions on trade, on regulation and on business competitiveness. "[Industry wants] membership of the single market, consistency in regulations, access to global talent and global markets, and the ability to trade abroad free from barriers and red tape."
Rise in the average price of a new car if the UK quits the single market, according to the Society of Motor Manufacturers and Traders
Britain's car industry has enjoyed a period of strength over recent years, as cheap finance deals and more efficient models attract consumers. New passenger car sales are set for a fifth consecutive year of growth in 2016, and 2015 marked a 10-year high for car manufacturing. Jones said: "The renaissance is down to years of hard work, hard-won investment and long-term collaborative partnership between industry and government. We operate in an intensely competitive environment. We need to create the right conditions for future competitiveness?' The society warned this month that UK car manufacturing was at nsk of "death by a thousand cuts" if firms invested in other countries after the Brexit vote. A new report by the SMMT and KPMG said progress in digital manufacturing could add £6.9bn to the UK car industry's annual turnover. It claimed technologies such as 3D printing and more effective use of data could contribute £74bn to the UK economy over the next two decades.