

**DRAFT 13/6/2018**

**FORGING AN INCLUSIVE LABOUR MARKET –  
EMPOWERING WORKERS AND COMMUNITIES:**

**AN INTERIM REPORT ON LOW PAY AND PRECARIOUS  
WORK IN SHEFFIELD**

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**SHEFFIELD NEEDS A PAYRISE**

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## EXECUTIVE SUMMARY

### Background and Context

The Sheffield Needs A Pay Rise (SNAP) is a campaign that has been initiated by Sheffield Trades Union Council (STUC). The impetus for the campaign was the earlier creation of the Britain Needs A Pay Rise organising theme by the national Trades Union Congress<sup>1</sup> in the autumn of 2014. STUC has sought to develop this campaign on a more grassroots basis. Secondly, STUC was struck by a series of reports by the Resolution Foundation, which showed that the City of Sheffield has the largest proportion of its workforce paid below the National Living Wage (NLW) and has suffered the largest pay drop of the UK Core Cities since the onset of the 2008 recession. Sheffield City Council's *Tackling Poverty Strategy Annual Update* has, along with Sheffield TUC and local trade unions, highlighted the increase in precarious and insecure work. This has been characterised by oppressive working conditions, negative management practices, a lack of worker protection, and the hollowing out of employment rights, alongside increased social or economic vulnerability.

Sheffield TUC commissioned Middlesex, Staffordshire and Sheffield Hallam University (in late 2017) to undertake an evidence review on low pay and precarious work to support the SNAP campaign. The research essentially involves policy scoping (qualitative and quantitative sources) and a literature review, alongside stakeholder mapping (trade unions officials, workers, community activists, policy-makers, practitioners, and stakeholders in general). The research raises awareness and discussion regarding low pay and precarious work from the perspective of workers, trade unions and civil society organisations.

### Austerity, Low Pay and Insecure Work in Sheffield

Austerity as a neoliberal 'growth model' was pursued by the Thatcher Government during the 1980s and by successive governments since. It involves and is in turn shaped by an **increasing financialisation of the economy and employment relationships**. Many firms have chosen to financialise their operations by investing in derivatives and credit markets for a 'quick return' on investment. Managers prioritise the distribution of dividends for the shareholders at the cost of squeezing production, cutting wages and 'downsizing.' A key element of this strategy is to **attack and undermine trade unions, workplace bargaining and employment rights in order to maximise shareholder profit**. Also austerity has been used as a vehicle to attack the public sector and welfare state. This has led to massive cuts in public expenditure and an increase in **privatisation and outsourcing of public services, as well as capping the pay of public sector workers**. In 2018,

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<sup>1</sup> <https://www.tuc.org.uk/economic-issues/britain-needs-pay-rise>

**Sheffield City Council was facing a £44 million funding gap<sup>2</sup>.** An outcome of this is the increasing role of: the private sector in delivering public services (e.g. Capita in local government; Virgin in the health services); deploying employment practices at lower pay rates; reduced pension provision; poorer quality working conditions; and this coincides with the exclusion of trade union bargaining.

The outcome of this is a **major reduction in wages making work for many people unsustainable**. UK ranks 8<sup>th</sup> of OECD countries in relation to proportion of employees in jobs earning less than two thirds of the median earnings. 20% of workers earn £15,000 a year or less and 50% earn no more than £23,200<sup>3</sup>.

Since the 1980s the combination of monetarist policies and austerity has led to an acceleration of de-industrialisation and job destruction in the Sheffield economy. The Sheffield City Region economy compared with the rest of the UK is characterised by a high proportion of workers on lower rates of pay. **In fact, wages are lower in Sheffield than they were in 2004<sup>4</sup>.**

Take home wage is highly influenced and determined by the nature of employment which is increasingly being 'casualised'. According to national trends:

- The share of part-time employees who reported being unable to find full-time work has risen.
- There has been a rise in the number of people employed as agency workers generally paid at wage rates below those workers in equivalent employment contracts.
- One of the key developments is the significant rise in the number of people on zero hours contracts (ZHCs).
- Increase in numbers of Self-employed, who are vulnerable to insecurity and low pay.
- Insecurity at work often means insecurity about working hours, short-notice cancellation of shifts and worries about pay. But it also comes with a significant loss of rights; workers are missing out on key rights including maternity, the right to return to paid work after maternity leave, and rights to union representation in the workplace.

It is estimated that the number of those in low paid and insecure employment in the Sheffield City Region (SCR) amount to 185,000. In terms of the 'jobs gap' the number of jobs in the SCR that need to be created to bring the employment rate to the national average amounts to around 248,000<sup>5</sup>. Sheffield's economy in employment terms is dominated by sectors where low pay and insecure work

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<sup>2</sup> <http://www.sheffieldnewsroom.co.uk/council-publishes-budget-proposals/>

<sup>3</sup> <https://www.theguardian.com/money/2018/jun/02/low-paid-face-decade-wage-squeeze>

<sup>4</sup> Clarke S (2017) Forging ahead or falling behind? Devolution and the Future of Living Standards in the Sheffield City Region Resolution Foundation  
<https://www.resolutionfoundation.org/app/uploads/2017/01/Sheffield2.pdf>

<sup>5</sup> Pike A Lee N Mackinnon D Kempton L Iddawela J (2017) *Jobcreation for inclusive growth in cities*,  
<https://www.jrf.org.uk/report/job-creation-inclusive-growth-cities>

predominate - this includes retail, food, social care, education, transport and storage, and larger sections of the public sector including higher education, education and health.

Cuts to skills budgets and the failure of the apprenticeship levy, will have a major impact on access to formal training which is already at a low level. This has a knock-on impact on working lives and security.

## **Welfare Reforms and Impact of Universal Credit**

Government welfare reforms are having negative impacts on people in Sheffield as a result of harsher conditionality and benefit cuts, involving an average loss of £190 for low and middle income families and between £28 and £40 per week for disabled people and up to 25% of income for lone parents representing the second biggest welfare squeeze since the crisis<sup>6</sup>. The Minimum Income Floor (MIF) and earnings threshold combined with the work first approach to employment services encourages irregular and part time work. Universal Credit (UC) and childcare allowances have been cut and are insufficient to maintain stable employment.

Benefit delays means that a high proportion of claimants who are moving into work have debt and/or financial problems which will *impact* on pay. UC, which will be rolled out to Sheffield in November and December 2018, involves harsher conditionality relating to in work progression and will make people in work vulnerable to benefit sanctions.

## **Insecurity and Social Disadvantage**

Insecurity is concentrated among those groups that already face labour market disadvantage – **key issue is lack of detailed knowledge about the experiences of disadvantaged groups, in terms of welfare and employment in Sheffield.** Drawing from national trends and limited local data we can summarise as follows:

- **Women:** disproportionately impacted by austerity and casualised employment, which is a source of the gender pay gap; women/ lone parents disadvantaged from welfare conditionality/benefit cuts and lack of affordable and accessible childcare provision.
- **Young people:** large proportion are only able to access insecure and poor-quality employment, also experiencing significant earnings gap with older workers, lack of opportunities for apprenticeships and formal in work training, vulnerable to social exclusion and labour market disconnection. Challenges in terms of trade union organising.
- **Disabled people (DP):** low employment rates, increasing incidence of discrimination and reluctance by employers to make work place adjustments.

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<sup>6</sup> EHRC (2018) Cumulative Impact of Welfare Reforms,  
<https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

DP subject to strict welfare conditionality, benefit cuts and poverty, challenges in relation to trade union involvement and representation.

- **Black, Asian and Minority Ethnic groups:** BAME groups experience labour market discrimination in Sheffield (high rates of unemployment) and low employment rates for women in certain ethnic groups.
- **LGBT workers:** vulnerable to discrimination and hostility in insecure workplaces.

## Devolution Employment and Skills

Devolution can involve devolving austerity because policies and funding are framed to meet Spending Review targets. This is impacting on the Sheffield City Region which on inclusion and prosperity indicators is in the bottom four of the 39 Local Enterprise Partnership Areas<sup>7</sup>. There is a lack of an 'inclusive growth' dimension to the economic strategy which tends to be implemented without any structural changes or adjustments. This does not allow for the voice of trade unions and disadvantaged groups to be heard within the city region policy process.

There is little public information or assessment of the impact of the Apprenticeship Levy and how skills policies are impacting on disadvantaged groups. The economic strategy says little as to how the low pay, low skills cycle is to be addressed. Sheffield has the highest percentage of economically active people qualified only to NVQ level 1 among the Core Cities. The percentage of people in the city who hold no qualifications is also higher than the national average<sup>8</sup>.

## TRADE UNION RESPONSES AND STRATEGIES

As part of the research we focused on specific sector case studies and the role of trade unions. This was to capture the challenges and opportunities of trade union negotiating to tackle issues of low pay and insecure work. The findings are summarised in the table below.

### Summary of Case studies of trade union strategies

Sector	Employment characteristics	Trade unions	Trade Union strategies
Retail	One of the biggest employing sectors in the UK (and within the Sheffield City Region). Evidence of a variety of	Mainly USDAW, GMB, BFAWU, Unite, RMT	Union-management partnerships, employment rights, information and pay

<sup>7</sup> Rafferty A Hughes C and Lupton R (2017) Inclusive Growth Monitor 2017: Local Enterprise Partnerships, IGau University of Manchester, <http://hummedia.manchester.ac.uk/institutes/mui/igau/growthmonitor/2017/IG-monitor-2017-full-report.pdf>

<sup>8</sup> Sheffield City Partnership (2017) *State of Sheffield 2017*  
<https://static1.squarespace.com/static/58d4f5f5e231122637f9be/t/58d508e303596ec3ede01caf/1490356476000/St>



	contractual forms including fixed hours, ZHC and variable hours (or guaranteed hour) contracts. Elements of unpaid labour were creeping in, in the form of the removal of paid breaks and reduction of bonus payments for weekend and night work, - the insecurity of hours (and sometimes pay) that led to stress amongst retail workers.	and Prospect	bargaining. Campaigning against zero-hour contracts and agency work. Unionisation at Sports Direct, McDonald's, TGI Fridays, LIDL, ALDI and B&M Bargains.
<b>Higher Education</b>	Major employers in Sheffield. Pay freeze and cap has adversely impacted on staff. Use of variety of contracts - fixed-term employment, zero-hours, variable hours hourly-paid contracts; hourly-paid contracts with set hours and so on. Many also use 'banks' of staff taken on through contracts for services. Many also subcontract catering, retail and cleaning.	UCU, Unison, Unite and GMB	Freedom of information requests (FOI), recruitment campaigns, joint work amongst unions around work place health and safety. Casual worker campaigns at University of Sheffield and Sheffield Hallam University.
<b>Social Care Sector</b>	Major employer in Sheffield, widespread use of zero hours contracts and living wage/minimum wage, poor working conditions, shift to 'multi-tasking' and unpaid working time.	GMB and Unison	Promotion of Care Charters by unions to guarantee minimum standards of employment. Charity-led campaigns. Unionisation at private sector providers.
<b>NHS</b>	The impact of the pay cap and cut backs to the NHS has had a severe impact on workers. According to the Royal College of Nursing (RCN) seven years of pay restraint have eroded the real terms value of pay for all nursing staff in the NHS. Increasing use of agency workers to cover vacancies. De-skilling – rising use of various forms of 'assistants' – i.e. Maternity Support Worker. Threats posed by leaving the EU.	RCN, BMA, Unison, GMB, RCM, Unite, SoR, SCP	Pay bargaining, anti-privatisation campaigns, promoting minimum employment standards, 'Safe and Effective Staffing' using links with community (Sheffield Keep Our NHS Public). Unions campaigning at Sheffield Teaching Hospitals.
<b>Welfare Reform and Universal Credit</b>	Key focus on roll out of UC, delays in benefits, sanction regime, in work conditionality, Work Capability Assessment, 'Bedroom Tax' and benefit caps.	PCS and Unite Community, ACORN, Foodbanks, Community Organisations	Unions advising claimants in relation to appeals, information, campaigns, lobbying, TUC Welfare Charter.

## Trade Unions: Innovative Strategies and Some Challenges

*We have found that trade unions deploy a variety of strategies to overcome anti trade union legislation, related government policies, and to respond to new labour market challenges. For example, trade unions have been at the forefront:*

- Challenging low wages and the public sector pay cap by negotiating for a higher Living Wage, based on the Living Wage Foundation's (LWF) recommended rates of £8.75 an hour.
- In the NHS, in addition to lifting the pay cap, unions are campaigning around staffing levels as a means of protecting workers against unreasonable workloads. Also broader coalition of union and community organisation around challenging cuts to NHS and implementation of Sustainable Transformation Plans.
- USDAW, BAFWU, GMB, Unite and others have brought about further innovations in challenging non-unionised workplaces, a recent example being Sports Direct (in the Sheffield City Region at Shirebrook North East Derbyshire), which has exposed the exploitative practices of employment agencies and the use of zero hours contracts. Whilst workers are prevented from forming a trade union, union activists have contacted workers outside the workplace as a way into unionisation and recognition. In this way trade unions have exposed companies paying staff below the minimum wage.
- Unionisation of fast food workers has been a key priority for the Bakers Union, supported by the wider TU movement and has led to the first ever strikes in the McDonald's UK history.
- Trade unions have formulated campaigns for particular sectors such as Unison Care Workers for Change and GMB Care worker campaigns including collaboration with local authorities to reduce the use of zero-hour contracts.
- UCU has formed a national Anti-Casualisation Committee to take forward its campaign in the HE/FE sector, and local UCU branches in Sheffield have pioneered the use of local surveys of staff on casualised contracts in an effort to shame their employers.

### Some challenges

- Trade unions need to go further in representing and meeting the concerns of BAME communities, young people and women.
- Negotiating Living Wage Foundation pay rates within work places.
- Trade unions 'breaking in' to unorganised sectors and workplaces is clearly highly resource intensive.
- More consideration needs to be given to how wider community campaigns and activist networks can support such activity through fund raising, lobbying and volunteer organising.

- Sheffield lacks a hub for community organising and joint trade union action, such as the Derbyshire Unemployed Workers' Centre in Chesterfield, or the Unite Community Support Centre in Barnsley.
- Overreliance upon Unite Community and PCS with respect to mobilisation around welfare policies. More scope for joint union and community action.

## KEY RECOMMENDATIONS

### Recommendations for Trade Unions

**Campaign around the Living Wage Foundation's agreed Living Wage** to bring the National Living Wage (NLW) (the rebranded National Minimum Wage) up to the level of the Living Wage set by the Living Wage Foundation.

**Establish casualisation committees within the National TUC and regional structures including Yorkshire and Humberside Regional TUC.** Casualisation reps, where appropriate to link to advocacy groups, including: the women's structures; race equality and other diversity structures in the union so that intersectional experiences are evident.

**Link up with service users in unionisation campaigns** - using community and relational organising to engage and involve society in the injustice of low pay and poor working conditions on people's lives as users of public services – e.g. social care sector linking with advocacy organisations such as AGE UK

**Continue the focus on trade union campaigns in the city targeting particular workplaces strongly associated with casualisation, particularly retail, fast food and hospitality.** Focus on successful models deployed by USDAW, Unite and BAFWU.

**Campaign around affordable and accessible childcare provision** – highlighting how poor and costly childcare provision creates barriers to accessing and sustaining employment.

**Build Trade Union links with Sheffield City Council Equality Hubs** – building on previous research by Yorkshire and Humber TUC<sup>9</sup>, this can be part of wider unionisation campaign but also linked to activity around welfare reform (see below).

**Develop joint union campaign against the roll out of Universal Credit and promote the Benefit Charter** – this will also involve all aspects of welfare reform including the Work Capability Assessments (WCA) Bedroom Tax, Benefit Cap, Benefit delays.

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<sup>9</sup> Perrett R and Lucio M M (2006) *Trade Unions and Black and Minority Ethnic Communities in Yorkshire and the Humber*, [https://www.tuc.org.uk/sites/default/files/extras/tuc\\_bme.pdf](https://www.tuc.org.uk/sites/default/files/extras/tuc_bme.pdf)

## **Recommendations for City Region and Local Authority**

### **Evidence base research on impact of austerity on local and City Region employment**

- Development of evidence research on the impact of austerity on 'inclusive' growth and equalities in relation to insecure work and poverty on disadvantaged groups. In particular there is a lack of evidence around the employment situation of BAME workers.

### **Promote employment rights among City Region employer stakeholders**

- This should include adopting initiatives developed by Sheffield's Fairness Commission around all employers within Sheffield paying the LWF recommended Living Wage.
- Ensure that unions are actively involved with training in city regions, building on the Unionlearn proven track record for achieving this.
- Public procurement and contract compliance – a more rigorous approach to employment and fair pay conditions in contracts.

### **Promote inclusive governance at the City Region Level with the development of social dialogue with trade unions**

- Ensure that disadvantaged groups and organisations that represent them (such as the voluntary sector) are involved in decision-making processes.
- Trade unions have important roles to play and should be represented alongside local authorities and business leaders.

### **Promote an inclusive welfare to work at the city region level**

- Redesign the claimant agreement to reduce the incidence of benefit sanctions such as incorporating a role for advice services to support the customer journey through the welfare to work system.
- Ensure that welfare to work programmes are appropriately resourced so that interventions can be sustained.

### **Explore how the apprenticeship levy can support in work progression for people in low paid and skilled work**

- Increase access to apprenticeships for disadvantaged groups - learn from best practice (e.g. LGA review).
- Promote high-quality apprenticeships in the context of expanding numbers and supporting the research of the relevant trade unions and Ofsted.

- Promote the employee voice in the city region through the Unionlearn model, which involves greater union engagement in promoting learning and skills development in the work place to disadvantaged groups.
- Pilot a Job Rotation model within the SCR based on linking welfare to work, skills and in work progression

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# **PART ONE: BACKGROUND AND CONTEXT TO THE RESEARCH**

## **1.1 Introduction**

The Sheffield Needs A Pay Rise (SNAP) is campaign that has been initiated by Sheffield Trades Union Council (STUC). The primary impetus for the campaign was the earlier creation of the Britain Needs A Pay Rise organising theme by the national Trades Union Congress<sup>10</sup>, which was inaugurated in the autumn of 2014. STUC has sought to develop this campaign on a more grassroots basis. Secondly, STUC was struck by a series of reports by the Resolution Foundation, which showed that the City of Sheffield has the largest proportion of its workforce paid below the National Living Wage (NLW), has suffered the largest pay drop of the UK Core Cities since the onset of the 2008 recession, suffered most from issues of low pay, and consequently (potentially) had the most to gain from the introduction of the Conservative Government's National Living Wage. This highlighted to STUC the necessity for greater campaigning around the issue of pay. Finally, STUC has been impressed by the successes of innovative new organising strategies being deployed by unions such as the Unite the Union, the Bakers Food and Allied Workers Union (BFAWU), the General Municipal and Boilermakers (GMB), and seek to share best practice and replicate such work amongst union branches in the city.

SNAP was officially launched in October 2016 by John McDonnell MP and representatives from Unite, BFAWU, GMB and STUC. Since then SNAP has received affiliations and small scale donations from Walkley Branch Labour Party, GMB Sheffield S38, University of Sheffield University College Union (UCU), Sheffield Hallam UCU and Unison City of Sheffield Branch.

STUC commissioned Middlesex University (Dr David Etherington Principal Researcher) and Staffordshire University (Professor Martin Jones Deputy Vice Chancellor) to undertake the research with assistance from researchers at Sheffield Hallam University (Dr Bob Jeffery and Dr Peter Thomas) and Staffordshire University (Dr David Beel).

## **1.2 Context to SNAP**

Although the impetus to the campaign and supportive research relates to the national/local TUC initiative there is also an important context of previous and ongoing policy, campaigning and research work on poverty and inequality in Sheffield which underpins SNAP. In 2012 *Sheffield Fairness Commission* was set up to compile evidence on social and economic inequalities in Sheffield. The Commission obtained evidence that people from the deprived neighbourhoods and communities were "trapped" in low pay, poor working conditions, long hours and job insecurity. Another finding or issue brought to the attention of the Commission is the gap between the minimum wage and the wage needed to reach a minimum income

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<sup>10</sup> <https://www.tuc.org.uk/economic-issues/britain-needs-pay-rise>

standard has widened.<sup>11</sup> This evidence was collected around 6 years ago and since then annual 'progress' updates are undertaken with respect to policy monitoring for meeting Fairness Commission objectives. However, it can be argued that the labour market and work has become more volatile and unstable. The latest Sheffield City Council *Tackling Poverty Strategy Annual Update* states that "employment rates are rising but employment patterns are changing and work becoming increasingly precarious for many." The same paper also highlights the impact of the implementation of Universal Credit in terms of the possibility of claimants being sanctioned by not meeting in work progression requirements.<sup>12</sup> Furthermore recent work on *Devolution and Social Disadvantage in the Sheffield City Region* has highlighted not only the low pay low skills issue but the lack of connectivity between economic growth objectives and disadvantaged groups in the city region.<sup>13</sup> Various stakeholders and actors were involved in the Royal Society of Arts *Inclusive Growth Commission*<sup>14</sup> which sought evidence for its final report on Inclusive Growth.

In addition to taking on these developments it is also essential to bring to the fore the role of trade unions and analyse the world of work through the lens and perspectives/voice of workers, disadvantaged groups and trade union representatives.

### 1.3 Defining low pay and precarious work

**Low pay** is defined by the Resolution Foundation as below two thirds of median hourly pay, 21 per cent of employees are low paid by this definition.<sup>15</sup> The Government introduced the 'national living wage in 2016' with the intention of the higher minimum wage rate for over 25s reaching 60% of median earnings by 2020. Current estimates suggest this would mean a rise to less than £9 per hour by 2020. According to the Living Wage Foundation the government's minimum wage rate is separate to the Living Wage rate calculated by the Living Wage Foundation. Unlike the Living Wage Foundation's (LWF) rates, it is not calculated according to the cost of living, and is therefore lower than what people need to afford a decent standard of living. Full time workers receiving the LWF calculated Living Wage earn

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<sup>11</sup> Sheffield Fairness Commission (2013) Making Sheffield Fairer, Sheffield City Council.

<sup>12</sup> Sheffield City Council (2017) Tackling Poverty Statement 2016-2017

<sup>13</sup> Etherington D and Jones M (2016) *Devolution and Disadvantage in the Sheffield City Region: An analysis of employment, skills and welfare*

[https://www.sheffield.ac.uk/polopoly\\_fs/1.645005!/file/SSDevolutionPolicy.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.645005!/file/SSDevolutionPolicy.pdf)

<sup>14</sup> <https://sheffieldcityregion.org.uk/2017/09/29/make-inclusive-growth-real/>

<sup>15</sup> Corlett A (2016) *Paved with Gold? Low pay and the National Living Wage in Britain's Cities*, Resolution Foundation <http://www.resolutionfoundation.org/publications/paved-with-gold-low-pay-and-the-national-living-wage-in-britains-cities/>

about £2,400 a year more than those on the government's 'National Living Wage'. This rises to £5,200 more a year in London.<sup>16</sup>

Drawing on an International Labour Organisation (ILO) definition Grimshaw et al<sup>17</sup> define **precarious work** in that it *involves instability, lack of protection, insecurity and social or economic vulnerability ... It is some combination of these factors which identifies precarious jobs, and the boundaries around the concept are inevitably to some extent arbitrary*'. Precarious work is synonymous with insecure work and the TUC argues that the changing employment relationship between workers and employers has involved the transfer of financial risks by firms on to workers. The TUC<sup>18</sup> categorise insecurity in terms of:

- Low paid *self-employment* - They miss out on key rights and protections that come with being an employee, and often cannot afford to protect themselves against the increased level of risk this creates.
- Insecure *temporary work* - They risk missing out on key workplace rights and protections, and face lower rates of pay.
- *Zero hours contracts* - They risk missing out on key workplace rights and protections, lack income security and face lower rates of pay.
- Experiencing insecure work is accentuated by the *cuts to out of work and in work benefits*. We can add to this benefit delays and sanctions. This means that a high proportion of claimants who are moving into work and the Universal Credit system have debt and/or financial problems. So it is important to take this into account when assessing the *impact* of low pay and insecure work and the ongoing cuts to in work benefits under the Universal Credit system.

A recent TUC study on insecure work<sup>19</sup> shows how unstable the labour market is:

- Casualised workers experience an intensified pay deficit which varies according to the nature of the casualised work but overall those in casualised work earn proportionately less than those in full-time employment.

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<sup>16</sup> <https://www.livingwage.org.uk/faqs#t134n2685>

<sup>17</sup> Grimshaw D Johnson M Kaizer A Rubery G (2016) *Reducing Precarious work through social dialogue; the case of the UK*, Work and Employment Research Centre University of Manchester  
<http://www.research.mbs.ac.uk/ewerc/Our-research/Current-projects/Reducing-Precarious-Work-in-Europe-through-Social>

<sup>18</sup> TUC (2016) *Living on the edge: the rise of job insecurity in modern Britain*  
<https://www.tuc.org.uk/sites/default/files/Living%20on%20the%20Edge%202016.pdf>

<sup>19</sup> TUC (2017) *Living on the Edge, Experiencing work place insecurity in the UK*,  
<https://www.tuc.org.uk/sites/default/files/insecure%20work%20report%20final%20final.pdf>



- Workers in casual employment are more likely than those in permanent or fixed-term jobs to be young, non-white and employed in an elementary occupation.
- Workers in casual employment are more likely to have no regular hours of work and work on weekends. They experience lower job satisfaction and life satisfaction than other workers.
- Perceived low employment security and working weekends are associated with higher levels of anxiety and depression.
- Anxiety levels tend to be higher among workers who have no normal working times.
- Workers with a casual or fixed-term contract are more likely to anticipate losing their jobs than workers with a permanent contract.

## **1.4 Importance of trade unions combating pay inequalities and precarious work**

The TUC has in a number of commissioned surveys and research reports highlighted the growth of insecure work in the UK. There is important evidence of the role trade unions play in negotiating and defending employment rights and combating employer mal and oppressive practices<sup>20</sup>. Some of the key areas where trade unions have an impact are:

- Union workplaces are safer, with union safety reps reducing serious workplace injuries by 50 per cent, reducing the time lost due to occupational injuries and work-related illnesses.
- Union workplaces are more likely to offer better flexible working practices, including job shares, term-time working and annualised hours. 52 per cent of unionised workplaces provide enhanced maternity pay compared with 35 per cent of non-unionised workplaces. 77 per cent of unionised workplaces offered retraining for women returning to work after maternity leave, compared with 58 per cent of non-unionised workplaces<sup>21</sup>.
- Union workplaces are more likely to provide additional workplace benefits, including sick pay policies that exceed the statutory minimum, employer-provided pensions and enhanced holiday entitlements.

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<sup>20</sup> TUC (2017) The Gig is up Trade unions tackling insecure work, TUC  
<https://www.tuc.org.uk/sites/default/files/the-gig-is-up.pdf>

<sup>21</sup> Women's Budget Group, 'Consultation Response - Trade Union Bill', <https://wbg.org.uk/wp-content/uploads/2013/10/WBG-consultation-response.pdf>

- Unions negotiate high-quality training and skills, helping the workforce gain transferable skills and employers to meet their future skills needs. Every £1 of government investment into the Union Learning Fund generates a total economic return of £12.30.
- Union reps also play an important role in improving workforce engagement and morale, by helping to ensure employees' concerns regarding their working conditions are listened to and addressed. This in turn can improve workplace productivity, the quality of services provided, and ultimately the financial performance of organisations.

## 1.5 The research approach and objectives

The report is an evidence review to inform debates and raise awareness and discussion regarding low pay and precarious work in Sheffield from the perspective of workers, trade unions and civil society organisations. We explore the hypothesis that austerity driven cuts and welfare reform are fuelling low pay and insecure work and lives. The research essentially involves an evidence review drawing on a number of mixed-methods sources. Stage 1 involved a policy scoping (qualitative and quantitative sources) and literature review. In stage 2, narrative policy analysis and discourse analysis were undertaken alongside stakeholder mapping, in order to capture both the insecure/precarious work and welfare policies flowing in and through Sheffield as well as semi-structured interviews with 24 key actors (trade unions officials, workers, community activists, policy-makers, practitioners, and stakeholders in general) in relation to the governance of the labour markets.<sup>22</sup> The report concludes with a summary of the main findings, followed by some key recommendations.

## 1.6 Structure of the Report

The report is divided into six parts:

Part two (next section) analyses national trends in precarious work teasing out the main issues and themes considered in the study.

Part three involves an analysis of work, welfare and insecurity in Sheffield, analysing the impact of austerity on the economy, labour market and social support systems. In this section there is an analysis of how disadvantaged groups are coping with the rise in insecure work.

Part four provides an analysis, drawing on case studies, of the role of trade unions and civil society organisations.

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<sup>22</sup> On the operation of these methods, see Roe E (1994) *Narrative Policy Analysis: Theory and Practice* (Duke University Press, Durham NC); Fairclough N (2010) *Critical Discourse Analysis* (Routledge, London); Sum NL and Jessop B (2013) *Towards a Cultural Political Economy* (Elgar, Cheltenham) .

Part five then takes a step back from the data and considers the emerging themes that the literature review and empirical research have divulged. In total we see a number of key themes that warrant further consideration.

Part six, crucially opens the discussion to consider what recommendations can then be presented to trade unions and local government to tackle issues around precarious work and welfare. We see this as a vital end point to the report in terms of addressing punitive impacts of a precarious work and welfare environment.

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## PART TWO: AUSTERITY, LOW PAY AND PRECARIOUS WORK: CAUSES AND KEY UK TRENDS

### 2.1 How Austerity Drives Low Pay and Insecurity

It is important to emphasise that we have been living with austerity and insecurity since the late 1970s when the Thatcher Government pursued various policy measures which can be described as attacks on employment and social rights. Since the 2008 crash the politics and economics of austerity has been pursued with a renewed intensity following the election of the Coalition Government in 2010. The argument that high rates of public debt undermine growth and output has been the basis for austerity policies across Europe and beyond. Some economists, however, have found that austerity is associated with the escalation of public debt as a percentage of GDP and that during a recession cutting back in public spending actually deflates the economy.

Furthermore, austerity is seen in an ideological sense by some as a vehicle to promote other agendas such as attacking the notion of collective public services and has little to do with reducing the debt<sup>23</sup>. Summarising the critique of austerity policies, Konzelman suggests that this “raises the question of why a government would pursue a policy of austerity in the context of economic recession—when there is no economic basis for such a policy and persistent macro-economic imbalances threaten to further destabilize the global economy.”<sup>24</sup>

The London School of Economics (LSE) Growth Commission has highlighted the failure to invest both in the private and public sectors as a cause of low growth.<sup>25</sup> The International Monetary Fund (IMF)<sup>26</sup>, traditionally an organisation that has promoted a more market orientated economic policy, considers that there may have been too much emphasis upon austerity, which is leading to increasing inequality. Furthermore, economists have questioned the Government view that only the private sector produces wealth and the public sector is a ‘drain’ on resources. They argue that only the public sector is able to invest and underpin the required infrastructure that will sustain growth.<sup>27</sup>

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<sup>23</sup> Konzelman S Gray M and Donald B (2017) Assessing Austerity, Special virtual issue *Cambridge Journal of Economics, Cambridge Journal of Economy and Society, and Contributions to Political Economy*.

<sup>24</sup> Konzelmann, Suzanne J. (2012) *The Economics of Austerity*. Working Paper. Centre for Business Research, Cambridge, UK. <https://core.ac.uk/download/pdf/9625711.pdf>

<sup>25</sup> LSE Growth Commission (2013) *Investing for Prosperity Skills Infrastructure and Innovation* <http://www.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/LSEGC-Report.pdf>

<sup>26</sup> Neoliberalism Oversold? *Finance and Development*, June 2016 <http://www.imf.org/external/pubs/ft/fandd/2016/06/ostry.htm>

<sup>27</sup> Kitson M Martin R and Tyler P (2011) The geographies of austerity, *Cambridge Journal of Regions Economy and Society*, 4, 289-302.

Austerity as a neoliberal 'growth model' involves and is in turn shaped by an increasing financialisation of the economy and employment relationship. Many firms have chosen to financialise their operations by investing in derivatives and credit markets for a 'quick return' on investment. Managers prioritise the distribution of dividends for the shareholders at the cost of squeezing production, cutting wages and 'downsizing.' The result is the maximization of bonuses and profits in the short term at the expenses of the wage bill. Deregulation of labour markets, labour flexibility, capital mobility and global finance are key sources of wage stagnation. Consecutively, households are more and more pushed towards private indebtedness and credit consumption since their income constraints increase consistently in a period of wage stagnation.

## 2.2 Public sector cuts, privatisation and outsourcing

A key element of job destruction overall is in the public sector with an estimated 1.2 million jobs lost nationally since 2010, the majority of these lost in local government.<sup>28</sup> Sheffield Political Economy Research Institute (SPERI) also challenge the argument that the public sector 'crowds out' the private sector when they find that the fastest growth in private sector employment occurred in the London region which had the lowest rate of job losses in the public sector.<sup>29</sup>

Public sector cuts have had a **significant impact on pay as a consequence of the Government pay cap**. Many of the 21,000 health service members responding to the UNISON pay survey of October 2016 stated that increased food, transport, utility and housing costs were having a serious impact on their cost of living. In the same survey, over half of members stated that morale was low or very low in their workplace and 65 per cent claimed that it had worsened in the last 12 months. Over half had seriously considered leaving the NHS over the last year. The top factors were for staff considering leaving were:

- Increased workload – 67%.
- Stress at work – 67%.
- Feeling undervalued by management – 59%.
- Feeling undervalued due to low levels of pay – 58%.

The largely low paid and female workforce in local government has been particularly badly affected by pay restraint. A survey for UNISON of over 2,000 local government

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<sup>28</sup> <http://www.gmb.org.uk/newsroom/public-sector-employment>

<sup>29</sup> Sheffield Political Economy Research Institute (2015) *Public and private sector employment across the UK since the financial crisis*, SPERI.

members found that some 70% of respondents report that living costs have increased over the last 12 months, while just 26% report an increase in their personal income. 42% of respondents have personal debt and a worrying proportion of those (24%) owe £10,000 or more.<sup>30</sup>

## 2.3 Trade union legislation and employment rights

Employment protection legislation in the UK, as measured by the OECD's EPL index, has long been among the weakest in the OECD (only the USA has consistently ranked lower). Employment rights in the UK have been altered in ways that might encourage the growth of insecurity at work. In April 2012, the minimum period of employment service for unfair dismissal claims was increased from one to two years. In April 2013, the Coalition government reduced the minimum consultation period required in respect of large-scale collective redundancies involving more than 100 workers from 90 to 45 days.

Measures were introduced that permitted private sector employers to offer prospective employees a financial stake in their business, on the condition that key employment rights were foregone. The government also made it easier for employers to dismiss staff who are deemed to be 'under-performing' by introducing measures to facilitate 'consensual termination' of the employment relationship through ACAS conciliation, settlement agreements and 'protected conversations' between employees and employers. All these developments have had a major impact on unionisation and trade union protection for insecure workers. According to the Learning and Work Institute the proportion of insecure employees who are in workplaces with union coverage was, on average, 14% for 2011-16, compared with 30% for workers with secure contracts over the same period.<sup>31</sup>

A recent study has been undertaken by researchers at the University of Manchester<sup>32</sup> on the link between social dialogue, employment relations and precarious work. They develop a framework of 'protective gaps' in order to capture the multi-layered experiences and meanings of precarious employment, and its variety in different sectoral contexts. Their research identifies four key 'rights gaps' – employment rights in relation to what workers are entitled to as part of their working conditions; social protection and integration gaps, which relate to the benefit system

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<sup>30</sup> TUC (2017) Public sector pay restraint in England, London TUC  
<https://www.tuc.org.uk/sites/default/files/Public%20Sector%20Pay%20Restraint%20in%20England%20-%20FINAL.pdf>

<sup>31</sup> Bivand P and Melville P (2017) *What is driving insecure work?* Learning and Work Institute  
<https://www.learningandwork.org.uk/wp-content/uploads/2017/07/What-is-driving-insecure-work--July-2017.pdf>

<sup>32</sup> European Work and Employment Research (2017) *Just Work in Greater Manchester*  
<http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/just-work-report-2.pdf>

and the level of social security which acts as a safety net; and representation gaps relate to the extent to which workers can access a trade union representative or other forms of advocacy. Enforcement gaps refers to the limitations placed on regulatory and industry watchdog bodies such as ACAS (Advisory, Conciliation and Arbitration Service) and the GLA (Gangmasters' Licensing Authority) by austerity. Also the limitations placed on trade unions by restrictive legislation.

**Table 1 UK Employment rights and representation**

<b>Employment rights gaps</b>	<b>Implications for precarious workers</b>
Standard employment rights in the UK are weak compared to other European countries. Limited scope for employers and unions to improve, coordinate and integrate rights.	Minimum set of standards generally used by employers in low pay sectors. Workers on short term contracts or low pay find themselves ineligible for statutory protections such as maternity and sick leave pay because entitlement requires minimum periods of continuous employment with the same employer and/or minimum weekly earnings.
<b>Social Protection Rights gaps</b>	
UK social protection system is characterised by relatively low level contribution based benefits combined with a high use of means-tested benefits - significant use of in-work benefits ('tax credits'). See below on Universal Credit.	Reduction in the value of entitlements, including in-work benefits and housing benefit. Restrictive conditionality to comply with job search, medical reassessments and working hours rules: use of sanctions in relation to in work progression.
<b>Representation gaps</b>	
Collective bargaining in relation to union-management consultation and agreements in relation to pay and working conditions has declined. Six in seven workers in the private sector have no formal representation through independent channels of social dialogue.	Migrants, low paid and under-represented groups tend not to have access to pay and conditions determined by collective agreements.
<b>Enforcement gaps</b>	
Despite relying on an individual rights-based system of employee protection in the UK, the evidence suggests enforcement of rights is highly variable.	The ability of regulatory and industry watchdog bodies such as ACAS (Advisory, Conciliation and Arbitration Service) and the GLA (Gangmasters' Licensing Authority) to protect and support workers is challenged by cuts. Moreover, their narrow remit means the scope and coverage of protection varies. Tribunal system has limitations in terms of enforcing rights.

**Source:** Grimshaw D Johnson M Kaizer A Rubery G (2016) *Reducing Precarious work through social dialogue; the case of the UK*, <http://www.research.mbs.ac.uk/ewerc/Our-research/Current-projects/>

## 2.4 Welfare reform, Universal Credit, low pay and precarious work

Universal Credit is a single benefit replacing six existing means-tested benefits and tax credits (Income Based Jobseeker's Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, Income Related Employment and Support Allowance and Income Support), with the amount based on income, assets and family circumstances, and delivered in the form of a single monthly payment. Lower paid workers will be subject to in work conditionality and benefit cuts/sanctions.

## 2.5 Declining wages and incomes

When discussing the UK labour market it would be useful to analyse it in some comparative perspective. A recent study of low pay and in work poverty found that the UK ranked 8<sup>th</sup> of OECD countries in relation to proportion of employees in jobs earning less than two thirds of the median earnings<sup>33</sup>. As the Resolution Foundation states "from the point of view of pay, the past decade has been an historically bad one. Given the unresponsiveness of wage growth to strong employment figures, there appears little evidence of a much-needed bounce in typical pay packets."<sup>34</sup>

Pay in the public sector has declined due to the pay freeze and this has had an enormous impact on living standards. The median public sector wage is over a £1,000 lower in real terms than in 2010. This has created staff shortages, particularly in the National Health Service (NHS), which has sought to use agency workers. According to the National Institute of Economic and Social Research there has been an increase of 50 percent in spending on agency staff between 2009/10 and 2014/15<sup>35</sup>.

## 2.6 The labour and jobs market has become more insecure

One academic expert has described contemporary employment trends as the **emergence of a 'broken labour market'**<sup>36</sup> in which more people are being employed but on insecure and unsustainable terms and conditions and pay. There are 3.2 million people experiencing insecurity at work, and this number has risen sharply (by 27 per cent) in the last five years. This includes those on zero-hours

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<sup>33</sup> Abigail McKnight, Kitty Stewart, Sam Mohun Himmelweit and Marco Palillo (2016)

*Low pay and in-work poverty: preventative measures and preventative approaches*, Centre for Analysis of Social Exclusion/EU.

<sup>34</sup> D'Arcy C (2017) *Low Pay Britain 2017*, London Resolution Foundation.

<sup>35</sup> TUC (2016) *Public Sector Pay Restraint in England*, London: TUC.

<sup>36</sup> Bailey N (2016) Exclusionary employment in Britain's broken labour market, *Critical Social Policy*, 36(1): 82–103.



contracts, in agency and other insecure temporary work, and in low-paid self-employment.

Some of the key trends are:

- One significant labour market development post crisis is the **rise in part-time and temporary jobs**. Thus the share of part-time employees who reported being unable to find full-time work was one in ten in 2008 (9%, first quarter), but this shot up to 19% mid-way through 2013 and stood at 16% in early 2015.
- *Temporary workers* reporting being unable to find permanent work rose from one in four (25%) in 2008 to two in five in 2013 and one in three by early 2015.
- The share of *part-time employees* who reported being unable to find full-time work was one in ten in 2008 (9%, first quarter), but this shot up to 19% mid-way through 2013 and stood at 16% in early 2015.
- The rise in the number of people employed as **agency workers** generally paid at wage rates below those of workers in equivalent employment contracts. Between 2010 and 2016 an additional 1,581,083 people became employed in the UK, of them 108,078 were agency workers, which represented 6.84 per cent of the total net employment growth during this period.
- One of the key developments is the significant rise in the number of people on **zero hours contracts**. The number of workers on zero hours contracts increased from 70,000 in 2006 to 810,000 in 2016<sup>37</sup>.
- **Self-employed** are vulnerable to insecurity and low pay. There has been a significant increase in the numbers in recent years from 3.8 million in 2006 to 4.8 million in 2016 (15.1% of the workforce). A TUC survey<sup>38</sup> reveals that there is a significant earning penalty being self-employed.

**Table 2 TUC Estimates of number of people in insecure work<sup>39</sup>**

Zero Hour Contracts	810,000
Other insecure temporary work (including agency, casual, and seasonal work)	730, 000
Low paid self employment	1.7 million
TUC estimate of insecure work	3.2 million

<sup>37</sup> TUC (2017) *The gig is up: Trade Unions tackling insecure work*, London: TUC.

<sup>38</sup> TUC (2017) *The impact of self employment and insecure work on the public finances*  
<https://www.tuc.org.uk/sites/default/files/insecureworkonpublicfinances.pdf>

<sup>39</sup> TUC (2017) *The gig is up: Trade Unions tackling insecure work*, London: TUC, p10

TUC (2018) *Ending the Undercutters Charter: Why agency workers deserve better jobs*, London: TUC.

## 2.7 Summary of key trends and issues

- Insecurity is concentrated among those groups that already face labour market disadvantage: women, young people, black and minority ethnic workers and those in poorer regions of the UK are all more likely to face insecurity at work.
- Insecurity at work often means insecurity about working hours, short-notice cancellation of shifts and worries about pay. But it also comes with a significant loss of rights; we estimate that 1.5 million workers are employed, but risk missing out on key rights including maternity, the right to return to paid work after maternity leave, and rights to union representation in the workplace.
- The lower pay experienced by those in insecure work not only affects their living standards but also has a significant impact on public finances. Research for the TUC estimates that the rise in insecure work in the last decade has led to a net loss of revenue of over £5bn a year.

## PART THREE: WORK, WELFARE AND INSECURITY IN SHEFFIELD

### 3.1 The Shift towards a more precarious economy: Accelerated de-industrialisation and job destruction over past 30 years

Following the arguments of Beatty and Fothergill<sup>40</sup>, it was in the early 1980s that the economic shocks to regional economies were traumatic in terms of job losses and lasting unemployment. Cambridge Economist Ron Martin argues in an analysis undertaken during the 1980s that the combination of monetarist policies and fiscal retrenchment (or austerity) had a major impact on the UK as a whole but in certain regions.

*From mid 1979 to mid 1984, Britain's manufacturing employment base contracted by 1.7 million or 24 percent, a reduction equivalent to more than half of the total decline that has occurred since 1966 [...] While there would undoubtedly be a major recession without the Thatcher Government, it has been estimated that almost half the jobs lost can be attributed to the 'Thatcher effect.' The imposition of monetary and fiscal restraint in the context of an underlying recession was inevitably strongly deflationary – equivalent to a reduction of 6% in GDP over 1979-82 [...] although the problem of deindustrialisation has spread to all regions of Britain, the gap between the relatively more buoyant south and east and the industrial heartland [...] has widened considerably<sup>41</sup>.*

Fast forward to the 2008 recession; this has had a major impact on economic growth in Sheffield and Northern Regions, which have not recovered from the 1980s. The region suffered tremendously from the pit closure programme and restructuring of the steel industry.

In research for the Joseph Rowntree Foundation (JRF) Pike et al<sup>42</sup> (Table 3) provide the basis for comparisons between cities. They address the question of how many more and better jobs need to be created to address the demand deficiency in the major industrial cities. They categorise the labour market in terms of the 'more jobs gap' and 'better jobs gap'. The more jobs gap comprises those people who are unemployed, inactive, people who want to work and underemployed workers who would like more hours, such as people working part time. The better jobs gap incorporates those on low paid work, those jobs classed as insecure - such as

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<sup>40</sup> Beatty C and Fothergill S (2016) *Jobs, Welfare and Austerity: How the Destruction of Industrial Britain Casts a Shadow Over Present-Day Finances* (Centre for Regional Economic and Social Research: Sheffield).

<sup>41</sup> Martin R (1986) Thatcherism and Britain's Industrial Landscape in R Martin and B Rowthorne eds *The Geography of De-Industrialisation*, London: Methuen.

<sup>42</sup> Pike A Lee N Mackinnon D Kempton L Iddawela J (2017) *Jobcreation for inclusive growth in cities*, <https://www.jrf.org.uk/report/job-creation-inclusive-growth-cities>

temporary contracts - whilst workers have a preference for a permanent employment contract. Table 3 below provides an analysis of the break down:

**Table 3 Employment quality of work and pay in Sheffield**

	Better jobs gap (%)	000'	Earning < living wage (%)	More jobs gap (%)	(000')	Underemployed (%)	Inactive Wanting work (%)
Manchester	20	292	19	25	357	12	7
<b>Sheffield</b>	19	185	18	25	248	13	7
Cardiff	18	140	17	27	204	13	8
Liverpool	18	140	17	25	192	11	8
Newcastle	21	154	19	24	182	11	8
Bristol	15	92	14	21	126	12	5
London	14	677	13	23	1,127	12	6

Source: Pike et al (2017 adapted from Tables 1 and 2 pp7,8)

As Table 3 shows, it is estimated that the number of those in low paid and insecure employment in the Sheffield City Region (SCR) amount to 185,000. In terms of the 'jobs gap' the number of jobs in the SCR that need to be created to bring the employment rate to the national average amounts to around 248,000. This analysis is corroborated by a report by the Sheffield City Local Enterprise Partnership on the Sheffield City Region economy which acknowledges the scale of the jobs gap

*The SCR currently has a shortfall of around 65,000 private service sector jobs, when compared with the employment density in other LEP areas [...] This position has worsened since 2009, [...] Based on the forecast growth in other parts of the country the SCR would need to create 120,000 jobs to have closed the gap with the national average in 2023. This would require GDP growth of almost 5% and nowhere in the UK grows at this rate<sup>43</sup>.*

This stark admission of the scale of economic disadvantage and of the long-term impacts of deindustrialisation underline the failure and inadequacy of economic policies.

### 3.2 Impact of public sector cuts

Austerity via spending cuts has disproportionately impacted on those areas characterised by traditional industrial structures and in many ways has served to reinforce the trend towards the low pay low skills economy. One of the key findings and arguments set out in a report on devolution in the Sheffield City Region is the way local authority and welfare spending cuts have significant impacts on disadvantaged and vulnerable groups and sustainable economic growth.

<sup>43</sup> Sheffield City Region (2016) *European Fund Investment Strategy* <https://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/SCR-ESIF>

Successive Governments have in fact squeezed spending in relation to the regions. The National Audit Office (NAO) reports that over the five-year period 2010/11 to 2014/15 the government will have spent £6.2 billion on local growth programmes, including that spent via RDAs and their legacy, and on new funds and structures. By comparison the RDAs spent £11.2 billion over the preceding five-year period 2005/06 to 2009/10<sup>44</sup>. The UK actually devotes significantly lower resources as a proportion of GDP on active labour market policies compared with most other countries in the EU. The proportion of UK public expenditure per GDP invested in active labour market programmes is 0.34%, which is below the EU average of 0.78% and ranks 25<sup>th</sup> of the OECD countries<sup>45</sup>. The NAO assessment of the financial context of devolution can be summarised as follows:

- Government funding for local authorities has fallen by an estimated 49.1% in real terms from 2010-11 to 2017-18. This equates to a 28.6% real-terms reduction in 'spending power' (government funding and council tax).<sup>46</sup> For Sheffield City Council this amounts to a £390m reduction in the government grant between 2010-2018. As of 2018, Sheffield City Council was facing a £44 million funding gap.<sup>47</sup> Furthermore, the deindustrialised regions such as Sheffield City Region have been disproportionately affected by the welfare reforms and benefit cuts which in turn have consequences for economic and employment growth<sup>48</sup>.
- By 2015, the decline in the financial health of the further education sector had been faster than anticipated by colleges' plans, and forecasts prepared by the Skills Funding Agency suggested that without remedial action the number of colleges under strain was set to rise rapidly<sup>49</sup>. Indeed, a number of Yorkshire colleges are currently facing industrial action in relation to significant jobs cuts<sup>50</sup>.

As highlighted in the Section above a key element of the job destruction is in the public sector. It has not been possible to obtain accurate data for Sheffield local authority area but data for the city region provides a useful guide. In 2010

<sup>44</sup> NAO (2013) *Funding and Structures of Local Economic Growth* (National Audit Office: London).

<sup>45</sup> [http://ec.europa.eu/europe2020/pdf/themes/2015/active\\_labour\\_market\\_policies\\_20151126.pdf](http://ec.europa.eu/europe2020/pdf/themes/2015/active_labour_market_policies_20151126.pdf)

See also <http://blogs.lse.ac.uk/netuf/2014/05/01/debunking-the-myth-that-keeps-coming-back-excessive-spending-on-labour-market-policies-and-benefit-fraud-in-the-uk/>

<sup>46</sup> NAO (2018) *Financial Sustainability of local authorities*  
[www.nao.org.uk/press-release/financial-sustainability-of-local-authorities-2018/](http://www.nao.org.uk/press-release/financial-sustainability-of-local-authorities-2018/)

<sup>47</sup> <http://www.sheffieldnewsroom.co.uk/council-publishes-budget-proposals/>

<sup>48</sup> Etherington D and Jones M (2016) *Devolution and Disadvantage in the Sheffield City Region: An analysis of employment, skills and welfare*

[https://www.sheffield.ac.uk/polopoly\\_fs/1.645005!/file/SSDevolutionPolicy.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.645005!/file/SSDevolutionPolicy.pdf)

<sup>49</sup> NAO (2016) *English Devolution Deals*, London NAO HC 948, p38

<sup>50</sup> <https://www.ucu.org.uk/article/9436/Strike-ballots-at-two-West-Yorkshire-colleges-over-job-cuts>  
<https://www.ucu.org.uk/article/9518/Seven-more-days-of-strikes-at-Hull-College-Group>

employment in public administration and defence, which covers local government and the civil service fell from 45,804 in 2010 to 32,080 in 2015.<sup>51</sup> Yorkshire and Humberside Region has experienced one of the highest rates of public sector job losses- a loss of 47,000 or 9%<sup>52</sup>.

### 3.3 Trends in low pay in Sheffield

The Sheffield City Region economy compared with the rest of the UK is characterised by a high proportion of workers on lower rates of pay and following national trends wages are lower than pre-crisis (2008) levels. **In fact, wages are lower than they were in 2004.**<sup>53</sup>

In 1997 the real median gross hourly pay of £9.75 was 9.6 per cent lower than the median rate across the UK, rising to currently (2016) over 11 per cent. Median Gross hourly pay in Sheffield City Region is £10.96 whereas the UK median is £12.18 and the average of the medians across the other city regions is £11.79.

**Table 4 Low Pay in Sheffield Compared with other City Regions**

	Below 2/3 Median(000s) %		Below Living Wage(000s) %		Near or below NMW(000s) %	
<b>Sheffield</b>	130	25	<b>120</b>	<b>24</b>	<b>30</b>	<b>6</b>
Birmingham	290	25	280	24	90	7
Nottingham	110	25	110	24	30	6
Newcastle	180	24	180	24	50	7
Manchester	260	23	250	23	70	6
Leeds	210	23	210	23	50	6
Cardiff	130	23	130	23	40	6
Liverpool	130	23	130	23	40	5
Bristol	110	21	110	23	30	5
Glasgow	150	18	140	21	40	3
London	450	12	740	18	130	
GB	5,520	21	5,700	19	1,360	

Source: Resolution Foundation<sup>54</sup>

Whilst there is likely to be significant impacts from the introduction of the National Living Wage, the Resolution Foundation caution that there are still significant challenges in relation to those at the 'bottom' end of the low paid labour market:

<sup>51</sup> Sheffield City Region (2016) Labour Market Information [http://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/2016\\_LMI\\_Report\\_v1.2\\_20170209\\_FINAL-1.pdf](http://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/2016_LMI_Report_v1.2_20170209_FINAL-1.pdf)

<sup>52</sup> GMB (2017) End the Public Sector Pay Pinch <http://www.gmb.org.uk/public-sector-pay-pinch-FINAL0703.pdf>

<sup>53</sup> Clarke S (2017) Forging ahead or falling behind? Devolution and the Future of Living Standards in the Sheffield City Region Resolution Foundation <https://www.resolutionfoundation.org/app/uploads/2017/01/Sheffield2.pdf>

<sup>54</sup> Clarke S (2017) Forging ahead or falling behind? Devolution and the Future of Living Standards in the Sheffield City Region, Resolution Foundation <https://www.resolutionfoundation.org/app/uploads/2017/01/Sheffield2.pdf>



*The first significant reduction in low pay in decades will provide a welcome boost to the lowest earners and will improve the living standards of some of the poorest families. However, in the Sheffield City Region it will mean that nearly one in five employees, around 130,000 people, will be on the wage floor by 2020 and it will mean that progression within work will be a big concern for a growing share of the population.*<sup>55</sup>

The proliferation of low paid jobs provided within the SCR provides some insights into the quality of jobs with low skills and incomes being identified as strongly linked to ‘fragile jobs.’<sup>56</sup>

### 3.4 Where is low pay concentrated?

According to the Resolution Foundation “half of the region’s earnings penalty is the result of the types of firms and employees; the ‘composition’ of the region’s economy. Looking at the ten largest sectors in the region (which account for half of all employment) in seven of these, pay is lower than the average for Great Britain [...] The difference is greatest in the food and drink sector, followed by the office admin sector. Of perhaps most concern are the larger sectors where pay is below the UK average, particularly manufacturing, retail and food and drink. Furthermore the Sheffield region has a significant proportion of workers earning on the Minimum Wage” (Table 4). Table 5 offers an overview of key employment sectors in Sheffield, many of which have issues with low pay and insecure work.

**Table 5 Top sectors for numbers on low pay and/or insecure work in Sheffield**

Sector	No.	%	Yorks and Humber	Great Britain %	Comments
Manufacturing	20,000	7.8	10.3	8.1	More low pay than insecure work, lower pay than national average
Construction	9,000	3.5	4.8	4.6	The use of ‘umbrella companies’ as a widespread form of ‘bogus self-employment’
Wholesale retail	42,000	16.5	16.2	15.3	Zero and variable hour contracts
Transport and storage	9,000	3.5	5.4	4.9	Warehousing, haulage, logistics
Accommodation and food service	15,000	5.9	6.2	7.5	Hotels and fast food

<sup>55</sup> Clarke S (2017) Forging ahead or falling behind? Devolution and the future of living standards in the Sheffield City Region, Resolution Foundation

<http://www.resolutionfoundation.org/app/uploads/2017/01/Sheffield2.pdf>

<sup>56</sup> Sheffield City Region (2016) European Fund Investment Strategy <https://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/SCR-ESIF>

Administrative and Support Services	21,000	8.2	9	9	Job and travel agencies, security services, office administration and call centres
Public admin and defence, social security	13,000	5.1	4.3	4.3	Local government and social security services
Education	33,000	12.9	10	8.9	HE and Schools – zero hour and fixed term contracts, low paid support roles
Human and Health and social work	41,000	16.1	14.5	13.3	Social Care and NHS workers

Source: Office of National Statistics (2016)

### 3.5 Insecure work in Sheffield on the increase

As part of the SNAP study the research team contacted and interviewed trade union members, officials and activists and a number of workers on zero hours contracts and insecure work. A more detailed analysis of findings is provided in the next Section via the case studies. Here we have been able to draw on a study by Sheffield Citizens Advice Bureaux (CAB), which in response to the increasing number of clients seeking advice in relation to employment rights, decided to explore their experiences and understand a little better the barriers they face in dealing with work problems. 64 clients were contacted who had recently received first-tier employment advice from CAB's specialist employment adviser and 15 consented to complete in-depth telephone interviews on their experiences. In the following sections we present some of the key findings, alongside other sources and excerpts from our own interviews.

#### 3.5.1 Barriers to trade union representation and employment rights

Fewer than half of the clients interviewed knew of their right to join a trade union, and only one was a member of a union at the time of the interview. There was a lack of awareness of rights to an employment contract and to be accompanied at a grievance hearing. The process of applying for a job can be stressful so the issue of employer obligations around rights did not come up - there was an assumption by some that employers would fulfill their statutory obligation.

Another factor is the fragmentation of certain sectors particularly with respect to the fast food and retail sectors, which presents difficulties for trade unions and workers access to representation:

*[...] you know that McDonald's is going to be rotten in this country, you know that [restaurants] are going to be stealing tips but yeah, [...] these practices go on right through the whole industry and this is why we're always going to have huge difficulties organising workers when you get down to these three,*



*four, five, six, seven employees level, this is where you need legislation. This is where all these places have got to be legislated for because it's impossible really to have union representation and officers and all these types of things when you've got such a scattered [workforce] (Unite Official)*

This was then further compounded due to such workers having a lack of recognition in terms of Unions. As members in precarious working conditions do not or feel unable to join, they are not then being represented within the unions themselves:

*So if you are a regional organiser and you're dealing with half a dozen companies – big companies – and then you might have two or three of these smaller cleaning companies and security companies, who are you going to concentrate on? You know who you're going to concentrate on because you've got fully trained reps there. (Transport Union Official)*

This can then often mean unions end up focusing more heavily on those with workers who have greater continuity in their workplace:

*It's a geographical branch, there's been no move, because of the lack of continuity, to actually form a store branch so it's been a lot of [...] whoever they send in, generally just older men who are very good at what they do but they have no real connection or understand[ing of] the industry [...] They – when the reps come in, they'll very rarely – well, they never talk to the staff, they'll go straight to the Manager and talk to them, as though the staff are beneath them. (Sheffield Precarious Worker)*

Respondents also noted how precarious employment made being in a union or organising workers very difficult. This is due to the ability of employers to very quickly reduce a worker's allocation of hours if they are not happy with such activities taking place:

*And the thing is, if you are on a zero hours contract there's just nothing to stop them from just not giving any more hours. I think potentially one of the things that blocks people from joining unions or actively searching them out is that there is so many people who want these jobs and there's not enough jobs for people working, for unskilled or unqualified work. So if there's even something that might risk you losing that job and not having the money to support yourself, is it worth doing? (Sheffield Focus Group)*

Other difficulties arose due to language barriers. A number of respondents suggested that with some international workers, who would potentially know very little of their employment rights and were hence vulnerable to exploitation, gaining trust alongside raising their awareness of what a trade union is, could be difficult:

*It's left a situation that we've eventually got round to addressing but it's a very, very difficult area because what you have is you have a high turnover, English*

*isn't necessarily the first language, as I said, and there's no trade union culture in a lot of these places. (Transport Union Official).*

### **3.5.2 Employers not fulfilling the requirement to produce an employment contract**

A substantial proportion of employers withhold contractual documents from employees and do not provide them with clear information about their employment status or type of contract. Many workers are not aware of their employment status with some working as self employed although it was not clear to them that this was the case. Some employers feel it is unnecessary to produce a contract. A study of Temporary Agency Work in Chesterfield found that "Contracts and pay slips can be very ambiguous. These are often on-line only with difficulties in accessing. Some report not having a written contract or clear pay slips. Confusing charges and bogus deductions are sometimes made. Examples from our own interviews in Sheffield include a care worker whose payments for overnight 'sleeps' were presented in a confusing manner on his payslip. This seemed to be aimed at disguising the fact that the employer was deducting part of the minimum payment for over-night stays from a recently agreed increase in his hourly rate:

*Then, she went on to explain to me what she understood as, the sliding wage is how she explained it, so what this means is that, if you did over your contracted hours, my contract, for example, is 30 hours, that then instead of you being paid £8 an hour for day hours, you'd get paid the equivalent of £7.50 for all your hours, but the way they did it was confusing, so it still said the amount of hours you'd done on your wage slip and it said you were being paid at £8, which made sense, if you added it up on the hours, but then it was in the sleep top-up payment that it had been reduced, so the equivalent of 50p per hour that you'd done, for example, if I'd done 180 hours, that would be £90 worth of deductions from the sleep top-up payment, so actually you'd get paid the equivalent of £7.50, so the 50p pay rise you'd got had just been completely engulfed and did not exist anymore. (Sheffield Precarious Worker)*

The above highlights the complexity of the ways in which companies purposefully attempt to misinform and underpay workers. Here through pay-pocket deductions, the company attempted to remove what had been promised as a small pay increase. Although the amounts may seem small, for workers operating on tight margins such underhand deductions can have a big impact.

In another example from our interviews a young worker at a mobile telephone shop has to navigate a complex and frequently changing system of bonus payments. Moreover, in the Chesterfield study, many participants also reported not knowing

whether they are working for an employer, an agency or are classed as self-employed.”<sup>57</sup>

### 3.5.3 Difficulties in raising problems with employers and role of agencies

Unsurprisingly the nature of employment and the employment relationship gives rise to numerous complaints by workers in insecure employment. Commercial employment agencies were particularly culpable as reported by the CAB:

*Our findings show that agencies rarely responded to e-mails, phone calls or letters once they learned that a client had a problem. They also appear to be largely unresponsive to any interventions made by ACAS. This lack of response can have a demoralising impact on clients and, in our experience, people are far more likely to focus on finding alternative employment than to attempt to start Employment Tribunal proceedings, if they have not succeeded in raising grievances with employers. (Sheffield CAB)*

This indicates that there is potential for many more Tribunal cases, which means that the number of cases recorded is probably a poor indicator of the extent of grievances within the workplace. This is particularly relevant given the recent cancellation of tribunal fees due to the campaigning and legal work of Unison<sup>58</sup>.

### 3.5.4 Unpaid and Underpaid work

Middlesex University undertook a study of unpaid work<sup>59</sup>, defined as “delay of all or some of the promised wage (or legal minimum, where higher) for work which has been done (including time during which the worker was exclusively available to work). The wage includes all wages, fees for work, holiday pay and statutory pay (such as sick pay or maternity pay).” The CAB has highlighted the increasing prevalence of unpaid work where people are owed outstanding wages when they leave employment and/or they work hours beyond their agreed contracted hours of work. This is prevalent in most sectors and has been identified as a key issue in Higher Education, where the exact amount of work that is supposed to be covered by a so-called ‘comprehensive hourly rate’ is highly variable and often unclear to the worker:

*[The] problems that they face in terms of casualised contracts which often mean that they are not paid for the amount of hours they work, in terms of hourly paid people, there's often very little clarity or information given to casualised staff. A frequent thing that comes up is that people are paid for teaching but they not paid for marking or preparation. (UCU Branch Officer)*

<sup>57</sup> Ball, M, Hampton, C, Kamerade, D and Richardson, H (2017) *Agency Work and Zero Hours Contracts: A story of hidden exploitation* Sheffield Hallam University/ Derbyshire Unemployed Workers Centre <http://shura.shu.ac.uk/16682/1/Report%20final.pdf>

<sup>58</sup> <https://www.unison.org.uk/news/article/2017/07/tribunal-fees-victory/>

<sup>59</sup> Clarke N and Hermann E (2017) *Unpaid Britain Wage Default in the British Labour Market*, Middlesex University [https://www.mdx.ac.uk/\\_data/assets/pdf\\_file/0017/440531/Final-Unpaid](https://www.mdx.ac.uk/_data/assets/pdf_file/0017/440531/Final-Unpaid)

The Middlesex study highlighted examples of people paid below the minimum wage although it is difficult to estimate the impact in Sheffield. Nonetheless, we do have some data from the lists of companies failing to pay the national minimum and national living wage released by the Department for Business, Energy and Industrial Strategy<sup>60</sup>. In Sheffield these included franchisees of the popular sandwich chain Subway, franchisees of Cash Convertors, Post Office franchisees, hairdressers, and a number of private restaurants<sup>61</sup>. Problems with these kinds of small employers paying below the minimum wage were also reported in the focus group we conducted with young people in Sheffield. A further issue relates to the use of unpaid 'trial shifts'. Following an investigation by Unite the Union<sup>62</sup>, Sheffield Needs A Pay Rise has begun active campaigning in support of Unite's national initiative against the restaurant chain TGI Fridays due to their reliance on this form of unpaid work (as well as withholding of tips).

### 3.6 Insecurity and social disadvantage

#### 3.6.1 Young people

Accurate information and data on young people's experience of employment and in particular precarious work in Sheffield is limited, but a major study of young people's transitions into work has revealed<sup>63</sup> a number of issues also relevant to Sheffield, and linking to our own focus group:

- Participants who left education not intending to go into higher education voiced concerns about the absence of well-structured and supportive advice before leaving, along with counselling that was consistent, well-paced and of high quality.
- The lack of meaningful advice was further compounded by the experiences of those using Jobcentres. While the careers advice provided by some individual advisors and teachers was much appreciated, there appeared significant variation in its quality and timing.

*They had careers advisors, they no longer have it, they say 'your tutors will help you', tutors may not even know anything about your area, it's down to the tutors now to help us. We no longer have career advisors. They got rid of this*

<sup>60</sup> Department for Business, Energy and Industrial Strategy (2017) 'Record Number of employers named and shamed for underpaying, 15<sup>th</sup> February, <https://www.gov.uk/government/news/record-number-of-employers-named-and-shamed-for-underpaying>

<sup>61</sup> <https://www.thestar.co.uk/news/named-shamed-the-sheffield-businesses-failing-to-pay-the-minimum-wage-1-8707189>

<sup>62</sup> Unite the Union (2018) 'TGI Fridays "named and shamed" over unpaid trial shifts', 15<sup>th</sup> March, <http://www.unitetheunion.org/news/tgi-fridays-named-and-shamed-over-unpaid-trial-shifts/>

<sup>63</sup> Purcell K et al (2017) *Present Tense Future Imperfect? Young Peoples Pathways into work* [https://warwick.ac.uk/fac/soc/ier/research/pathways/presenttensefutureimperfect\\_final.pdf](https://warwick.ac.uk/fac/soc/ier/research/pathways/presenttensefutureimperfect_final.pdf)

*service last year. And nobody updated their computers. (Sheffield Focus Group)*

- All young people appreciate the value of gaining work experience. Almost all had undertaken unpaid work experience at school, but again there were significant differences in the quality of this provision, both between and within different institutions. This did not stop many participants seeking further unpaid work experience after, or in combination with, further study and training. At its best, this work experience could provide a structured introduction to a variety of tasks and responsibilities. At worst, it seems many were little more than a source of free labour.
- Participants' attempts to make themselves more 'employable' also extended to the use of private employment agencies. Indeed, one of the key findings is how agencies have become a 'normal' feature of the post-education landscape for young people. Participants appreciated the simplicity, ease and efficiency of online services in particular, but against these were extensive concerns about the ability of agencies to meet their specific needs or to provide sustainable sources of work. Agencies were also felt far less flexible than claimed and not especially effective in helping young people overcome longer-term barriers to work. The use of agencies also takes place against a backdrop of considerable suspicion, one in which agencies' commercial imperatives override their willingness and ability to provide routes into longer-term work.
- There are reservations about the prevalence of working on zero-hours contracts - they seemed widespread and although there is some flexibility that this is offered, where work could be combined with education and other commitments, this is a one way process where it was the workers who were required to be ever-ready. Participants felt that these demands might be accommodated during their early working lives, but did not provide sustainable ways of working:

*I know from past experiences myself, you go into a job and you think it's the best thing since sliced bread because you work all hours and suddenly you realise you can't work that many hours so you start pushing your availability lower because of work, because of school, because of exams, because of assignments, because of maybe family issues and it puts you off even working. (Sheffield Focus Group)*

- In the focus group of young people, when asked about contact with trade unions, only one was a member and there is little experience or knowledge of what trade unions do. Although some in the focus group could see their value, there were issues as to whether unions were seen as worthwhile if people did

not expect to be in a workplace for long, fears of joining when zero hours contracts effectively allow for instant dismissal and concerns over the costs of membership subs given very low and variable wages:

*Especially when it's part-time work or it's temporary or you don't know how long you are going to be there, to you, would it seem like there's much point? And yes, because either maybe you are on zero hours contracts or that could end at any point and you could be out of that job in a month's time. (Sheffield Focus Group)*

### **3.6.2 Disabled People**

Just under 104,000 people in Sheffield said their health condition or disability resulted in them experiencing some degree of difficulties with their day-to-day activities. This represents almost one-fifth (19%) of the population of the City classified as being 'disabled' under the Equality Act (2010) definition.<sup>64</sup> Sheffield City Council Poverty Needs Assessment highlights a number of barriers which disabled people face in the labour market:

"19% of people feel that their day to day activity is limited by long term health problems or disability with 35% of households having someone with a long term health condition or disability and 33,430 people (6% of the population) claiming Disability Living Allowance and 23,580 people claiming Employment Support Allowance, Incapacity Benefit or Severe Disablement Allowance.

Disabled people are significantly less likely to be working than non-disabled people, with only 25% of males and 19% of females aged 16 and over with a disability or long-term health problem economically active in Sheffield compared with 65% of the overall male 16+ population, and 55% of the overall female 16+ population"<sup>65</sup>.

The employment rates for adults with mental health problems or learning disabilities in Sheffield is particularly low, with only 3% of those with learning disabilities and 6% of adults receiving secondary mental health services in employment compared with 7% and 9% respectively in England."<sup>66</sup> The UK employment rate for disabled people is 47.2%, compared with the rate for non-disabled people at 80.3%. It is worth noting that the Remploy furniture plant, providing employment opportunities for disabled people in Sheffield, was closed in 2013 with the loss of thirty unionised jobs<sup>67</sup>.

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<sup>64</sup> Disability Sheffield (2015) Disability *Sheffield Consultation Response to the Extra Costs Commission*, Mimeo (we are grateful to Disability Sheffield for their assistance with the data collection).

<sup>65</sup> <http://democracy.sheffield.gov.uk/documents/s17338/Tackling%20Poverty%20Strategy%202.pdf>

<sup>66</sup> <http://democracy.sheffield.gov.uk/documents/s17338/Tackling%20Poverty%20Strategy%202.pdf>

<sup>67</sup> <https://www.thestar.co.uk/news/sheffield-remploy-factory-to-close-1-5993182>

### 3.6.2.1 Welfare Reforms and impact on Disabled People in Sheffield

The three key recent changes in reforms to the benefit system which directly impact on disabled people are<sup>68</sup>:

#### ***Personal Independence Payment***

Replacement of Disability Living Allowance by PIP for working age claimants, including more stringent and frequent medical tests, as the basis for financial support to help offset the additional costs faced by individuals with disabilities.

#### ***Employment and Support Allowance***

Replacement of Incapacity Benefit and related benefits by ESA, with more stringent medical tests, greater conditionality and time limiting of non-means tested entitlement for claimants in the Work-Related Activity Group.

***Universal Credit*** Disabled People Against the Cuts (DPAC), claims that UC involves disadvantages for disabled claimants. Among the impacts of UC on disabled people that have alarmed DPAC are the introduction of mandatory health and work conversations for all disabled claimants; the difficulty of an online-only system that makes it “difficult or impossible” for some disabled people to claim; and the possibility that disabled people with part-time jobs that suit their support needs will be forced into unsuitable full-time jobs. A key concern is over the scrapping of severe (£62.45 per week) and enhanced disability premiums (£15.90 per week), which are currently added to some means-tested disability benefits to help with the costs of disability<sup>69</sup>.

The biggest challenge when claiming benefits is the Work Capability Assessments (WCA) which in principle is a process for deciding different capacities for work. This is controversial and has been the subject of a considerable amount of criticism. Louise Haigh MP (Sheffield Heeley) has made a number of criticisms in response to constituency contacts:

*I have heard from constituents who have shared with me their experiences that their completed assessment report bears absolutely no relation to the assessment that they experienced with Maximus or Atos. The latest available DWP data shows that 57% of appeals against initial ESA fit for work decisions found in favour of the claimant in September 2016 – a rise from 41% in 2008. I have heard from constituents of their being made to feel like liars at*

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<sup>68</sup> Beatty C and Fothergill S (2016) The uneven Impact of the welfare reforms on people and places  
[https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/welfare-reform-2016\\_1.pdf](https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/welfare-reform-2016_1.pdf)

<sup>69</sup> <https://www.disabledgo.com/blog/2018/01/dpac-calls-national-day-of-action-to-demand-universal-credit-is-scrapped>



*assessment interviews and of being disbelieved on every score and subsequently awarded 0 points.*<sup>70</sup>

A (former) benefit claimant who we interviewed had also experienced problems with the system of assessments:

*I was thrown off DLA and during that ATOS assessment they basically, gave me the impression was that they didn't recognise mental health issues as being, like, a legitimate reason for being unable to participate in wage labour and so, then I was back on to Jobseekers, JSA. (former Disability Benefit claimant)*

The key issue is that incorrect assessments have major implications for benefit entitlement and therefore vulnerability to poverty. This will have knock on consequences on disabled people's experience of work.

### **3.6.2.2 Barriers to and sustaining work**

Added to the problems with negotiating the welfare system, accessing the employment market is extremely challenging for disabled people. Two of the key findings of a recent study carried out for Disability Rights UK found that the vast majority (84%) of employer respondents stated that disabled people make a valuable contribution to the workplace, however more than one in ten (12%) worry that disabled people are more likely to take time off work. Many disabled people are concerned about discrimination from employers. When disability charity Scope surveyed disabled people about problems they faced around employment, 76% identified employer attitudes<sup>71</sup>.

The Disability Confident campaign (a Government Initiative) was delivered in Sheffield by the Council, private and public-sector employers, the voluntary and community sector, business networks and the national government. The aim of the campaign was to promote the employment of and develop new opportunities for disabled people in the city. It was delivered initially through an eight-week campaign in the *Sheffield Star* using individual case studies to demonstrate both the positive impact that employment has for those with disabilities and the value that disabled people add for employers in the city. This campaign has resulted in over 130 Sheffield employers signing up to offer new opportunities for disabled people. So far, 28 disabled people have started work or work experience<sup>72</sup>.

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<sup>70</sup> [https://louisahaigh.nationbuilder.com/wca\\_response](https://louisahaigh.nationbuilder.com/wca_response)

<sup>71</sup> Reed in Partnership and Disability Rights UK (2016) *Disability and Employment*  
<https://www.disabilityrightsuk.org/sites/default/files/pdf/DIsability%20and%20Employment%20V7.pdf>

<sup>72</sup> See Sheffield Fairness Commission 2017 Annual up date  
<https://www.sheffield.gov.uk/content/dam/sheffield/docs/your-city-council/our-plans,-policies-and-performance/Fairness%20Commission%20Annual%20Review%202017.pdf>



As highlighted by the Disability Rights UK report there is a lack of capacity or willingness of employers to make reasonable adjustments. This finding also applies to employers in Sheffield. According to Disability Sheffield:

*Sheffield Occupational Health Advisory Service (SOHAS) research demonstrates that there is an ambivalent attitude from employers to employing and retaining disabled people. Around 40% of employees employed by organisations who signed up to the Disability Confident scheme have been referred by their GP to SOHAS because their employers have not been helpful in supporting them to manage their long term health condition and disability<sup>73</sup>.*

To sum up, the combination of welfare cuts and increasingly insecure labour market are creating severe challenges for disabled people in Sheffield. *Disability Sheffield* has highlighted the fact that on many fronts things are becoming more difficult – austerity and cuts is one major cause but there is a reported rise in hate crime and negative attitudes towards disabled people.

### **3.6.2.3 Advocacy, representation and trade union engagement**

A critical resource in terms of advocacy and representation are *Sheffield Centre for Independent Living* and *Disability Sheffield*. These organisations provide key functions in raising awareness and promoting the interests of disabled people and they emphasise that there are “many opportunities for closer working, mutual signposting and capacity building and the need for innovative and creative solutions is greater than ever. It is clear the significant knowledge, expertise and commitment in organisations across the City has the potential to ensure the voice of the diverse population of disabled people can continue to be represented effectively.”<sup>74</sup> It is acknowledged that Unite Community with its focus on welfare reform has begun to build links with disabled people organisations, especially through recent campaigns around Universal Credit. Furthermore, most trade unions have frameworks for negotiating workplace adjustments and representing the interests of disabled people within the workplace. It is accepted that more needs to be done in terms of recruiting disabled people and promoting the benefits of trade union membership.

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<sup>73</sup> Information obtained from Disability Sheffield May 2018.

<sup>74</sup> Disability Sheffield and Independent Living (2014) *Developing Voice and Influence for Disabled People in Sheffield*.

### 3.6.3 Women

#### 3.6.3.1 Impact of Austerity

According to the Womens Budget Group (WBG), women are impacted most as a single group by austerity and welfare cuts.<sup>75</sup> According to one report:

*The parlous position of UK women internationally is indicated by the fall in the UK's international standing with respect to gender empowerment in society. The UK's ranking has plummeted from 9th in 2008 to 26th in 2014 in the World Economic Forum Gender Equality Index.*

The WBG highlight:

- Women are hit harder than men across all incomes groups, with BAME women particularly hard hit.
- Asian women in the poorest third of households will be £2,247 worse off by 2020, almost twice the loss faced by white men in the poorest third of households (£1,159).
- White men in the richest third of households, by contrast, lose only £410. Black and Asian lone mothers stand to lose £3,996 and £4,214, respectively, from the changes, about 15 and 17% of their net income.
- Tax and benefit policies of this government are more regressive than those of the Coalition government, with men in the richest 50% of households actually gaining from tax and benefit changes since July 2015. Men in the 10% richest households are £564 better off.

In Sheffield there is an awareness of the impact of austerity but this tends to be partial:

*[...] a lot of the stuff that you read about on poverty kind of focusses on children, which is fine, so we talk a lot about the impact on children and yet again, in those narratives, women's experiences are kind of put to one side. I mean, in reality, they're kind of not and most women who are single parents would want their children to be foregrounded. Nevertheless, it's about foregrounding women's voices and experiences. (Member of Women's Equalities Hub)*

#### 3.6.3.2 Women, low pay and insecure work

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<sup>75</sup> Womens Budget Group (2016) A cumulative gender impact assessment of ten years of austerity policies, [https://wbg.org.uk/wp-content/uploads/2016/03/De\\_HenauReed\\_WBG\\_GIAtaxben\\_briefing\\_2016\\_03\\_06.pdf](https://wbg.org.uk/wp-content/uploads/2016/03/De_HenauReed_WBG_GIAtaxben_briefing_2016_03_06.pdf)

One of the interesting and indeed important aspects of the Resolution Foundation 2018 Report is its analysis of women and low pay. Their argument is that the gender pay gap needs to be situated within a broader context of the way women are disproportionately concentrated in low paying sectors and also within these sectors, men dominate the higher paid occupations. So, “[n]or is it simply a question of women being overrepresented in low-paying sectors like retail, as opposed to engineering. Even looking within low-paid industries, it’s clear that women are more likely to be in lower-paying roles.”<sup>76</sup>.

In addition, the TUC argue that women are more likely to find themselves employed on casual contracts, **casualised and precarious work pose particular problems for women and that a key issue is the overall lack of bargaining and employment rights in sectors where casual work predominates that particularly disadvantages women.**

Casualisation and insecurity has different impacts according to ethnicity and age:

*Moreover, the evidence indicates that BAME women have traditionally been disadvantaged in the labour market, with black women having difficulty in progressing within an organisation and Bangladeshi and Pakistani women having difficulty in getting employment, often due to their style of dress. Older women workers, half of whom work in the public services, have been particularly hit by redundancies, pay freezes and increased contracting out of services<sup>77</sup>.*

**A recent labour market trend in Sheffield is the increase in unemployment of women compared with men.** The 2016 State of Sheffield Report summarised the possible reasons for this as follows “This recent trend in male and female unemployment in Sheffield may be reflective of (i) the gender differences in occupations, with male employment in sectors such as construction and manufacturing and women employed more in caring and service sectors, and (ii) the relative fortunes of these sectors and related public services over this period”<sup>78</sup>. This reflects the deep occupational segregation experienced by women where they are concentrated in a narrower range of industries. This latter point is important – the public sector are larger employing sectors in Sheffield where women make up the majority of the work force and therefore extremely vulnerable to public expenditure cuts.

According to the Sheffield City Council Poverty Assessment, in Sheffield in 2013, people working part-time earning in the bottom fifth of the population had an average

<sup>76</sup> D’Arcy D (2018) Low Pay Britain 2017, Resolution Foundation, p45.

<sup>77</sup> Healy G and Bergfeld M (2016) *The organising challenges presented by the increasing casualisation of womens work*, TUC <https://www.tuc.org.uk/sites/default/files/casualisationofwomenswork.pdf>

<sup>78</sup> Sheffield Partnership (2016) State of Sheffield, p16  
<https://static1.squarespace.com/static/58d4f5f5e231122637f9be/t/58dbc15fdb29d6aa4b6938d0/1490796965920/S>

hourly wage of £6.39, for those earning full-time this was £8.36. This reflects a national trend. It is of particular relevance to consideration of people at high risk of poverty because of the high proportion of women, and particularly mothers, who work part-time. According to Census 2011 data, women in Sheffield are more than three times as likely as men to be employed part-time. Nationally, whilst men and women make up similar proportions of the employee workforce (men 51%, women 49%), 88 per cent of those men work full-time compared to only 5 per cent of women. The national pay gap in 2013 was 19.7 which means that on average, women will earn 19.7% less per hour than men<sup>79</sup>.

A recent report by Sheffield City Council on 'Women in Sheffield' provides a detailed analysis of the local pay gap. Women's full-time median annual earnings in 2014 were £21,767 compared with £25,879 for men. The gender pay gap in Sheffield for full-time work in 2014 was 11% (up from 6% in 2013). Between 2002 and 2014 the overall Sheffield pay gap narrowed from 21% to 17%, at this rate it will take until 2041 to achieve gender equality, and nationally, the gender pay gap is narrowing more rapidly than in Sheffield. Indeed, Sheffield has the 3<sup>rd</sup> highest pay gap of the core cities, behind Nottingham, Manchester, Bristol, Birmingham and Leeds (but ahead of Newcastle and Liverpool)<sup>80</sup>.

As of the 6<sup>th</sup> of April 2018 companies with more than 250 staff are required by the government to publish four figures relating to the gender pay gap on an annual basis. This data provides a new opportunity for trade unions and organisations like Sheffield Needs A Pay Rise to campaign around this form of labour market inequality. Preliminary figures reveal that Academy chain Mercia Learning Trust tops the local league for the gender pay gap, with women workers earning on average just 40p for every £1 earned by male colleagues. A similar figure is reported by telecoms and signalling specialists Linbrooke Services, while Sheffield United FC, Sumo Digital, surgical blades manufacturer Swann-Morton, and other Academy Trusts including Aston Community Education and Tapton School Academy all see women earning on average 60-70p for every £1 earned by male colleagues. Other major employers with significant gender pay gaps include Sheffield Wednesday FC, South Yorkshire Police, Sheffield Hallam University, Irwin Mitchell LLP, NHS Sheffield Clinical Commissioning Group, The Sheffield College, The University of Sheffield and Sheffield Teaching Hospitals NHS Foundation Trust<sup>81</sup>.

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<sup>79</sup> Sheffield City Council *Poverty in Sheffield an assessment of need*,

<http://democracy.sheffield.gov.uk/documents/s17338/Tackling%20Poverty%20Strategy%202.pdf>

<sup>80</sup> Sheffield City Council (2017) *Women in Sheffield*,

<https://www.sheffield.gov.uk/content/dam/sheffield/docs/your-city-council/community-knowledge-profiles/Women%20in%20Sheffield.pdf>

<sup>81</sup> <https://www.thestar.co.uk/news/revealed-the-companies-in-sheffield-with-the-biggest-gender-pay-gaps-1-9099687>

**Women are particularly disadvantaged by the high cost of child care provision.**

A Report for Gingerbread, the lone parent Charity, highlighted the way the ‘flexible labour market’ does not necessarily work for lone parents. A key issue identified is the “way that work is arranged, and employees’ level of autonomy over working hours, can have a big impact on accessing employment opportunities and then, once in work, how well people reconcile paid work with other commitments”<sup>82</sup>. In many part time jobs working hours and shift patterns are set by employers not to suit employees, but their own production requirements. Zero hours contract work may also not be an option as this will not make work pay and wage rates are not sufficient to cover living costs.

There are also limited opportunities for in work progression and scope for increasing wages which is seen as central to UC conditionality for lone parents and women with children, with the high-cost of childcare a particular barrier<sup>83</sup>. In work progression will largely be influenced by the level of training and qualifications possessed by workers. However, the scope for progression generally in the type of work – particularly part-time work – women do is extremely limited. Rather than breaking the low pay low skill cycle for women UC can reinforce it further. Although not raised in this and other studies, it is possible to argue that the lack of access to work place representation and bargaining in low paying and insecure employment sectors could be a factor and influence on the way shifts and working hours are scheduled, as well as access to training.

Whilst there are significant numbers of women who are members of trade unions in the city – especially in the public sector, those outside the world of work tend to be detached from their sphere of influence:

*I'm assuming that, you know, most of the people who come to talk to us from the Council are trade unionists, but there's no kind of trade union perspective that I've been aware of on any of this at the Women's Hub, or any of the hubs, as far as I can tell. (Member of Sheffield Women's Equality Hub)*

Moreover, in terms of the officials we spoke to, there was clearly an awareness that trade unions still had much further to go in terms of the representation of women as full-time trade union officials, as well as an awareness of the kinds of issues specific to women. This is particularly relevant given that women are more likely to be members of trade unions than men<sup>84</sup>.

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<sup>82</sup> Dewar L and Ben Galim D (2017) *The requirements to work under Universal Credit*, London: Gingerbread

<sup>83</sup> Child Poverty Action Group (2016) Work and Pensions Inquiry: In Work Progression in Universal Credit CPAG Response <https://www.google.com/search?q=CPAG+UC+In+work+progression+&ie=utf-8&oe=utf-8&client=firefox-b>

<sup>84</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/616966/trade-union-membership-statistical-bulletin-2016-rev.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/616966/trade-union-membership-statistical-bulletin-2016-rev.pdf)

### 3.6.4 Black and Ethnic Minority Groups

It is not possible to estimate the numbers of BAME individuals in insecure work in Sheffield. What we do know, from a University of Manchester/Runnymede report published in 2014 on the basis of available census data, is that in 2011 Sheffield had the second highest White-BAME unemployment gap of any local authority in England and Wales (measured as the difference in the unemployment rate between White British and ethnic minority residents aged over 25). Although the gap of -6.9 per cent at the 2011 census was lower than the gap of -7.4 per cent at the 2001 census, Sheffield's league table position has deteriorated from 6<sup>th</sup> to 2<sup>nd</sup> worst in this period, suggesting stubborn labour market inequalities on the basis of ethnicity<sup>85</sup>.

Nevertheless, there is research for the TUC that has highlighted the extent to which BAME groups are vulnerable to low pay and insecure work on a national level<sup>86</sup>. Involuntary temporary work, that is, those working on a temporary basis as they cannot find permanent work (rather than out of a preference for this type of work) is on average around 31 percent. For the Black community however it is significantly higher, at a staggering 42 percent.

Trade Unions have found that employers are increasingly labelling their workers as self-employed contractors to avoid providing employment rights and national insurance contributions. The Black community are also disproportionately in temporary work and zero hours contracts. The proportion of the Black community in all employment on zero hours contracts is almost 5 percent, this is almost 1 in 20, whereas the national average is around 1 in 36. The White community is in line with the national average, and the Indian community are the least likely to be on zero hours contracts. When it comes to self-employment it is the Pakistani and Bangladeshi community that stand out. In 2011, when the average self-employment rate was 13.8 percent, the Pakistani community experienced a self-employment rate almost twice that at 25.3%. The White community were in line with the UK average, and the Black community were significantly below at 7.1%.

It is worth noting that there is a previous research base on trade unions engagement with ethnic minority communities, with a significant study of Black Asian and Minority Ethnic workers being commissioned by the Yorkshire and Humberside Region of the TUC and published in 2006<sup>87</sup>. The key findings were that BAME employees are greatly disadvantaged within the workplace and many less traditional organisations, some based in the community, have emerged independently of the unions to represent BAME interests. However, many of these do not specifically address

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<sup>85</sup> Finney N and Lymperopoulou K (2014) *Local Ethnic Inequalities*, <https://www.runnymedetrust.org/uploads/Inequalities%20report-final%20v2.pdf>

<sup>86</sup> TUC (2017) *Insecure work and ethnicity*, London, TUC [https://www.tuc.org.uk/sites/default/files/Insecure%20work%20and%20ethnicity\\_0.pdf](https://www.tuc.org.uk/sites/default/files/Insecure%20work%20and%20ethnicity_0.pdf)

<sup>87</sup> Perrett R and Lucio M M (2006) *Trade Unions and Black and Minority Ethnic Communities in Yorkshire and the Humber*, [https://www.tuc.org.uk/sites/default/files/extras/tuc\\_bme.pdf](https://www.tuc.org.uk/sites/default/files/extras/tuc_bme.pdf)



workplace grievances and the level of employment support for BAME workers remains inadequate. The report noted that except for anti-fascist campaigning, which was appreciated by BAME communities (when they were aware of it), trade unions had not done enough to engage with this group of workers. The report further revealed concerns regarding the demographic representativeness of trade union officials. Importantly, the report noted that despite a lack of interaction between trade unions and BAME support groups, there were no underlying tensions or antipathy towards unions. A suggested outcome was that trade unions do more to engage with BAME community groups as a way of building relationships with BAME communities more generally.

### **3.6.5 Lesbian Gay Bisexual and Transgender Groups (LGBT)**

Sheffield has an active and thriving LGBT community but there is relatively little knowledge of their experience of work and especially insecure work. Most major trade unions have LGBT sections and involving Conferences, which highlight general policies that affect the community. This report draws largely from a TUC report which involved an on line survey of LGBT people who are members and also non members of a trade union.<sup>88</sup> In the survey “we wanted to collect individual stories and understand, if people experienced discrimination and harassment, what form it took, how it impacted them and how they sought redress”.

Nearly two in five (39 per cent) of all respondents have been harassed or discriminated against by a colleague, over a quarter (29 per cent) by a manager and around one in seven (14 per cent) by a client or patient.

- Only a third of respondents (34 per cent) reported the latest incident of harassment or discrimination to their employer, one in eight (12 per cent) reported it to HR.
- Only half (51 per cent) of all respondents are ‘out’ (open about their sexuality) to everyone at work. This falls to just over a third (36 per cent) of young people. Over a quarter (27 per cent) of bisexuals are out to no one.
- Almost half of trans people (48 per cent) have experienced bullying or harassment at work compared to just over a third (35 per cent) of non-trans respondents.
- Over three fifths (62 per cent) of all respondents have heard homophobic or biphobic remarks or jokes directed to others at work, while over a quarter (28 percent) have had such comments directed at them.

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<sup>88</sup> <https://www.tuc.org.uk/news/one-three-lgbt-people-have-been-harassed-or-bullied-work-says-tuc>

- Just under a quarter (23 per cent) of all respondents have been outed against their will, while almost a third (30 per cent) of transgender respondents have had their trans status disclosed against their will.

**A significant but unsurprising finding is that** only a small proportion of respondents to the survey (less than five per cent) described themselves as working on a casualised or zero hours contract, but those who are in more precarious forms of work feel acutely aware of their vulnerability in terms of employment status and this may act as a deterrent to making a complaint or taking out a grievance.

### 3.7 Universal Credit Welfare cuts and precarious lives in Sheffield

Government welfare reforms are having negative impacts on people in Sheffield as a result of harsher conditionality and benefit cuts. Most recent estimates of the impact of changes suggests an average loss of £190 for low and middle income families and between £28 and £40 per week for disabled people and up to 25% of income for lone parents representing the second biggest welfare squeeze since the crisis<sup>89</sup>. Christina Beatty and Steve Fothergill have assessed the impact of welfare reforms on Sheffield. They summarise the impact as follows: they put the loss at £169m a year, or £460 per adult of working age.<sup>90</sup> A report Commissioned by the Nuffield Foundation reinforces these findings with an up to date assessment of in work benefit cuts. The authors state:

- Working-age benefit freeze: most working-age benefits will be frozen in cash terms until at least the end of the decade. While the indexation (or, in this case, non-indexation) of social security benefits appears, on the face of it, to be a technical, and perhaps even trivial, concern, it is amongst the most consequential issues for social security due to the cumulative impact of such incremental changes.
- Work allowances have been reduced, and have been removed entirely for non-disabled people without children (meaning that UC entitlement will reduce with *any* increase in earned income).
- Removal of the family element of Child Tax Credit (CTC): The Summer Budget of 2015 announced that new tax credit claimants from April 2017 would not be eligible for the family element of CTC.

<sup>89</sup> EHRC (2018) Cumulative Impact of Welfare Reforms, <https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

<sup>90</sup> Beatty C and Fothergill S (2014) *The impact of the welfare reforms on communities and families in Sheffield* <https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/impact-welfare-reform-sheffield.pdf>



- The removal of Child Tax Credit for 3rd and subsequent children. This restriction in the child element of Child Tax Credit, for new claimants only, for third and subsequent children also took effect in April 2017<sup>91</sup>.

The fact that people when moving on to UC are in financially unstable situations is reinforced by a recent CAB survey. 800 working families receiving tax credits or Universal Credit were surveyed, which found 43% were 'never' able to put some money aside as savings, and only 17% were able to do so regularly. Around a third already felt their housing costs (34%) and existing debt repayments (30%) were a heavy burden. A lack of savings and little slack in household budgets can make it extremely difficult for many families to budget for fluctuating UC payments, and instead increases their risk of unexpected debt and hardship.<sup>92</sup>

### 3.7.1 Benefit design encourages insecure work

It is anticipated that Universal Credit will be fully rolled out in Sheffield in 2018/2019. One aspect of the introduction of Universal Credit is that it has shifted welfare to work policy towards a more punitive workfare model. UK's 'work first' model pushes unemployed workers in to accepting any job, sustaining a low-pay low-skill labour market. Austerity policies have promoted an increase of 'workfare' strategies within the UK welfare state, which have had the effect of ensuring a flow of labour market participants, resulting in downward wage pressure in low pay industries. Earlier exits from unemployment benefit prompted by benefit sanction regimes result in poorer quality employment, including lower earnings, whilst benefit sanctions raise exits and so there is a tendency for people to access low paid jobs or disappear from the benefit system altogether<sup>93</sup>.

Universal Credit has major implications for people in low paid work and in many cases this tends to be negative. There is a body of opinion that Universal Credit in particular places the self employed and those in irregular work at a disadvantage.<sup>94</sup> In UC, benefit payments are reduced at a consistent rate of 65 pence per pound as earnings increase. UC is less generous than the legacy system for a claimant working more than 16 hours, but more generous for one working less than 16 hours.

<sup>91</sup> Hick R Albau A (2017) In work poverty in the UK: Problem Policy Analysis and Platform for Action, Nuffield Foundation <https://www.nuffieldfoundation.org/sites/default/files/files/Hick%20and%20Lanau%20%20In-Work%20Poverty%20in%20the%20UK.pdf>

<sup>92</sup> CAB (2018) *Universal Credit and Modern Employment: Non Traditional work* <https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Universal%20Credit%20and%20non-traditional%20employment.pdf>

<sup>93</sup> Berry C and McDaniel S (2017) *Work Labour Markets and Welfare: A Literature Review*, <http://speri.dept.shef.ac.uk/wp-content/uploads/2017/11/SPERI-IPPR-Work-Labour-markets-and-Welfare-literature-review.pdf>

<sup>94</sup> See [http://obr.uk/docs/dlm\\_uploads/WelfareTrends2018cm9562.pdf](http://obr.uk/docs/dlm_uploads/WelfareTrends2018cm9562.pdf)  
<https://www.tuc.org.uk/blogs/self-employment-compatible-universal-credit>  
<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/welfare-policy-research-surveys-and-cons>

The Institute for Fiscal Studies (IFS) and the Resolution Foundation note that these provisions risk a new problem of the proliferation of short-hours, low-paid “mini jobs”, in which incomes are topped up by UC. Mini jobs can have poor pay progression and career prospects.

This finding is corroborated by a recent survey by the Citizens Advice Bureau (CAB) where they analyse the impact of the Minimum Income Floor (MIF). The MIF is based on an earnings threshold equivalent - for those without health conditions or caring responsibilities, this will usually be set at 35 hours at the appropriate National Minimum Wage rate (this threshold should be set by Jobcentre at a lower level for those not expected to be working full-time). Employed people are also expected to meet this earnings threshold under the policy of in-work conditionality. Failing to do this does not mean they are subject to any immediate financial penalty, but they will be required to engage with Jobcentre Plus to demonstrate they are making efforts to increase their hours or earnings. In any month they don't reach this threshold, the difference will *not* be made up by a larger UC payment, despite the claimant having a lower income from their self-employment that month<sup>95</sup>.

### **3.7.2 UC cuts and benefit delays Impoverishes claimants**

Key problems with UC were highlighted in a letter to Damian Green from Chair of Work and Pensions Select Committee (Frank Field) in April 2017<sup>96</sup>:

- Some claimants have waited 12 weeks for a benefit.
- Difficulty of managing monthly payment in arrears.
- Seven day waiting period at the beginning of a claim adding to financial hardship.
- UC was adding to problems of rent arrears and impacting on social housing finance<sup>97</sup>.

**A feature of UC is a tougher sanction regime and that there is a waiting period for claiming benefits.** Since its inception, the UC system has incorporated severe sanctions. For example, if a claimant (whether in or out of work) is late for or misses an appointment, their payment is stopped ‘until compliance’. Another example is when a claimant fails to look for work. They will receive a 91-day sanction in the first

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<sup>95</sup> CAB (2018) *Universal Credit and Modern Employment: Non Traditional work*  
<https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Universal%20Credit%20and%20non-traditional%20employment.pdf>

<sup>96</sup> <http://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/Rt-Hon-Damian-Green-MP-26-4-17.pdf>

<sup>97</sup> <http://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/Rt-Hon-Damian-Green-MP-26-4-17.pdf>

instance, accelerating rapidly to a 182-day sanction for second and 1095 days (three years) for third 'offences'. For those out of work this is triggered for failure to complete 35 hours' job search according to their Claimant Commitment, using the online Universal Jobmatch system; for those already in paid work, this means for failure to look for a second or third job or failure to increase their hours<sup>98</sup>.

### 3.7.3 Benefit delays are forcing people to use foodbanks

The UC has been reported to have led to many individuals and families experiencing debt due to delays in the payment of benefit<sup>99</sup>. The Joseph Rowntree Foundation (JRF) state that "New UC claimants must wait at least five weeks for a first UC payment (an arbitrary seven-day wait before being allowed to claim, plus payment one month in arrears). As UC wraps multiple major benefits into one payment, this leaves people with few, or no, other sources of income to fall back on. Among the poorest fifth of households, 69% have no savings, and a further 10% have less than £1,500 to fall back on"<sup>100</sup>.

Sheffield CAB has monitored the roll out of UC in Sheffield<sup>101</sup>:

*The impact of delays in living costs means nothing to eat and reliance of help from foodbanks. It also impacts on the ability to pay for fuel for heating, cooking and heating which has had a particularly detrimental impact on the poorest who use pre payment meters, meaning for some an inability to heat up the tinned food received from the foodbank. (Sheffield CAB)*

Advice services and foodbanks in Sheffield are now a crucial safety net for many benefit claimants and increasingly for people in insecure and low paid jobs:

*We have taken the step of embedding advice workers in the foodbanks to reach some of the most vulnerable people who otherwise couldn't or wouldn't contact us. Unfortunately, we now see foodbanks as the de facto first source of support for the poorest rather than the State. (Sheffield CAB)*

The Trussell Trust<sup>102</sup> surveyed clients using foodbanks in areas where UC was being rolled out and found:

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<sup>98</sup> Wright S Dwyer P McNeil J and Stewart A (2016) *First Wave Findings Universal Credit*, University of York/ESRC <http://www.welfareconditionality.ac.uk/wp-content/uploads/2016/05/WelCond-findings-Universal-Credit-May16.pdf>

<sup>99</sup> <https://www.theguardian.com/society/2017/feb/07/universal-credit-flaws-pushing-claimants-towards-debt-and-eviction-warning>

<sup>100</sup> Scheumaker K (2016) *Universal Credit A Joseph Rowntree Foundation Briefing*, York JRF <https://www.jrf.org.uk/report/universal-credit-briefing>

<sup>101</sup> <https://citizensadviceffield.org.uk/wp-content/uploads/2016/11/UC-R>

- Foodbanks in areas of full Universal Credit rollout to single people, couples and families, have seen a 16.85% average increase in referrals for emergency food, more than double the national average of 6.64%.
- The effect of a five week waiting period for a first Universal Credit payment can be serious, leading to foodbank referrals, debt, mental health issues, rent arrears and eviction. These effects can last even after people receive their Universal Credit payments, as bills and debts pile up.
- People in insecure or seasonal work are particularly affected, suggesting the work incentives in Universal Credit are not yet helping everyone.
- Navigating the online system can be difficult for people struggling with computers or unable to afford telephone helplines. In some cases, the system does not register people's claims correctly, invalidating them.

### **3.8 Devolution, 'inclusive growth', and the employment and skills system**

#### **3.8.1 Trade union and civil society voice in the Sheffield City Region**

A survey undertaken by the Smith Institute on the role of trade unions in the devolution process has found that there has been a tendency to marginalise trade union engagement with the devolution political process<sup>103</sup>. Furthermore, the TUC argues that Local Economic Partnerships (LEPs) often do not recognise or understand the role that unions can play as agents for change<sup>104</sup>. While it is recognised that LEPs should be held accountable for their development there are no mechanisms currently in place for this to happen. In terms of the Sheffield City Region, there are concerns that the LEP Boards are not genuinely representative of their area. Furthermore there is a scepticism by some trade unionists we spoke to in terms of the devolution model and who should shape the agendas:

*Let's just say we do elect a Labour government, how much power have we just devolved then from that person being able to make the changes, the socialist changes that I believe that we need up and down our country? That's where my issue stands with it. What I have been told is it will be about infrastructure, transportation, the decisions that will be made would just solely*

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<sup>102</sup> Trussell Trust (2017) *Early Warnings Universal Credit and the Use of Foodbanks*, <https://www.trusselltrust.org/wp-content/uploads/sites/2/2017/04/Early-Warnings-Universal-Credit-and-Foodbanks.pdf>

<sup>103</sup> Smith Institute (2017) *Devo –Work: Trade Unions, Metro Mayors and Combined Authorities*, London: Smith Institute, <http://www.smith-institute.org.uk/book/devo-work-trade-unions-metro-mayors-combined-authorities/>

<sup>104</sup> TUC (2014b) *TUC Submission to the City Growth Commission* (TUC: London). <https://www.thersa.org/globalassets/pdfs/city-growth-commission/evidence/tuc.pdf>

*be about those things. I do think to myself, is it...? When you look at the size of the economies of South Yorkshire, North Yorkshire or collectively as Yorkshire, should we have more say locally about where we spend the money? But again, that comes back in my eyes to local authorities, who should make that decision. (Trade Union Official)*

Furthermore the devolution of employment policy tends to be taking place without any structural changes or adjustments that will allow the voice of disadvantaged groups to be heard within the city region policy process.

### 3.8.2 'Inclusive Growth' in the Sheffield City Region?

An earlier study of devolution in the Sheffield City Region<sup>105</sup> argued that devolution involves devolving austerity because policies and funding are framed to meet Spending Review targets, which underpin the Conservative Government's austerity strategy. A key finding of the report is that the combination of austerity and the effects of deindustrialisation in terms of the increase in low pay and skills are undermining growth. Since the publication of the Devolution Report in 2016 we have been able to access data produced by the Joseph Rowntree Foundation (JRF) as part of its Inclusive Growth Monitor<sup>106</sup> covering the 39 Local Enterprise Partnership (LEP) areas. The Monitor compiles a wide range data relating to 'prosperity' (e.g.wages, earnings,output, employment, wages, GVA) and 'economic inclusion' (e.g. unemployment, incomes, housing costs/affordability, worklessness etc). In terms of economic inclusion and prosperity the SCR scored relatively low and was in the bottom four of the 39 LEP areas.

At the same time there has emerged a debate and policy focus on the possibilities of promoting inclusive growth—the Government has announced the formation of the Inclusive Growth Economy Unit, the University of Manchester establishing the Inclusive Growth Analysis Unit (IGAU), the Royal Society of Arts (RSA) Inclusive Growth Commission and various studies convened by the Joseph Rowntree Foundation (JRF) putting forward the need and possibility of linking growth to poverty reduction.<sup>107</sup> Inclusive Growth is being defined here as growth, which benefits all people and in particular disadvantaged groups in the labour market. It is contended that inclusive growth is an important development and counterpoint to what is a

<sup>105</sup> Etherington D and Jones M (2016) *Devolution and Disadvantage in the Sheffield City Region: An Assessment of Employment, Skills and Welfare Policies* (University of Sheffield, Sheffield Solutions: Sheffield).

<sup>106</sup> Rafferty A Hughes C and Lupton R (2017) *Inclusive Growth Monitor 2017: Local Enterprise Partnerships*, IGAU University of Manchester, <http://hummedia.manchester.ac.uk/institutes/mui/igau/growthmonitor/2017/IG-monitor-2017-full-report.pdf>

<sup>107</sup> <https://www.gov.uk/government/news/government-announces-inclusive-economy-unit>, Lupton R and Hughes C (2016) *Achieving Inclusive Growth in Greater Manchester* Manchester: University of Manchester, Royal Society of Arts (2016a) *Inclusive Growth Commission: Prospectus of Inquiry* (RSA: London); Royal Society of Arts (2016b) *Inclusive Growth Commission: Emerging Findings* (RSA: London), Lee et al (2014) *Cities Growth and Poverty: An Evidence Review*, York:JRF <https://www.jrf.org.uk/report/cities-growth-and-poverty-evidence-review>



dominant neoliberal and market dominated discourse of growth. However, it is also argued in this report that inclusive growth is incompatible with, and fundamentally being undermined by austerity, which has framed the current Government's Northern Powerhouse devolution strategy<sup>108</sup>.

The RSA as part of its inquiry on inclusive growth held round table discussions in major urban centres including Sheffield in 2016<sup>109</sup>. There has been a further event organised in October 2017 at Sheffield Hallam University<sup>110</sup>.

The RSA Sheffield event covered a diverse set of topics although there was unsurprisingly a strong focus on democracy and accountability:

*It is important to recognise some of the key challenges with respects to devolution. In addition to the major challenge of limited fiscal resources, there is also a big challenge around addressing some of the 'disconnects' that can hold back local economic growth – for example between businesses and policymakers or institutions; and for ordinary citizens that feel disconnected from the democratic process and local economies.* (Professor Chris Husbands, Vice-Chancellor of Sheffield Hallam University)

In terms of employment and the skills system the trend towards the development of a low wage/low skills economy was a focus of discussion:

*The national living wage (as well as the 'real living wage') will positively affect Sheffield's workforce, but it is important the living wage doesn't simply become the 'standard' rate for employment – and that in-work progression is promoted to enable people to be able to move into higher skilled, higher wage employment.* (Summary of Round Table discussion p5)

The prevalence of insecure work raises challenges for City Region and local authorities:

*The above issues are compounded by the withdrawal of the state, including in providing social security – and the welfare and service cuts are not just affecting those who are unemployed, but also people that are working but on low incomes. The 'bedroom tax' has caused hardship in local council estates, and there are growing challenges associated with the withdrawal of the social housing market and significant cut backs in council housing provision. In recent campaigns the TUC has asked if we are pursuing a 'northern*

<sup>108</sup> Lee N (2016) *Powerhouse of Cards? Understanding the Northern Powerhouse*, LSE SERC

<http://www.spatialeconomics.ac.uk/textonly/SERC/publications/download/sercpp014.pdf>

<sup>109</sup> RSA (2016) *Inclusive Growth in Sheffield*

<https://www.thersa.org/globalassets/pdfs/reports/4.-inclusive-growth-evidence-hearing-1-sheffield-writeup-paper.pdf>

<sup>110</sup> <https://www4.shu.ac.uk/research/cresr/events/inclusive-strategy-sheffield-city-region-sips-roundtable-event>

*powerhouse' or a 'northern poorhouse'. (Martin Mayer Secretary Sheffield TUC)*

One of the key findings and recommendations of the report on *Devolution and Disadvantage in the Sheffield City Region* is how welfare changes are a central aspect of these factors that are reinforcing poverty and social exclusion. This point about the impact of welfare changes was highlighted by Martin Mayer but also taken up by Anna Round from the Insititute for Public Policy Research (IPPR) when she comments:

*There are a number of areas important to inclusive growth and living standards that city regions will not have control over (as it will stay under the preserve of central government) – including policies such as universal credit, and recent changes to tax and national insurance thresholds. While city regions may not have formal authority over these areas, mayors as high-profile leaders can nevertheless play a key role in bringing them to the spotlight and show how change can be made.*

One of the areas of discussion was the attainment of skills, employer training and the role of apprenticeships discussed in more detail below.

### **3.8.3 Skills and in work progression**

Skills are at the forefront of the Sheffield Devolution strategy, reflected in the Skills Banks Project and Skills Made Easy Programme. The SCR has commissioned an evaluation of the Skills Bank so it is not possible to comment on its impact nor on the Skills Made Easy Programme as there is no public information on its performance available. Furthermore currently there is little public information or assessment of the impact of the Apprenticeship Levy.

The economic strategy is giving priority to the development of niche growth sectors and industries. This approach tends to be to the neglect of the highest employing sectors and says little to how the low pay low skills cycle is to be addressed. Sheffield has the highest percentage of economically active people qualified only to NVQ level 1 among the Core Cities (12.5% compared to 10.5% nationally). The percentage of people in the city who hold no qualifications is also higher than the national average, at 6.8% compared to 5.5%<sup>111</sup>. The other issue is that in most precarious jobs there is little or no opportunity to undertake any formal training. But there seems to be a consensus regarding the importance of skills acquisition even though there is little knowledge how this will apply to precarious work.

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<sup>111</sup> Sheffield City Partnership (2017) *State of Sheffield 2017*  
<https://static1.squarespace.com/static/58d4f5f5e231122637f9be/t/58d508e303596ec3ede01caf/1490356476000/St>

As highlighted above the impact of the implementation of Universal Credit in terms of in work conditionality should be seen as a critical factor in the development of City Region employment and skills policies. As highlighted in the RSA Sheffield Inclusive Growth Round Table discussion:

*Local and regional economies need to be more inclusively 'wired' so that progression is built within them. Currently, far too many people are moving around horizontally, 'trapped' in low-wage sectors. It is important to create 'vertical wiring' so that people are able to progress – and this can only be done at the level of place. Job quality is also a key imperative. As one participant argued, "you would never turn a call centre job away, but you wouldn't build your economic strategy around it." (RSA Sheffield Overview of Evidence Discussion)*

In 2014 the Chartered Institute for Personnel and Development (CIPD) undertook a survey of employers, employees and jobseekers in response to the introduction of UC<sup>112</sup> to assess job seeking attitudes to and awareness of UC and the extent to which employers can meet government policy goals with respect to in work progression and earnings conditionality. Most jobseekers interviewed considered that their priority was actually getting a job in the first place – which they accept is difficult.

The CIPD survey showed how tough the labour market is with four unemployed jobseekers chasing a vacancy, with 45 jobseekers chasing an unskilled vacancy and also an awareness of how much more insecure the labour market has become:

*A good job for most jobseekers is a job that is permanent and secure, which is something that is seen to have become increasingly rare. Job security is now seen to be relative, with even permanent roles not offering the job security that used to be associated with them. (p12)*

Jobseekers considered that progression was possible if they moved employers or improved their employability skills through access to training. The survey found that the majority of employers provide mainly on the job training and few with opportunities for in work progression and career advancement:

*Evidence from our case study interviews with employers suggests that public funding does support employer provision of training of low-skilled staff, particularly in National Vocational Qualifications. However, just 21% of respondents who employ workers who earn less than £216 per week offer them training that would help them progress to a higher-paid job. Most (73%)*

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<sup>112</sup> CIPD (2014) Making work pay: Implementing Universal Credit, London: CIPD  
[https://www.cipd.co.uk/Images/making-work-pay\\_2014\\_tcm18-15554.pdf](https://www.cipd.co.uk/Images/making-work-pay_2014_tcm18-15554.pdf)



*reported that their training is focused on helping such employees do their current, not future, job. (p27)*

Furthermore, the employer survey found that “there is limited opportunity for the low paid to receive the working hours or improve their skills to increase their earning potential.”

A 2015 study, undertaken by the Sheffield City Region Combined Authority, found that 2,345 Employers in Sheffield City Region had a vacancy that they considered ‘hard to fill’; that is they were struggling to fill the vacancy for some reason, be it the Employer’s location, the job’s working hours or the skills required to do the job<sup>113</sup>. In 2015 the Sheffield City Region Local Enterprise Partnership launched a Strategic Economic Plan concerned with creating 70,000 new jobs by 2025, and sees these ‘hard to fill’ vacancies as a contribution to this target. The Sheffield City Region Combined Authority, which forms part of the Sheffield City Region Local Enterprise Partnership, commissioned this report to help understand the issues perceived by Employers and job applicants that underlie these ‘hard to fill’ vacancies, so that provisions to address them can be put in place. This report focused on the Construction, Manufacturing, Creative & Digital and Business, Professional & Financial sectors. To collect quantitative data, over 250 Employers and 250 Applicants from across Sheffield City Region and the four sectors completed surveys and participated in a focus group.

Based on the primary and secondary research conducted for this report there were many different factors that can combine to make a vacancy hard to fill – sector, location, salary, required skills, careers advice and transport links are just some of them. Within this research, six underlying themes were identified (Attract, Learn, Employ, Develop, Retain, Advise) that in collaboration can be tackled to ameliorate the situation. The key stakeholders (Employers, Applicants and Educators, and policy intervention, as well as Family / Carers to a lesser extent) were recommended to collaborate on the creation of a growing ‘Skills Pool’ (made up of Employer, Applicants and indeed Educators) in a co-ordinated and holistic manner to continually develop skilled home-grown applicants together with applicants attracted to Sheffield City Region, and retain them through meaningful employment, rewarding career progression and world-class infrastructure and leisure facilities.

Though these recommendations are important for thinking about ‘Skills Creation Cycles’ in new ways, the report offers no insights into two important areas. First, the role of the contemporary labour market and flexibility practices in the ongoing segmentation of jobs and skills. In the study on *Devolution and Disadvantage in*

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<sup>113</sup> Sheffield City Region (2017) *A Sheffield City Region Combined Authority Report on skills shortages and hard to fill vacancies* <https://sheffieldcityregion.org.uk/wp-content/uploads/2018/01/SCR-Skills-Report-PDF-V1R4.pdf>

*Sheffield City Region*<sup>114</sup> the report highlighted the lack of engagement of disadvantaged groups in terms of skills and apprenticeships. Some of the key issues raised:

- SCR is at the forefront of an apprenticeship revolution and the University of Sheffield's Advanced Manufacturing Research District high-tech collaboration between research and industry, focused on aerospace, automotive, medical tech and nuclear energy, is to be applauded. Joined-up strategies though are needed to fully realise this vision for all and empower disadvantaged groups.
- There is insufficient qualitative and quantitative analysis of how apprenticeships are working within the SCR - disadvantaged groups do not access programmes due to both funding and lack of employer engagement.
- Employers are reluctant to employ disadvantaged people, particularly young people.
- Uneven quality of Information, Advice and Guidance (IAG) exists for apprenticeship options, which is leading to individuals not being aware of and exploring options.
- Low-level quality apprenticeships are prevalent; with unattractive and unsustainable pay rates, that compounds the above.

Second, the important roles played by social partners in creating and maintaining the virtuous links between recruitment, retention, skills, and progression are missing. One of the key recommendations of the study is developing a social dialogue approach and greater involvement of the trade unions around the City Region. For example, there is evidence that Unionlearn has successfully engaged with low skilled workers and communities but there is no evidence that the SCR are considering how Unionlearn and the TUC can contribute to the SCR 'growth agenda'.

Finally, since the Devolution Report we have seen the roll out of the Apprenticeship Levy. So far there is little public information and evidence in terms of how it is being used to address the skills needs of disadvantaged groups and in particular in work progression for low skilled workers.

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<sup>114</sup> Etherington D and Jones M (2016) Devolution and Disadvantage in the Sheffield City Region: an assement of employment skills and welfare polcies, [https://www.sheffield.ac.uk/polopoly\\_fs/1.64500](https://www.sheffield.ac.uk/polopoly_fs/1.64500)

## PART FOUR: TRADE UNIONS CHALLENGING INSECURITY IN SHEFFIELD: CASE STUDIES

In this section we will focus in more detail on some sector case studies as a way of clarifying how casualisation is being used but also to highlight key trade union strategies in negotiating and combating them.

**Table 6 Summary of Case studies of trade union strategies**

<b>Sector</b>	<b>Employment characteristics</b>	<b>Trade unions</b>	<b>Trade Union strategies</b>
<b>Retail</b>	One of the biggest employing sectors in the UK (and within the Sheffield City Region). Evidence of a variety of contractual forms including fixed hours, ZHC and variable hours (or guaranteed hour) contracts. Elements of unpaid labour were creeping in, in the form of the removal of paid breaks and reduction of bonus payments for weekend and night work, - the insecurity of hours (and sometimes pay) that led to stress amongst retail workers.	Mainly USDAW, GMB, BFAWU, Unite, RMT and Prospect	Union-management partnerships, employment rights, information and pay bargaining. Campaigning against zero-hour contracts and agency work. Unionisation at Sports Direct, McDonald's, TGI Fridays, LIDL, ALDI and B&M Bargains.
<b>Higher Education</b>	Major employers in Sheffield. Pay freeze and cap has adversely impacted on staff. Use of variety of contracts - fixed-term employment, zero-hours, variable hours hourly-paid contracts; hourly-paid contracts with set hours and so on. Many also use 'banks' of staff taken on through contracts for services. Many also subcontract catering, retail and cleaning.	UCU, Unison, Unite and GMB	Freedom of information requests (FOI), recruitment campaigns, joint work amongst unions around work place health and safety. Casual worker campaigns at University of Sheffield and Sheffield Hallam University.
<b>Social Care Sector</b>	Major employer in Sheffield, widespread use of zero hours contracts and living wage/minimum wage, poor working conditions, shift to 'multi-tasking' and unpaid working time.	GMB and Unison	Promotion of Care Charters by unions to guarantee minimum standards of employment. Charity-led campaigns. Unionisation at private sector providers.
<b>NHS</b>	The impact of the pay cap and cut backs to the NHS has had a severe impact on workers. According to the Royal College of Nursing (RCN) seven years	RCN, BMA, Unison, GMB, RCM, Unite, SoR, SCP	Pay bargaining, anti-privatisation campaigns, promoting minimum employment standards, 'Safe and

	of pay restraint have eroded the real terms value of pay for all nursing staff in the NHS. Increasing use of agency workers to cover vacancies. De-skilling – rising use of various forms of ‘assistants’ – i.e. Maternity Support Worker. Threats posed by leaving the EU.		Effective Staffing’ using links with community (Sheffield Keep Our NHS Public). Unions campaigning at Sheffield Teaching Hospitals.
<b>Welfare Reform and Universal Credit</b>	Key focus on roll out of UC, delays in benefits, sanction regime, in work conditionality, Work Capability Assessment, ‘Bedroom Tax’ and benefit caps.	PCS and Unite Community, ACORN, Foodbanks, Community Organisations	Unions advising claimants in relation to appeals, information, campaigns, lobbying, TUC Welfare Charter.

## 4.1 Retail/Fast Food

The retail sector is one of the biggest employing sectors in the UK (and Sheffield, with 700,000 employees in the Sheffield City Region) but has a track record of low pay and insecure employment. Two recent investigations into the sector reveal the following trends. First, research by the Joseph Rowntree Foundation (JRF)<sup>115</sup> revealed two thirds of low paid retail workers are women, a disproportionate number of workers are from BAME backgrounds - and the proportion from a non-white ethnic background is higher than for the country as a whole. The retail sector has a higher proportion of employees who live in households facing economic hardship than in working households in general.

That is not to say that everyone working in retail is in hardship: a large proportion of the total, for example, are younger employees working part-time while studying at school or university. Although, given increased university tuition fees and soaring living costs, it must be acknowledged that much of this work is essential for students<sup>116</sup>. Either way, there are groups who clearly find it very hard to make ends meet: retail employees in general are more likely to be in receipt of housing benefit (8%) than other employees (3%), and also of Working Tax Credit (11% compared to 6%) and Child Tax Credit (15% compared to 10%). “Taking eligibility for means-tested benefits as a proxy for economic hardship, therefore, suggests that those interested in alleviating poverty would be well advised to focus on what is going on in this industry”<sup>117</sup>.

<sup>115</sup> Usher K (2016) *Improving pay and productivity in the retail Sector* York JRF

<https://www.jrf.org.uk/report/improving-pay-progression-and-productivity-retail-sector>

<sup>116</sup> <https://www.nus.org.uk/en/news/the-cost-of-living-crisis-through-the-eyes-of-students/>

<sup>117</sup> Usher K (2016) p3

Second, a report for the TUC<sup>118</sup> highlighted a number of aspects relating to insecurity in retail, which we counterpoise here to our own interviews. These included:

- Evidence of a variety of contractual forms including fixed hours, ZHCs and short-hours (or guaranteed hour) contracts. In the latter, there is little correlation between the number of core hours for which a worker is contracted and the actual hours they work. The key characteristic is the unpredictability of hours and this is true even for those on full-time fixed hours:

*They constantly hire staff under the assumption that they are going to lose them so they have a certain amount of hours to give out and that's when the battle starts.* (Sheffield Precarious Worker)

- Flexibility worked in favour of the employer and not employees. In all cases shifts were changed at very short notice to cover staff shortages and fluctuations in demand. Requirements to 'flex-up' offered challenges for those dependent upon childcare and those with children in general and those on benefits. It could minimise rest breaks between shifts or require the unscheduled extension of shifts:

*Well today I'm technically on holiday. But I'm not. As in, they can withdraw time off any time they want, you have to book it in advance but if there aren't enough staff to cover they can cancel your holiday.* (Sheffield Precarious Worker)

- Workers did not necessarily feel their jobs were permanent, they certainly felt that if they did not agree to shift changes with very little to no notice they would make themselves vulnerable and could be starved of hours in the future. This precarious environment then made union organising very difficult:

*[...] this is the thing with zero-hours...it's that you can't join a union. You can't even look like you're going to join a union. That's what I always say to people, "That's what it's about. It's about having complete and utter control over everybody".* (Sheffield Precarious Worker)

- Elements of unpaid labour were creeping in, in the form of the removal of unpaid breaks and reduction of bonus payments for weekend and night work, - the insecurity of hours (and sometimes pay) that led to stress amongst retail workers:

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<sup>118</sup> Newsome et al (2018) Living on the Edge Experiencing workplace insecurity in the UK, London: TUC  
<https://www.tuc.org.uk/sites/default/files/insecure%20work%20report%20final%20final.pdf>

*I ask for the time off, but what instead they do is move one of my weekend days to the day that I ask off. So I've not yet had a day off of holiday and I'm still owed two days in lieu for working two bank holidays that I'll just never see. (Sheffield Precarious Worker).*

Further evidence of these issues from the interview data included the following. In terms of variability of hours this included a young worker at a mobile telephone shop being contracted for 15 hours, but working between 25 and 50 depending upon demand. He also reported regularly being called in on his day off and has once worked 18 days in a row due to staff shortages. Another participant, from our focus group, explained that she was reduced to borrowing money for her college bus fare when the sportswear shop she was working at hired more staff and without reason drastically reduced her hours. A trade union official explained that at one major supermarket chain, while 'full time' 40 hour contracts were once the norm:

*[...] they then employed three sixteen hour flexi-contracts because then they don't want to give people...it's an 'as and when' basis, and I think that's going back to Victorian times, if you ask me. They won't bring zero hours in, they do understand that, but it's still a case [for some] of seven and a half hours, [it] isn't fantastic either.*

In terms of breaks, one interviewee reported that he was entitled to one 20 minute break per 9-hour shift, and that given how short this is, there was only time enough to:

*[...] get food, you don't really get time to sit in the kitchen, you just sit on the step on the store room at the back, there's just a doorway into the back office. You sit down there, eat your food, take two minutes to sit down and...go back. (Sheffield Precarious Worker)*

Finally, in retail, prospects for career progression are limited - employees who were in low pay were more likely to be 'stuck' in low pay ten years later (24% compared to 19%) than low-paid staff generally. Similarly, the likelihood of 'escaping' low pay was 37% for all low-paid employees, but only 31% for low paid staff in retail. It seems that for those wanting to progress their career from a low base, being in the retail sector is an even worse starting place than elsewhere<sup>119</sup>.

#### **4.1.1 Trade union strategies in the Retail Sector: USDAW and GMB**

Two key trade unions in the retail sector are USDAW (Union of Shop Distributive and Allied Workers) and the GMB (General Municipal Workers Union), though a number of other unions (including Unite, RMT, BFAWU and Prospect) have a presence in the sector. Recently USDAW formulated its own guidelines for dealing with zero-hour contracts.

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<sup>119</sup> Usher K (2016) opcit.

- Employers to be under a legal obligation to offer workers a contract reflecting the employee's normal working hours. In order to assess what the individual worker's normal working hours are, the starting point should be to look at the hours worked and the working pattern in the previous 12 weeks.
- Workers having a guaranteed minimum number of hours from the first day of employment.
- All workers should have the same floor of employment rights. This includes unfair dismissal protection, statutory redundancy pay, rights to paid time off for trade union duties, family-friendly rights such as maternity leave and paternity leave, and the right to request flexible working.
- Pay is a crucial issue for workers. The GMB has been proactive in lobbying for a living wage of £10 an hour, so the low paid do not have to rely on claiming in work benefits<sup>120</sup>.

USDAW in particular are making inroads across the retail sector and are currently the UK's fastest growing union<sup>121</sup>. They are also targeting a range of budget retailers, such as LIDL<sup>122</sup>, ALDI<sup>123</sup> and B&M. They recently secured a national recognition agreement with the latter, covering 20,000 workers<sup>124</sup>. Strategies have ranged from lobbying Labour MEPs raising questions in relation to unreasonable productivity targets inside distribution centres, to engaging customers outside stores by handing out free carrier bags (which now have a 5p charge) emblazoned with the USDAW logo. Key campaigning priorities include engaging the Labour Party on better regulation of flexible contracts, attracting more young people into the union and managing the higher turnover rates of membership in the sector. The union is also adapting to reductions of staffing retail due to automation, alongside a concomitant expansion in logistics, delivery and supply chains. A local priority meanwhile focuses on the adequate provision of security in retail stores to protect workers.

#### 4.1.2 Unite Sports Direct Shame

Campaigning by Unite the Union under their 'Sports Direct Shame' initiative has helped throw the spotlight on the extent of precarious work at their Shirebrook warehouse on the edge of the Sheffield City Region. Investigations by the union

<sup>120</sup> GMB Submission to the Low Pay Commission on the National Minimum Wage  
<http://www.gmb-leicesterservices.org/wp-content/uploads/GMB-Response-to-NMW-Submission-July-2017.pdf>

<sup>121</sup> <https://www.usdaw.org.uk/About-Us/News/2018/Apr/Usdaw-President-opens-the-2018-Annual-Delegate-Mee>

<sup>122</sup> <http://www.usdaw.org.uk/About-Us/News/2018/May/Usdaws-campaign-for-recognition-at-Lidl-goes-to-th>

<sup>123</sup> <https://www.usdaw.org.uk/About-Us/News/2016/December/Aldi-called-on-to-recognise-Usdaw,-as-staff-contin>

<sup>124</sup> <https://www.usdaw.org.uk/About-Us/News/2017/Sep/Usdaw-secures-a-new-agreement-giving-20000-B-M-wor>



revealed that only 10 per cent of the 3,000 staff employed at the warehouse were on a permanent contract. The union has built its membership at the site, using innovative techniques such as the provision of free English for Speakers of Other Languages (ESOL) to engage migrant labourers at the site<sup>125</sup>. In 2016 the union secured a major victory in negotiating the back-payment of £1m for unpaid security searches workers were subject to at the end of their shifts<sup>126</sup>. However given the precarity of employment and difficulties organising, Unite have also relied upon highly-effective publicity stunts (or 'leverage'), working in conjunction with their Community Branch and Chesterfield TUC, amongst others<sup>127</sup>. Such stunts have included unfurling their '#SportsDirectShame' banner at Newcastle United FC games (the football club owned by Mike Ashley, majority shareholder of Sports Direct). As one Unite organiser we interviewed stated:

*I sort of gauge the success of that – of our work around that – when I speak to non-union type people in my local pub or whatever and they're asking me what I'm up to and I start talking about zero hours, people are [...] 'oh, you mean like Sports Direct?' [...] he bought a Football Club to advertise. He bought Newcastle United to get advertising. He's had as much, or if not more, negative publicity and investigative goings on and, you know, scandal in the public eye, as his [...] what he spent billions advertising.*

Some of the innovative strategies around leverage that Unite has honed in its campaigning against Sports Direct are now beginning to be applied to other companies in the retail, catering sectors and hospitality sectors, including Premier Inn<sup>128</sup> and TGI Fridays. This has also included the use of a giant rat, in reference to contractor blacklisting, whereby protestors target the workplaces of companies who are contracted to or have invested in organisations that have been blacklisting workers. This has been relatively effective in raising the profile of the issue and shaming the companies involved. In terms of TGI Fridays, Sheffield Needs A Pay Rise is active in supporting Unite build their membership and have organised solidarity demonstrations during the recent national strikes at TGIs<sup>129</sup>.

#### 4.1.3 BFAWU Fast Food Workers Rights campaign and McDonalds

Action around McDonalds fast food outlets have been taken up by BFAWU with a campaign to secure a higher minimum wage of £10 an hour and right to union representation. Organising efforts have focused on a number outlets throughout the country, and led to the first ever strikes in the history of McDonalds at stores in Cambridge and Crayford in September 2017. These two stores were joined by sites

<sup>125</sup> <https://www.unionlearn.org.uk/case-studies/unite-english-courses-help-sports-direct-workers>

<sup>126</sup> <http://www.unitetheunion.org/news/unite-secures-minimum-wage-victory-for-sports-direct-workers/>

<sup>127</sup> <https://www.morningstaronline.co.uk/a-04e8-highwayman-dick-turpin-swoops-on-sports-direct-1>

<sup>128</sup> <http://www.unitetheunion.org/news/unite-says-premier-inn-more-like-a-sweat-shop-than-family-friendly-hotel/>

<sup>129</sup> <http://www.unitetheunion.org/news/tgi-fridays-owner-warned-to-get-house-in-order-as-workers-strike-for-third-time/>



in Watford and Manchester in taking further action in May 2018. BFAWU has used innovative organising strategies that involve making initial contacts with fast food workers and then building the relationship over time, picking up on issues that are endemic to the fast food industry, including lack of consistency of hours, low pay, bullying and harassment. The organising strategy is premised on the idea of getting the worker's initial attention through communicating facts around issues such as corporate pay (for example) and asking the worker to make an initial, but small commitment to take action (such as speaking to another worker). The actions that BFAWU members have taken have already led to major victories, such as a pay rise for all directly employed McDonalds staff in January 2018<sup>130</sup>. Even before taking strike action, initial campaigning forced McDonalds into the position of offering its 115,000 UK workers the option of moving from zero-hours to a more secure contract<sup>131</sup>. BFAWU recognise the need to extend their organising efforts outside of the south-east of England, where they have focused their attention to date. Yet being amongst the smallest unions of the TUC, BFAWU has had to look to the wider labour movement on national basis to help in the raising of funds to employ further full-time organisers. To continue this work it will be imperative to raise further funds nationally, regionally and locally.

## 4.2 Higher Education

The University College Union (UCU) has identified casualisation and precarious work as a major issue in the Higher Education Sector<sup>132</sup>. Jobs are precarious for two reasons. Firstly, because the contracts can be of short duration. Many fixed-term contracts are of one year in duration. A good number are for nine months. Staff employed on these contracts don't know what the next year will bring and need to spend a lot of their time seeking the next contract. A recent survey of research staff conducted by UCU found that around a third of contract researchers estimated they spent 25% of their funded time working towards their next contract, time that could have been spent on the research they were contracted to conduct<sup>133</sup>. But precariousness is also about income and hours of work. Some teaching staff are paid by the hour but employed on permanent contracts. These staff are often no less precarious because they are only paid for the work they do and many of them have variable-hour or zero-hours contracts. Work can shrink or diminish or even disappear entirely and with it goes their income:

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<sup>130</sup> <http://www.politics.co.uk/opinion-formers/bakers-food-and-allied-workers-union/article/the-bfawu-welcomes-mcdonalds-pay-announcement>

<sup>131</sup> <https://www.theguardian.com/business/2017/apr/25/mcdonalds-contracts-uk-zero-hours-workers>

<sup>132</sup> UCU (2016) Precarious work in Higher Education, UCU [https://www.ucu.org.uk/media/7995/Precarious-work-in-higher-education-a-snapshot-of-insecure-contracts-and-institutional-attitudes-Apr-16/pdf/ucu\\_precariouscontract\\_hereport\\_apr16.pdf](https://www.ucu.org.uk/media/7995/Precarious-work-in-higher-education-a-snapshot-of-insecure-contracts-and-institutional-attitudes-Apr-16/pdf/ucu_precariouscontract_hereport_apr16.pdf)

<sup>133</sup> UCU (2016) Precarious work in Higher Education, UCU [https://www.ucu.org.uk/media/7995/Precarious-work-in-higher-education-a-snapshot-of-insecure-contracts-and-institutional-attitudes-Apr-16/pdf/ucu\\_precariouscontract\\_hereport\\_apr16.pdf](https://www.ucu.org.uk/media/7995/Precarious-work-in-higher-education-a-snapshot-of-insecure-contracts-and-institutional-attitudes-Apr-16/pdf/ucu_precariouscontract_hereport_apr16.pdf)

*Casualised university workers [...] can include people on Fixed Term Contracts, people on zero hours contracts, people on what are often called Casual Worker Agreements or sometimes non-staff contracts; who are not employees, they are workers engaged by the university. (UCU Branch Officer)*

The precarious population can't be reduced to one contract form or another. Precariousness is something that comes with a range of different contracts all of which share a common feature. Employers view permanent employment as too costly or risky and use insecure contracts to offload that risk onto staff. Employers use different contracts to achieve the same end: fixed-term employment contracts; zero-hours employment contracts; variable hours hourly-paid contracts; hourly-paid contracts with set hours and so on. Many also use 'banks' of staff taken on through contracts for services. Workers providing contracts for services don't have the same access to maternity or redundancy rights, for example, as employees.

There are three broad categories of casualised or precarious workers in higher education. The first is PhD students who teach during their studies as part of their attempts to begin an academic career. In pre-92 research intensive universities in particular, this can be a very large category:

*PhD students who are obliged to teach as part of their scholarship, they will be given a certain amount of funding over three or four years to do their PhD but as part of that they commit to doing teaching work. If you drill into that, what is their hourly rate, what are they being paid? We have no idea. There are other people engaged on casual worker agreements and those often don't cover preparation time, marking time, there's a lot of unpaid labour rolled into that. (UCU Branch Officer)*

The second category is comprised of professionals substantively employed elsewhere but who do teaching in their field on the side to boost their incomes or because they enjoy it. Some universities with strong vocational or professional pathway subjects do employ large numbers of these staff, often termed 'Visiting Lecturers'. This is the category that the employers and their representatives like to talk about because it takes the debate away from people struggling to make a career and towards people who are not dependent on them for a living. The third category is those who are substantively employed on limited term or variable and zero-hour contracts.

The national employers' body UCEA has refused to agree action to tackle precarious work nationally. Over the years, UCU has attempted to use the national collective bargaining machinery to argue for negotiations over a national agreement on job security and have called for action on casual contracts, but in both cases UCEA has claimed that it has no mandate to negotiate on this issue and has restricted its interest to offers of joint working groups to issue light-touch guidance. This is not

good enough and it means that UCU must focus on attempting to persuade employers to tackle precarious work locally.

However, for one UCU officer in Sheffield, pay and casualisation go hand in hand with regards to the deterioration of working conditions in the University sector:

*I mean, first off you have to talk across the sector, horrific pay freezes, real term pay-cuts, which you see various different figures but it's somewhere between 15% and 20% real term wage cut over the last ten years so obviously that is frightening but then there are so many issues that tie into that as well, you've got the gender pay gap, we have the widest gender pay gap in any university sector in the developed world, it's shocking. And women actually are really to the fore of the picket lines and to the fore of the meetings and obviously we have an explosion of casual contracts, absolutely shocking employment practices. (UCU Branch Officer)*

#### **4.2.1 Casualisation at Sheffield Hallam University**

According to the FoI return made by Sheffield Hallam University (SHU)<sup>134</sup> to the University College Union (UCU), this institution employed 684 staff on a zero-hours contract (mainly 'Associate Lecturers' on teaching only duties) for year 2012-2013, and they worked alongside 1910 other academics (teaching and research, or teaching only). Whilst this placed SHU as the 12th highest ranking Higher Education Institution (HEI) in terms of the number of staff on zero-hour contracts (ZHCs), it is important to recognise that definitional problems may explain why over 47% of HEIs reported that they did not use this kind of contract. Indeed, the use of ZHCs is clearly endemic to the entire sector. In liaising with Human Resources at SHU, the local UCU branch were able to ascertain more recent figures, current as of October 2014. This showed that there are 753 'Associate Lecturers' currently registered with the university, but that only 461 of these were 'active' (they had made a claim for work subsequent to 1st September 2013). A more recent FoI, submitted by the *The University Paper* in connection with a story they ran on casualisation at the two Sheffield Universities, revealed there were 796 Associate Lecturers on the books as of 25<sup>th</sup> January 2015, 641 on the 25<sup>th</sup> of January 2016, and 649 on the 25<sup>th</sup> of January 2017<sup>135</sup>. The University failed to respond to a FoI submitted by national UCU in July 2017<sup>136</sup>. Nonetheless, the relative consistency in terms of numbers suggests that the work these individuals do is stable, predictable and ongoing. These figure will not include casualised researchers, or other casuals employed directly or indirectly by the university.

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<sup>134</sup> Jeffery et al (2014) A Report on Hourly Paid Contracts, Sheffield Hallam UCU Branch.

<sup>135</sup> Personal communication with authors and <https://www.unipaper.co.uk/article/lecturers-at-sheffield-unis-claim-casual-roles-are-harming-education>

<sup>136</sup> [https://www.ucu.org.uk/media/9258/Precarious-education-how-much-university-teaching-is-being-delivered-by-hourly-paid-academics-Feb-18/pdf/HP\\_uni\\_teaching\\_March\\_2018.pdf](https://www.ucu.org.uk/media/9258/Precarious-education-how-much-university-teaching-is-being-delivered-by-hourly-paid-academics-Feb-18/pdf/HP_uni_teaching_March_2018.pdf)

And yet the precarity of the academic workforce is far from the only concern at Sheffield Hallam. Further concerns exist in relation to workers belonging to the bargaining groups represented by Unison, Unite and GMB, including the use of 'Graduate Interns' (administrators on short-term contracts with limited potential for progression), 'Student Ambassadors' (casually employed students staffing open days and other events), as well as sports centre staff, disability support workers, security, cleaning and IT support staff on non-permanent contracts or subcontracted through a third-party.

#### **4.2.2 Casualisation at University of Sheffield**

A similar situation is evident at the University of Sheffield, where issues have included the lack of a proper contract of employment for postgraduate students who teach, the use of casualised 'bank staff', and the subcontracting of campus retail and hospitality outlets through a wholly owned subsidiary called Unicus. Like Sheffield Hallam, the University of Sheffield also failed to respond to a FoI submitted by national UCU in July 2017.

#### **4.2.3 Trade Union Strategies: Sheffield Hallam University University College Union**

Sheffield Hallam Branch has pioneered the use of surveying staff on zero-hour contracts in order to highlight widespread discontent with casualisation and gain media attention that can be used as leverage with the kind of employers (universities) that are notoriously sensitive to bad publicity<sup>137</sup>. As a consequence, the following campaign priorities and actions have been determined:

- Request that the reasons for the refusal of conversion to permanent contracts be made as explicit as the criteria for eligibility (including an agreed definition of terms such as 'business case').
- Request that clear guidance is issued on the kinds of meetings casualised staff are required to attend, along with the hourly rates of pay attached to such meetings.
- Campaign for a 'conversion policy' that sees greater numbers of casuals being converted to full-time or part-time fractional permanent contracts.
- Consult with any casualised staff who wish to get involved in the local 'Stamp Out Casual Contracts' campaign.

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<sup>137</sup> See for example, <https://www.thestar.co.uk/business/sheffield-lecturers-in-call-to-end-casual-contracts-1-6976811>

- Work with the Students Union has helped build an understanding that casualisation has a direct impact upon the way their work is marked, the support they receive and morale of the people who teach them. This evidence for the progress that has been made here is clear in the public statements the current President of SHU SU has made in support of casualised academic staff<sup>138</sup>.
- Representatives to Sheffield Trades Union Council will work with other trade unions in the city of Sheffield for joint campaigning against casualised contracts. This has been achieved through the formation of the Sheffield Needs A Pay Rise campaign, of which Sheffield Hallam UCU is a key member.
- Continue to collect testimonies of casual workers experiences at SHU, and undertake further research on two categories of casualised workers we know to exist (but on whom previous surveys provide too little or no data), PhD Demonstrators and Disability Student Support Workers.
- The creation of the role of Anti-Casualisation Officer for Sheffield Hallam branch as consequence of a local rule change in 2018.

Nonetheless, four years of campaigning has produced insufficient movement from the university and in 2018 the Branch has submitted a joint-claim alongside the other campus trade unions (Unison, GMB and Unite), demanding the full conversion of all zero-hour staff onto permanent fractional contracts. If this demand is not met the Branch will step-up campaigning around this issue.

#### **4.2.4 Trade Union Strategies: University of Sheffield University College Union**

At the University of Sheffield, the UCU branch has long been representing members who have been wrongly engaged as hourly paid workers and have successfully won several employment tribunal claims on this basis. Following these cases, the branch negotiated a regularisation agreement in 2008 with the aim to review hourly paid and casual teaching staff and that if certain “tests” were met, a process would be followed to regularise them to an equivalent fractional contract.

Sheffield UCU then negotiated the Graduate Teaching Assistant (GTA) contract intended for postgraduate students teaching undergraduates. This was still an hourly paid contract but staff were recognised as employees with access to negotiated benefits and training.

In late 2016 the branch surveyed staff across the University to understand the situation of the casually employed<sup>139</sup>. The results were bad and in response the branch submitted a claim demanding a blanket move to fractional contracts for all

<sup>138</sup> <https://www.unipaper.co.uk/article/lecturers-at-sheffield-unis-claim-casual-roles-are-harming-education>

<sup>139</sup> <https://sites.google.com/sheffield.ac.uk/sucu-casual/home?authuser=0>

staff, eradicating the cause of the problem, rather than trying to fix a fundamentally broken and unfair model. In the year since the claim was submitted minimal progress has been made and the branch are likely going to reach the point of failing to agree. Interestingly, the branch were able to see cost modelling of the likely staffing costs for employing staff as an employee versus as an hourly paid worker - when dealing with fractional contracts of under 0.2 FTE, the amounts were comparable and in fact the **cost saving is negligible**. Therefore the arguments are not to do with costs, but the need to challenge cultures of convenience, flexibility and poor managers in departments, and have significantly better workforce planning.

### 4.3 Social Care Sector

Social Care is a significant employer in Sheffield with an estimated 16,100 jobs in adult social care split between local authorities (10%), independent sector providers (81%) and jobs for direct payment recipients (9%). Compulsory competitive tendering adopted during the 1980s forced councils to open up large parts of their service delivery to private sector providers to eliminate 'producer capture' and achieve cost savings. As of 2010, the proportion of residential and nursing home placements in the independent sector stood at 90%, the vast majority of which is supplied by private for-profit providers. There is evidence to suggest that any reductions in running costs as a result of outsourcing were not derived from the inherently greater efficiency or management practices of the private sector, but rather from lower service standards and firms undercutting competitors through lower labour costs. Indeed, the Social Care Sector is undergoing a funding crisis. The Local Government Association (LGA) response to the Government Green Paper on Social Care noted that:

*Government should first make a down-payment on the green paper by injecting additional resources into the system to fund immediate funding pressures which are set to exceed £2 billion by 2020. This will enable the system to stay afloat until such time as the green paper reforms bring in new resources.*<sup>140</sup>

Pay is a major issue in the social care sector and whilst the National Living Wage will have impacts on lifting the number of workers who have traditionally been paid below the living wage, it will have a knock-on impact on funding and pressures to keep wages at a minimum level. In Sheffield this has been acknowledged<sup>141</sup>:

*The National Minimum Wage (NMW) has a disproportionate impact on the care sector. This is because it is a lower wage sector and any mandatory increase in NMW has a knock on impact on the rest of the pay spine.*

<sup>140</sup> <https://www.local.gov.uk/about/news/lga-responds-details-social-care-green-paper>

<sup>141</sup> Sheffield City Council (2017) Care Home Market and Fees Analysis see also <http://democracy.sheffield.gov.uk/documents/s25817/Care%20Home%20Fees%202.pdf>



Another perspective is offered from one interviewee:

*[...] there's largely a notion that people who work in care should be expected to be very kind of humble in accepting quite poor conditions, because the reasons that they're doing that care work is because they care about service users, so what happens in reality is you actually get management guilt tripping people, if actually they're bringing up issues and they'll try and pull the focus back to the service user. (Sheffield Precarious Worker)*

**Social care accounts for a tenth of the increase in precarious working.** The number of care home workers facing insecurity has risen by 66,000 (+133%) since 2011. Over 1 in 10 are now in insecure jobs.<sup>142</sup> According to Age UK In 2013, 307,000 people were employed on Zero Hours Contracts (ZHCs) in the social care sector in England. Put in context, although less than 15 per cent of the total non-ZHC workforce is found in the health and social work sector, it contains 20 per cent of all ZHC workers.<sup>143</sup> Although there is plenty of evidence of job satisfaction and a commitment to working in the sector by staff, AgeUK cited a survey of workers by UKCES which has found:

- 54 per cent of ZHC part-time workers want more hours.
- 45 per cent of ZHC workers say they have little, not very much or no control over how many hours they work.
- 60 per cent of ZHC workers feel they have to accept work if their employer asks.
- 57 per cent of ZHC workers find it difficult to budget from month to month.
- Workers on flexible contracts may not receive as much training as those on "normal" contracts (40 per cent versus 49 per cent) and they are more likely to pay for their own training.

Skills for Care estimates that the turnover rate of staff working in the adult social care sector was 27.8%. This is approximately 350,000 leavers per year.<sup>144</sup> The Low Pay Commission (LPC) have defined social care as a low paying industry. The provisional results have been published from the 2016 Annual Survey of Hours and

<sup>142</sup> <http://touchstoneblog.org.uk/2017/02/insecure-work-quarter-since-2011-sectors-driving/>

<sup>143</sup> Age UK (2016) *Zerohour contracts*

[https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/active-communities/rb\\_may16\\_zero\\_hour\\_contracts.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/active-communities/rb_may16_zero_hour_contracts.pdf)

<sup>144</sup> Skills for Care (2017) *The State of the Adult Social Care Sector and Workforce in England*

<https://www.skillsforcare.org.uk/Documents/NMDS-SC-and-intelligence/NMDS-SC/Analysis-pages/State-of-17/State-of-the-adult-social-care-sector-and-workforce-2017.pdf>

Earnings (ASHE) and social care was one of the lowest paid of the industries/occupations defined by the LPC.

#### 4.3.1 Key issues for the Social Care Sector

A trade union official has described the process of change in the social care sector in Sheffield as a 'race to the bottom' in terms of wages and conditions. The Institute of Employment Rights (IER) commissioned a study of the social care sector<sup>145</sup> and found a number of challenges for workers especially in terms of access to employment rights and representation and decent working conditions.

- **Adult social care is one of the UK's biggest industries – out-valuing the production and distribution of electricity and gas; and the food and drinks service industry.** Social care nets £20bn for England's economy, and an estimated £40bn when its indirect impact is taken into account. The electricity and gas, and food and drinks industries are valued at £16bn and £19bn respectively.
- **More people work in social care than in every food and drink establishment put together, and most of them are low-paid women.** There are 1.55m care workers in England, compared with 1.3m in bars, pubs, cafes and restaurants; 1.1m in transport, storage and postal industries; and 1m in construction.
- **Zero-hour contracts are the norm, staff turnover is staggering, and there is growing pressure to be self-employed.** Some studies have found around half of all new recruits quit within a year, and many of those interviewed by Dr Hayes said they felt forced to work directly for clients as self-employed carers in order to access work, but worried about the loss of legal protections they suffered as a result.
- **Care work is increasingly complex and reliant on highly skilled professionals, but there is nothing to prevent employers from hiring workers with no previous experience or training.** As a result, about a third of care workers do not even get basic induction training before being entrusted to care for vulnerable service users:

*[...] yet the contradiction that you had there is, it was a minimum wage job, where you didn't have to have any previous qualifications or any previous experience of autism, you got two weeks' worth of training, then you were*

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<sup>145</sup> <http://www.ier.org.uk/news/study-exploitation-care-workers-demands-action-sectoral-collective-bargaining>



*expected to support people that had really quite high needs' (Sheffield Care Worker)*

- **There is conclusive evidence that poor-quality care is strongly associated with poor-quality employment for carers.** Countless inquiries and studies have demonstrated this, but Dr Hayes also found in her own study that two-thirds of people think the standard of social care is inadequate in the UK; and an even larger proportion think politicians consider the welfare of older people a low priority.
- **Individual employment rights have proved insufficient.** There is evidence of employers misleading workers by telling them they do not have employment rights; a much lower level of enforcement of employment law by statutory agencies compared with other European countries; and government-sanctioned under-payment of the minimum wage for carers during overnight shifts.

#### **4.3.2 Trade Union Strategies: Unison and GMB strategies in relation to social care**

Local trade union concerns include issues around staffing levels in care homes, with statutory minimum staffing ratios frequently being treated as maximums:

*For instance, at full capacity, say, twenty residents, on a night you would only have two people running the site. That's hourly bed-turns, making sure the residents are able to go to the toilet if they need to go to the toilet and also that they receive water, so especially on warmer nights they have to be watered, with a lot of medication that's then give on four-hourly basis, one-hourly basis, depending on the medication, and a lot of paperwork that needs filling in. (GMB Official)*

Staffing levels, combined with pay that is rarely above the statutory minimum, creates a situation where employees are overworked, but undervalued and underpaid.

There are also significant issues in terms of organising workers in this sector, the predominance of zero or variable hour contracts creates fears of workers exposing themselves to losing the shifts that they have, while the fragmented nature of care provision between different providers and multiple sites can make it difficult for the unions to engage people (*'getting through that silo arrangement is really difficult'*). Nonetheless, trade unions are making progress in the city, with membership at one social care provider increasing from 10 to over 50 in the last year and being close to achieving the statutory recognition threshold. One organiser we spoke to stressed the importance of personal contact with members, at the very minimum through a phone call, though acknowledged how resource intensive this is:

*We've got their details, many of them have given us their telephone numbers, you can email them and write to them, but you'll probably never hear back. If you ring them, then they'll speak to you and often they'll speak to you for half an hour, 'cause they've never had anyone call them before and ask them how it's going. (Unison Official)*

Given the poor working conditions, pay and oppressive working practices, representative trade unions in the Care Sector (Unison and GMB) have formulated care charters providing a set of demands to campaign around pay and working conditions. Sheffield City Council has signed up to Unison's Care Charter<sup>146</sup> which among other policies will guarantee not to use zero hour contracts. The GMB has formulated a charter on similar lines<sup>147</sup>.

Some of the key areas that the charters cover include:

- Homecare workers will be paid for their travel time, their travel costs and other necessary expenses such as mobile phones.
- Visits will be scheduled so that homecare workers are not forced to rush their time with clients or leave their clients early to get to the next one on time.
- Zero-hour contracts will not be used in place of permanent contracts.
- Providers will have a clear and accountable procedure for following up staff concerns about their clients' wellbeing.
- All homecare workers will be regularly trained to the necessary standard to provide a good service (at no cost to themselves and in work time).
- Homecare workers will be given the opportunity to regularly meet co-workers to share best practice and limit their isolation.
- All homecare workers will be paid at least the Living Wage (as of November 2015 it is currently £8.25 an hour for the whole of the UK apart from London, for London it is £9.40 an hour - calculated in 2016).
- All homecare workers will be covered by an occupational sick pay scheme to ensure that staff do not feel pressurised to work when they are ill to protect the welfare of their vulnerable clients.

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<sup>146</sup> <https://www.unison.org.uk/news/article/2017/10/sheffield-charter/>

<sup>147</sup> <https://www.lgiu.org.uk/wp-content/uploads/2014/05/GMB-Care-Sector-Charter-LW-1.pdf>

Discussion with relevant trade unionists suggest the importance of now monitoring subsequent contracts that the Council tenders, to ensure that the provisions of the Charter are met.

## **4.4 National Health Service (NHS) Sheffield Teaching Hospitals**

### **4.4.1 Sustainability and Transformation Plans (STP) managing NHS cuts?**

As part of the government's Five Year Forward plan, in 2016 England has been carved into 44 'footprints' that must formulate 'Sustainability and Transformation Plans' (STPs) for health for the period 2020/2021. STPs are basically forward planning exercises for health covering a number of local authorities. Sheffield is covered by the South Yorkshire and Bassetlaw STP (SY&B STP). Unison has issued guidance in relation to how trade unions should respond to the STPs and within this has expressed the view that STPs are potential vehicles for devolving the NHS cuts in local areas as well as facilitating or enhancing the process of outsourcing and privatisation. The STPs represent significant changes to the governance of health services including more stakeholders and at sub region or city region geographical scales. Of significance is that both Unison and the Royal College of Midwives (RCM) have issued advice and guidance that the STPs should engage trade unions<sup>148</sup> but so far there is no evidence that any of the trade unions have been included in SY&B STP stakeholder consultation.

The British Medical Association (BMA) has undertaken its own survey of all the Sustainable and Transformation Plans (STP). In relation to South Yorkshire and Bassetlaw, it has estimated that the funding gap is £464 million by 2020/21<sup>149</sup>. However, the SY and B STP estimate the financial shortfall to be £571 million by 2020/21 adding that "The scale of the challenge demonstrates why radical change is needed"<sup>150</sup>. One of the areas of focus of the STP is the socio-economic context to health in what is one of the most deprived regions of the UK. For example STH Operational Plan<sup>151</sup> has highlighted significant health inequalities in Sheffield:

- The difference in life expectancy at birth for males, as measured by the Slope Index of Inequality, is 8.7 years, ranging from 74.4 years in the most deprived areas of the City to 83.1 years in the least. The difference in life expectancy at

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<sup>148</sup> Unison (2017) *Responding to the Sustainability and Transformation Plans: Guidance for Regions and Branches*

<https://www.unison.org.uk/content/uploads/2016/10/STPs-UNISON-briefing.pdf>

<sup>149</sup> <https://www.bma.org.uk/collective-voice/policy-and-research/nhs-structure-and-delivery/sustainability-and-transformation-plans>

<sup>150</sup> South Yorkshire and Bassetlaw STP, p40

[http://www.smybndccgs.nhs.uk/application/files/1514/8037/0832/South\\_Yorkshire\\_and\\_Bassetlaw\\_Sustainability\\_and\\_Transformation\\_Plan.pdf](http://www.smybndccgs.nhs.uk/application/files/1514/8037/0832/South_Yorkshire_and_Bassetlaw_Sustainability_and_Transformation_Plan.pdf)

<sup>151</sup> Sheffield NHS (2014) *Sheffield Strategic Plan 2014-2019*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/390711/SHEFFTEA](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/390711/SHEFFTEA)

birth for females, as measured by the Slope Index of Inequality, is 7.3 years, ranging from 78.7 years in the most deprived areas of the City to 86 years in the least. Furthermore, improvements to life expectancy locally have recently ground to a halt<sup>152</sup>.

- Infant mortality rates (per 1000 live births) in Sheffield are 5.5 for White British mothers, 10.9 for Black and Black British mothers, and 13.4 for Asian and Asian British mothers.
- Smoking in pregnancy is strongly related to socioeconomic status and the prevalence of smoking around the time of delivery varies from 0% to 40% across Sheffield neighbourhoods.
- Almost 23% of all Sheffield children live in poverty compared with 18.6% nationally.

Between 12 and 18 per cent of all NHS expenditure on long term conditions is linked to poor mental health most commonly in the form of depression or anxiety disorders which if untreated can exacerbate physical illness and increase the cost of care.

#### **4.4.2 Implications of the cuts on Sheffield NHS Workforce**

Pay and staffing levels has been at the forefront of trade union campaigns around the NHS with trade unions campaigning nationally and locally against the pay cap. Cut backs to the NHS at the national level has had a severe impact on workers. According to the Royal College of Nursing (RCN), seven years of pay restraint have eroded the real terms value of pay for all nursing staff in the NHS. In its member survey three-quarters of respondents (73.5%) said they were worse off financially than they were five years ago, with just under 5% stating they were better off and 18% saying they are about the same. The main way of coping with everyday expenses is to take on extra work, either in additional hours to the main job (51%) or a second job (23%). Half (52%) also stated they had borrowed money which is higher than the proportion doing so in 2015 (33%)<sup>153</sup>. Unison and RCN have conducted their own surveys which provide insights into working conditions and precarious nature of NHS work<sup>154</sup>.

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<sup>152</sup> <https://www.thestar.co.uk/news/life-expectancy-has-fallen-in-sheffield-according-to-new-report-on-city-health-1-8754138>

<sup>153</sup> Royal College of Nursing (2018) *Evidence to the NHS Pay Review Body* <https://www.rcn.org.uk/professional-development/publications/pdf-006821>

<sup>154</sup> RCN (2017) *Safe and effective staffing: Nursing against the odds*, [www.rcn.org.uk/news-and-events/blogs/you-told-us-that-staff-shortages-are-compromising-patient-care](http://www.rcn.org.uk/news-and-events/blogs/you-told-us-that-staff-shortages-are-compromising-patient-care)

Unison (2017) *Ratios not rationing Unison safe staffing report 2017* <https://www.unison.org.uk/content/uploads/2017/04/Rationotratering.pdf>

Sheffield Teaching Hospital (STH) has just over 16,000 workers<sup>155</sup> and one of the key challenges for STH is the **expected shortfall of funding for Sheffield Hospitals of £232 million (2016/17)**. The issue of pay has been cited as a reason for the recruitment crisis in hospitals in the region. A review of the SY&B STP has cited “low starting salaries, perceptions of limited career development, high levels of responsibility, a lack of financial support” as reasons for the recruitment crisis in the hospitals. In fact shortages exist for all medical and non-medical staff, across all grades and staff groups, and challenges persist throughout the entire workforce lifecycle<sup>156</sup>. Another indicator of the impact of increased pressures and workloads is the increase in number of workers who are subject to physical violence which according to a report in the *Sheffield Star* there has been a 36% rise in assaults on staff in five years<sup>157</sup>.

**Table 7 Sheffield Teaching Hospitals NHS Staff Survey (2016/2017)**

Key finding	Sheffield Trust	National Average
Percentage of staff experiencing harassment bullying or abuse from patients, relatives or the public in the last 12 months	20	23
Percentage of staff working extra hours	68	71
Percentage of staff able to contribute to improvements at work	67	71
Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, their colleagues, or themselves	54	55
Percentage of staff reporting good communication between senior management and staff	39	32
Percentage of staff satisfied with the opportunities for flexible working patterns <sup>158</sup>	51	51

Source: Sheffield Teaching Hospitals Annual Report (2016/17) p50,51<sup>159</sup>

Whilst pay is a big issue, the increasing demand for services and reduction in staff numbers due to non-filling of posts, increasing turnover, and poor levels of retention are issues raised by NHS trade unions, stakeholder organisations and campaign organisations. One indicator of this is the NHS Staff Survey which is conducted annually and provides a qualitative and quantitative analysis of how staff perceive and view their working conditions. The response rate was 46%. Table 7 above

<sup>155</sup> Sheffield NHS (2016) *Annual Report*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634467/SHEFFIEL](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/634467/SHEFFIEL)

<sup>156</sup> Welch C *Hospital ServicesIndependent Review May 2018*

[https://www.healthandcaretogethersyb.co.uk/application/files/2515/2579/1881/1\\_HSR\\_Stage\\_2\\_Report.pdf](https://www.healthandcaretogethersyb.co.uk/application/files/2515/2579/1881/1_HSR_Stage_2_Report.pdf)

<sup>157</sup> <https://www.thestar.co.uk/news/huge-rise-in-number-of-assaults-on-sheffield-nhs-hospital-staff-revealed-1>

<sup>158</sup> NHS (2017) National NHS Staff Survey Results from the Sheffield Teaching Hospitals NHS Foundation Trust

[http://www.nhsstaffsurveys.com/Caches/Files/NHS\\_staff\\_survey\\_2017\\_RHQ\\_full.pdf](http://www.nhsstaffsurveys.com/Caches/Files/NHS_staff_survey_2017_RHQ_full.pdf)

<sup>159</sup> <https://www.sth.nhs.uk/clientfiles/File/Annual%20Report%20and%20Accounts%202016-2017%20incorporating%20the%20Annual%20Quality%20Report.pdf>

summarises the results of the NHS Staff Survey as highlighted in the Annual Report, but we have added a data item direct from Staff Survey applying to the STH.

Table 7 reveals that the Sheffield Teaching Hospitals on a number of indicators compares well with the national level. However, some of the Staff Survey Findings do provide some useful insights to working conditions in the Sheffield TH. For example the percentage of staff experiencing pressures to work when feeling unwell and working extra hours are significantly high and shows the nature and intensity of workloads within the hospitals.

The increasing demands on staff in the NHS can be illustrated by the current challenges faced by mental health services in Sheffield. Paul Blomfield MP has highlighted that young people are waiting up to 25 weeks for access to mental health services.<sup>160</sup> Furthermore Healthwatch Sheffield undertook its own survey (in 2014 and reporting the findings in December 2016) and assessment of mental health services from both a user and staff perspective.<sup>161</sup> Although a small sample, 71% of staff had reported that services had declined in the previous years, although at the same time some staff had noted that some improvements had been made. The report noted the:

*.... [c]oncerns about being asked to do more with less, feeling unsafe and dealing with more complex patients.*

At the national level there has been a trend towards casualisation with the use of zero hours contracts and agency workers. It is not possible to quantify this for the Sheffield hospitals, but there is evidence that this is prevalent:

*[...] there used to be a lot of people in medical records on zero hour contracts, they were doing what was technically termed as a temporary job but actually was ongoing for years and years and years so they could be on those...for years. But then it meant they could get rid of them whenever they wanted to.*  
(NHS Worker)

A Freedom of Information request by trade unions in Sheffield Hospitals has revealed that the STH had spent £90 million on agency staff in a four-year period (2013-2017). As quoted in the *Sheffield Star* the Yorkshire Regional Director of the Royal College of Nursing stated<sup>162</sup>:

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<sup>160</sup> <https://www.thestar.co.uk/news/nhs-crisis-young-people-in-sheffield-are-waiting-six-months-to-access-mental-health-services-1-8328324>

<sup>161</sup> Sheffield Health Watch (2016) *Care or Crisis? A study of people's care before and after the mental health crisis* <http://www.healthwatchsheffield.co.uk/wp-content/uploads/2015/12/Mental-Health-Care-or-Crisis.-A-report-from-Healthwatch-Sheffield.pdf>

<sup>162</sup> <https://www.thestar.co.uk/our-towns-and-cities/sheffield/hospitals-in-sheffield-run-up-90m-agency-staff-bill-1-8506832>



*The over-reliance on short-term staffing in the NHS has been getting worse for years and won't be fixed overnight. Trusts are struggling to recruit and retain nurses, whilst the number of nurses being trained in the UK has been reduced for short-term financial reasons.*

One cited example of employment restructuring as a means of making savings is the trend towards deskilling of roles. An example of this is the changing role of Midwives:

*...midwives are expensive, midwife numbers might go down, we were going to be more as a team working in maternity, relying more on maternity support workers, so where they would have generally done the housekeeping type stuff in the past and they would have done, as nursing auxiliaries years ago, they'd have done some of the tasks related to baby care, what units on the NHS have tried to do is start to train and develop maternity support workers and healthcare assistants, that's one of the issues we've got. (RCM Organiser)*

While we don't have any local data on this form of occupational deskilling, the RCM organiser we spoke to suggested that Health Education England's figures of 2,500 nationally contrasted with the RCM's own calculations of around 10,000. Clearly, the forms of deskilling that have been evident in the education sector for some time are growing apace within the NHS.

One further aspect of the crisis and cuts is the move towards greater use of private providers. An example being the use of The Porterbrook, in Crosspool, which is one of a number of private care homes being used to ease the shortage of beds. Ten of its 44 spaces have been made available to the Northern General Hospital.<sup>163</sup>

#### **4.4.3 Trade Union and NGO Strategies**

The NHS trade unions and NGOs campaign focus both nationally and locally is around the following:

**Pay** - Current (2018) pay award is being considered by the respective trade unions and at the time of writing most have accepted the offer. However in March 2018 GMB recommended that their members rejected the offer for two key reasons.<sup>164</sup>

"With over half of NHS employees already being on the top of the pay scale, an offer of 6.5% over three years amounts to a pay cap, with inflation estimated by Government to be 9.6% over that period. Inflation is currently running at 3.6% (RPI), and an award of 3% is a cut in living standards. In year two, the increase is only 1.7% and in year three only 1.67%. There will be a 1.1% non- consolidated cash payment in year two, but for most staff in bands 1 to 3 it will amount to less than

<sup>163</sup> <https://www.sheffieldtelegraph.co.uk/news/hospitals-fight-to-keep-up-standards-amid-health-service-s-winter-crisis-1-8>

<sup>164</sup> <https://www.gmb-southern.org.uk/assets/attachments//NHS-MAR-NEWSLETTER-%2023%20March%202018.pdf>



£250 (before tax and NI).” The link between pay and grading was an issue discussed by both the RCM organiser and Unison NHS member we interviewed. The former noted that qualified midwives were increasingly being held back from progressing up to the pay structure, and that additional criteria were being placed upon them, whereas they would have been considered eligible prior to the last few years of austerity and restructuring. At the lowest end, the Unison member explained that porters and domestics remain trapped on the bottom grades of the pay structure and therefore feel the greatest impact of wage restraint.

*I've been trying to explain the new pay offer to people and stuff [...] so as things stand at the moment you get yearly increments until you get to the top of the band, that possibly all stands to change within your pay deal, so it took me eight years to get to the top of Band 2, which still works out as less than ten pounds an hour. So anyone on a Band 1 or 2 in the NHS is on less than ten pounds an hour [...] Band 1, once you've been there for a year you are on as much you are going to ever get, even if you are there for forty years or whatever. There's no progression really, that's it. (NHS Worker)*

**Privatisation** - Another reason for not accepting the pay offer is the threat of privatisation on service and conditions of NHS staff. As the GMB argue, “[c]urrently this offer only applies to direct NHS employees. A growing number of NHS Trusts have set up wholly owned, but essentially private companies, and transferred large number of NHS employees into these companies. Primarily these wholly owned subsidiaries have been set up to avoid the payment of VAT, which is a scandal in itself, but as employees of limited companies rather than of NHS Trusts, these staff are no longer classed as NHS employees, and may not get the benefit of the NHS Pay Agreement. Many of the staff concerned are in bands 1 to 3, the lowest paid in the NHS.” The Sheffield Save Our NHS along with local trade unions (see below) are linked to a national campaign seeking a judicial review to stop the Secretary of State for Health Jeremy Hunt and NHS England from introducing new commercial, non-NHS bodies to run health and social services without proper public consultation and without full Parliamentary scrutiny. These non-NHS bodies are known as Accountable Care Organisations (ACOs). They will be governed by company and contract law and can be given “full responsibility” for NHS and adult social services. This second point is important in terms of the way the privatisation agenda will potentially lead to deterioration in pay and conditions and more precarious work in the NHS.

**Staffing levels and working conditions** - The campaign for safe staffing levels is supported by all of the trade unions. The RCN has put forward several proposals regarding legislation for the accountable provision of safe staffing levels, increased

funding, with political accountability for safe staffing, credible and robust workforce strategies and scrutiny, transparency, openness and accountability<sup>165</sup>.

**Anti-casualisation** - This has been the subject of cross union campaigns but in 2017 *NHS Improvement* has paused plans to ban health service employees from picking up extra work with agencies<sup>166</sup>. This is being monitored closely by local trade unions in the Sheffield region. In 2017 Unison and the RCN had raised the issue of Sheffield Hospitals spending on agency workers amounting to £90 million between 2013 and 2017<sup>167</sup>.

**Joint action around service changes between trade unions and community/NGO coalitions: Sheffield Save Our NHS (SSONHS)**<sup>168</sup> - The coalition of trade unions and community under the umbrella of Sheffield Save Our NHS has been campaigning along with local MP Louise Haigh<sup>169</sup> against the restructuring of services involving the proposed closure of the Minor Injuries Unit and NHS Walk-in Centre. SSONHS is affiliated to two national groups: Health Campaigns Together and Keep Our NHS Public and linked to South Yorkshire and Bassetlaw NHS Action Group (SYBNAG)<sup>170</sup>. The latter can be seen as significant in terms of the need to respond to the proposals emerging from the Sustainability and Transformation Partnership (STP) and building and linking with campaigns at the city region level.

## 4.5 Welfare Reform and Universal Credit

As highlighted in Section 3.7 above the welfare reforms have had significant negative impacts on individuals and families in Sheffield. Some of the key issues raised are:

- Delays in payments of Universal Credit.
- Denial of benefits via sanctions.
- Problems with the implementation of disabled claimants undergoing Work Capability Assessments.
- Cuts to Personal Independent Payments (PIP).
- Two child tax credit limits.

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<sup>165</sup> <https://www.rcn.org.uk/news-and-events/news/safe-staffing-report>

<sup>166</sup> <https://www.unison.org.uk/news/press-release/2017/03/unison-welcomes-u-turn-on-nhs-agency-work-ban/>

<sup>167</sup> <https://www.thestar.co.uk/our-towns-and-cities/sheffield/hospitals-in-sheffield-run-up-90m-agency-staff-bill-1-8506832>

<sup>168</sup> [http://www.sheffieldsaveournhs.co.uk/home\\_4.html](http://www.sheffieldsaveournhs.co.uk/home_4.html)

<sup>169</sup> <https://www.thestar.co.uk/news/sheffield-mp-blasts-city-nhs-bosses-over-plans-to-close-walk-in-centre-and-minor-injuries-unit-1-8900146>

<sup>170</sup> <https://sybnhsactiongroup.wordpress.com/>

- Benefit cap leading to greater financial hardship.
- Displacement of impacts of welfare reform on to the local authority (increasing pressure on social and advice services and hardship payments).
- Increasing food poverty and use of foodbanks.

#### **4.5.1 Trade Union Strategies: Role of Public and Commercial Services Union (PCS), Unite Community and others**

Both the PCS and Unite Community have been active around welfare reform and in particular the promotion of the Welfare Charter as a framework and set of demands for campaigning. The key tenets of the Welfare Charter are an assertion of the necessity of full employment, a true living wage and a social security system that works to end poverty, an end to 'workfare' (keep volunteering voluntary), trade union representation for the unemployed, an ombudsman for claimants, equality in labour market access and access to benefits, an end to the sanctions regime and Work Capability Assessments, and state provision of better quality careers information and advice<sup>171</sup>. Support for The Welfare Charter was endorsed by the Trade Union Congress of 2016, yet work to further the provisions of the Charter have been variable.

Actions around poverty and welfare reform have been ongoing in Sheffield over the last seven years, and have included the PCS and Unite Community unions, as well as diverse groups including Sheffield Disabled People Against Cuts (DPAC), the Peoples' Assembly, Sheffield Uncut and Boycott Workfare. The protests have been linked to benefits sanctions<sup>172</sup>, Work Capability Assessments<sup>173</sup>, the 'Bedroom Tax'<sup>174</sup> and Mandatory Work Activity<sup>175</sup>. Such local protests have linked to national campaigns, including one which has seen Unite Community and the PCS work together to produce and distribute leaflets instructing welfare claimants on how to challenge unfair decisions<sup>176</sup>.

More recently, the PCS has also led on a national campaign to stop and prevent the closure of Jobcentres. In Sheffield this has primarily been around Eastern Avenue<sup>177</sup>. As the roll out of Universal Credit has gained momentum the trade unions along with community organisations have been involved in a campaign to "stop and fix" UC

<sup>171</sup> <http://www.unitetheunion.org/uploaded/documents/Welfare%20Charter%20Booklet11-23990.pdf>

<sup>172</sup> <https://www.sheffieldtelegraph.co.uk/news/video-benefit-sanctions-protest-held-outside-sheffield-job-centre-1-7165485>

<sup>173</sup> <https://www.thestar.co.uk/news/sheffield-protest-over-fit-for-work-assessments-1-6449603>

<sup>174</sup> <https://www.sheffieldtelegraph.co.uk/news/crime/sheffield-protestors-rally-against-bedroom-tax-1-5503660>

<sup>175</sup> <https://www.indymedia.org.uk/en/2015/06/520909.html>

<sup>176</sup> <http://www.unitetheunion.org/uploaded/documents/Benefit%20Claimants%20Leaflet11-34017.pdf>

<sup>177</sup> <https://www.pcs.org.uk/news/national-protest-day-to-support-sheffield-eastern-avenue-jobcentre>

through leafleting and information sharing. The focus is on the delay in benefits although there is now action nationally around other design issues such as payment on the basis of a household rather than individuals, which in particular discriminates against women.

Anecdotally, the authors are aware that individuals suffering as a result of the welfare regime across the city region have also made use of the services of the Unite Community Support Centre in Barnsley<sup>178</sup> and Derbyshire Unemployed Workers' Centre in Chesterfield<sup>179</sup>. The lack of an analogous centre for Sheffield itself might represent a missing opportunity for trade unions to organise in this sphere and build a community presence.

A recent innovation in terms of campaigning in the city has been the launch ACORN<sup>180</sup>, a new 'community union' that focuses on social justice issues in people's neighbourhoods. Thus far in Sheffield, they have mainly focused on upholding the rights of private renters, who have been increasingly squeezed following the decline of social housing in the UK and more recent Conservative legislation that has sought to further deregulate the sector. The tactics ACORN have used include providing information to tenants regarding their rights, advocacy on the part of tenants, 'anti-eviction' demonstrations<sup>181</sup> and the lobbying of councils to expand landlord licensing schemes. The focus on public 'naming and shaming' clearly has resonance with some of the initiatives of TUC registered unions in attempting to campaign against large companies whose workers are in precarious situations and may have low levels of unionisation (i.e. Unite's Sports Direct Shame campaign). As the ACORN organiser we interviewed noted:

*Yeah, well...leverage-wise that's what we've got, yeah, it's different from, [in a union], you can't withdraw your labour. You can withdraw your rent but to do a rent strikes it's, that's not like an easy thing to do.*

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<sup>178</sup> <http://www.unitetheunion.org/growing-our-union/communitymembership/newcomm/barnsley-centre/>

<sup>179</sup> <http://www.duwc.org.uk/>

<sup>180</sup> <https://acorntheunion.org.uk/>

<sup>181</sup> <https://www.thestar.co.uk/news/protesters-gather-to-oppose-illegal-eviction-of-sheffield-family-1-8674051>

## **PART FIVE: EMERGING THEMES AND FINDINGS FROM THE STUDY**

### **5.1 Austerity, challenging and changing the narrative**

*Austerity is the underlying cause of low pay and insecure work but there are in many circles a passive acceptance of its inevitability, even if many actors see its damaging effects.* For example, cuts to local authority budgets, health, skills and welfare can only have damaging impacts on the economy of Sheffield but there is little public assessment of its impacts or how to challenge it. While Sheffield has joined other leaders of the 'Core Cities' in campaigning against central government cuts<sup>182</sup>, more needs to be done to challenge austerity and highlight its impact on the people of the city:

- The cuts to the public sector, outsourcing and privatisation are having a dramatic impact on wages and employment conditions.
- Supported by the government tax regimes and a highly deregulated labour market the private sector is taking advantage of this in terms of wages and employment practices. The dramatic increase of labour flexibility occurring in the age of financial capitalism is functional to the idea of 'downsize and distribute', which allows for an expansion of financialisation and the implementation of remuneration schemes for managers based on the firm's short term performance and on shareholders' objective, interested uniquely in the maximization of dividends.
- Those sectors which are predominantly low paid such as the service sector have recorded high rates of profit and above pre recession levels.
- The overall impact of additional insecure working over the last decade on the public finances is estimated to be a net loss of revenue of between £5.3bn (if all the additional self-employed people in the UK workforce are sole traders), and £5.9bn (if all the additional self-employed people are owner-directors).

### **5.2 Trade Union innovative strategies and some challenges**

There is no doubt that trade unions have a bad press and like benefit claimants suffer from stereotyping and hostility. *We have found that trade unions deploy a variety of tactics and strategies to overcome anti trade union legislation and government policies, and to respond to new labour market challenges.* For example, trade unions have been at the forefront:

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<sup>182</sup> <http://www.bbc.co.uk/news/uk-england-merseyside-21074401>

- In challenging low wages and the public sector pay cap, negotiating for a higher Living Wage, making submissions to the Low Pay Commission – Sheffield Council and NHS are living wage employers. Thus the “real living wage” has continued to thrive, increasing its affiliations by 50 per cent in 2016, the year after the government’s national living wage was announced and doubling them in the past two years to reach over 3,000 accredited organisations by 2017.
- In the NHS, in addition to lifting the pay cap, unions are campaigning around staffing levels as a means of protecting workers against unreasonable workloads. Also broader coalition of union and community organisation around challenging cuts to NHS and implementation of Sustainable Transformation Plans.
- Unite has brought about further innovations in challenging non unionised workplaces, a recent example being Sports Direct (in the Sheffield City Region at Shirebrook North East Derbyshire), which has exposed the exploitative practices of employment agencies and the use of zero hours contracts. Whilst workers are prevented from forming a trade union, union activists have made contact with workers outside the workplace as a way into unionisation and recognition. In this way trade unions have exposed companies paying staff below the minimum wage.
- Unionisation of fast food workers at MacDonalds has been a key priority for the Bakers Union, supported by the wider TU movement and has led to the first ever strikes in the McDonald’s UK history.
- Trade unions have formulated campaigns for particular sectors such as Unison Care Workers for Change and GMB care worker campaigns, including collaboration with local authorities to reduce the use of zero hour contracts.
- UCU has formed a national Anti-Casualisation Committee to take forward its campaign in the HE/FE sector, and local UCU branches in Sheffield have pioneered the use of local surveys of staff on casualised contracts in an effort to shame their employers.

### **Some challenges**

- While women are more likely to be trade union members (some 25% of women are members, compared to 20% of men<sup>183</sup>), there remain challenges in improving the representation of women on branch committees and amongst

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/616966/trade-union-membership-statistical-bulletin-2016-rev.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/616966/trade-union-membership-statistical-bulletin-2016-rev.pdf)

full-time officials. There is some way to go in relation to trade unions developing a gender perspective in their day to day work. Sheffield is a city with its traditional industrial base dominated by male employment and this still permeates the political culture of the city.

- There are perhaps even more urgent challenges for trade unions in terms of young people, with 40% of trade union members being 50 plus, and another 36% being aged 35-49. Just 18% are aged 25 to 34 and fewer than 5% are aged 16-24. High profile campaigns by Unite and BFAWU focusing on the disproportionate employers of the young (Sports Direct and McDonalds) are important steps, but this work needs to be generalised.
- We have not been able to generate new findings on the relation of trade unions to Black Asian and Minority Ethnic communities, but it is clear from what evidence is available that BAME workers continue to suffer disproportionately in the workplace.
- Traditionally trade union links with benefit claimants and disadvantaged groups have been weak or even non-existent and are reflected in a relative lack of mobilisation around welfare policies. Unite Community, PCS and Trades Union Councils have mobilised on these issues around the Welfare Charter, and this work needs to be built upon.
- Trade unions 'breaking in' to unorganised sectors and workplaces is clearly highly resource intensive and more consideration needs to be given to how wider community campaigns and activist networks can support such activity through fund raising, lobbying and volunteer organising.
- Sheffield lacks a hub for community organising and joint trade union action, such as the Derbyshire Unemployed Workers' Centre in Chesterfield, or the Unite Community Support Centre in Barnsley.

### **5.3 Extent of oppressive employment practices**

We have found that over recent years we have seen the rise of new, non-standard forms of employment, such as agency work, zero-hours contracts and self-employment. Whilst not all employers in the low wage insecure sector can be classed as 'bad' employers, nevertheless the *dominant trend is towards a work regime which involves stressful, poor-quality work and, in many cases, abusive and oppressive behaviour by management.*

The number of agency workers and self-employed people has increased by 20% over the last 5 years. Many of these issues relate to those in non-standard forms of



work; there are three areas in which agency workers face disadvantage – pay deductions, statutory sick pay, and equal treatment with other workers.

Workers on zero-hours contracts, as well as other casual, agency and temporary workers, often end up in debt, or with their homes threatened when promised work hours do not materialise. Irregular work and unpredictable incomes make it hard to budget for living expenses, or claim top-up welfare benefits.

In many cases workers in insecure employment have been denied the right to join a trade union and there is now a trend towards advice services filling the gap in tackling employment rights issues.

## **5.4 Casualisation, diversity and intersectionality**

Women, disabled people, Black Asian and Minority Ethnic (BAME) people, young people, older people and LGBT people are particularly disadvantaged and discriminated against. This is a complex issue – because the experience of casualisation differs according to ethnicity and age. For example, economic changes have affected the employment contracts of BAME groups. Black African and black Caribbean women have experienced a 15-20 per cent fall in full-time employment rates over the past decade, while those for white women have remained stable. 39 per cent of Bangladeshi women work part-time, double the levels of two decades ago. The White British – BAME employment gap in Sheffield was amongst the highest in the country as of 2011. Older women workers, half of whom work in the public services, have been particularly hit by redundancies, pay freezes and increased contracting out of services. Younger workers are reluctant casualised workers with 81 per cent of temporary agency workers aged 20–24, and 64 per cent of those aged 25–29, saying that they are in temporary work because they cannot find a permanent job.

This poses interesting challenges for trade unions. Trade unions have been embracing diversity but there is a long way to go in terms of its application within trade union structures and in the workplace. Sheffield TUC and Yorkshire and Humber Regional TUC should take stock of this in its anti-casualisation and zero hours campaigns. The role of Unite Community presents opportunities but it needs to be taken on by all the trade unions. The challenges can be met through more joint collaboration between trade unions – the kind of pooling of resources that has occurred through the Sheffield Needs A Pay Rise campaign, or campaigns such as Action4Rail at the national level.

## **5.5 Importance of skills and training**

The low pay low skills cycle characterises insecure work in Sheffield. In work conditionality as part of UC places even more emphasis on in work progression. *The*

*Government national target of 3 million apprenticeships along with the Apprenticeship levy represents a potentially significant increase in opportunities to access in work skills and training.* This could have a significant impact on employment and careers in low paid jobs.

However, there may be problems for meeting these targets in those areas, which are characterised by large numbers of people on low skills and at the margins of the labour market. We have identified from other studies:

- There are significant numbers of people with low-level qualifications in Sheffield.
- There are also a significant proportion of who have poor or low level literacy, numeracy and ICT skills.
- There are doubts that current resources are commensurate to addressing these challenges. Adult skills funding budgets have been reduced and impacted on the role of Further Education Colleges within the SCR in terms of providing vocational training which can lead to routes to apprenticeships.
- There is a question not only how the cuts can be sustained by FE Colleges but also how this will impact on College users (a large proportion from disadvantaged groups) in terms of their access to apprenticeships.
- Last, the proposed Institute of Apprenticeships and the new Digital Apprenticeship Service online portal are disconnected from LEP skills and employment strategies and are consequently being launched without consideration being given to how to secure brokerage with local employers.

## **5.6 Trade unions, welfare reform and disadvantaged groups**

*The increasing interest in community unionism combined with the formation of Unite Community and the deployment of community based campaigns by many other unions has given an impetus for non union activists and community organisations to engage with trade unions.* This is the lesson of the mobilisation of communities around the living wage campaigns some years ago. The roll out of Universal Credit and increased use of benefit sanctions has stimulated more activism around the campaign to stop and fix UC. Furthermore, the trade unions have formulated their own Welfare Charter to counterpose the workfirst model of UC.

- The TUC and trade unions are now facing the reality that thousands of members will be subject to in work conditionality and sanctions on top of the financial implications for individuals of benefit cuts and delays.

- Many disadvantaged groups and claimants have little contact with trade unions which represents a significant challenge. There is much to do to address this with respect to mobilisation and recruitment.
- There is generally a high incidence of these groups cycling between insecure work and the welfare system – this raises important questions regarding how trade unions reach these groups.

## **5.7 A potential for trade unions to shape an inclusive growth and social dialogue agenda in Sheffield City Region**

*There has been a tendency to marginalise trade union engagement with the devolution political process, even as regional union structures struggle to influence the direction of devolution deals. Furthermore, the TUC argues<sup>184</sup> that Local Enterprise Partnerships (LEPs) often do not recognise or understand the role that unions can play as agents for change.*

While it is recognised that LEPs should be held accountable for their development there are no mechanisms currently in place for this to happen. In terms of the Sheffield City Region, there are concerns that the LEP Boards are not genuinely representative of their area. Furthermore the devolution of employment policy tends to be taking place without any structural changes or adjustments that will allow the voice of disadvantaged groups to be heard within the city region policy process.

Sheffield actors participated in the Royal Society for the Arts Inclusive Growth consultation but as yet there is no evidence to suggest this has had much impact on the City Region authorities. As evidenced by the recent study on the Sheffield City Region<sup>185</sup> there is an opportunity within the devolution framework to formulate inclusive growth strategies which have a meaningful input from trade unions and civil society organisations.

<sup>184</sup> TUC (2014) *TUC Submission to the City Growth Coraw mmission* (TUC: London).

<sup>185</sup> Etherington D and Jones M (2016) *Devolution and Disadvantage in the Sheffield City Region: An analysis of employment, skills and welfare* University of Sheffield  
[https://www.sheffield.ac.uk/polopoly\\_fs/1.645005!/file/SSDevolutionPolicy.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.645005!/file/SSDevolutionPolicy.pdf)

## PART SIX: RECOMMENDATIONS

### 6.1 Recommendations for trade unions

Recommendations draw from what stakeholders have told us combined with studies of trade unions and casualisation. We are indebted here to the recent work of Geraldine Healy and Mark Bergfeld and their study of trade unions casualisation and women.<sup>186</sup> These include:

**Campaign around the Living Wage Foundation's agreed Living Wage** to bring the National Living Wage (NLW) (the rebranded National Minimum Wage) up to the level of the Living Wage set by the Living Wage Foundation and campaign for the NLW to apply to people under 25. Target local authority and the NHS to adopt LWF recommendations and minimum wage.

**Public procurement and contract compliance** – also following Sheffield CAB recommendations for a more rigorous approach to employment and fair pay conditions in contracts.

**Introduce a casualisation committee within the National TUC and regional structures, including Yorkshire and Humberside Regional TUC.** Casualisation reps, where appropriate, to link to advocacy groups, including: the women's structures: race equality and other diversity structures in the union so that intersectional experiences can be accounted for.

**Link up with service users in unionisation campaigns** - using community and relational organising to engage and involve society in the injustice of low pay and poor working conditions on people's lives as users of public services – e.g. social care sector linking with advocacy organisations such as AGE UK.

**Continue the focus on trade union campaigns in the city targeting particular workplaces strongly associated with casualisation, particularly retail, fast food and hospitality.** Campaigns can be modelled on recent successful initiatives. USDAW is making significant inroads in the low-paid retail sector and Unison and GMB are campaigning in social care. BFAWU has developed innovative organising strategies to reach out to precarious workers in fast food, drawing in wider activist networks and linking up with similar campaigns internationally. Unite have deployed innovative strategies of public 'leverage' at Sports Direct (which are being emulated in the Higher Education sector) and delivered English for Speakers of Other Languages as ways of engaging migrant workers. In some of these campaigns trade

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<sup>186</sup> Healy G Bergfeld M (2016) *The organisation challenges presented by the increased casualisation of womens work*, Report to TUC Queen Mary College

<https://www.tuc.org.uk/sites/default/files/casualisationofwomenswork.pdf>

union centres have played a key role in coordinating solidarity and acting as a base for drop in sessions and monthly membership meetings. Organisations like Sheffield Needs A Pay Rise can play an important role in raising funds, coordinating public actions and acting as volunteer organisers.

**Campaign around affordable and accessible childcare provision** - for women and men with children not just as workers but as members of society who have concerns with respect to positive flexibility, childcare costs, sick leave and predictable hours.

**Build Trade Union links with Sheffield City Council Equality Hubs** – an outcome of previous research for the Yorkshire and Humber Regional TUC was that unions needed to do more to engage the BAME community sector, and this action can be part of wider unionisation campaign but also linked to activity around welfare reform (see below).

**Develop joint union campaign against the roll out of Universal Credit and promote the Welfare Charter** – this will also involve all aspects of welfare reform including the Work Capability Assessments (WCA), Bedroom Tax, Benefit Cap, Benefit delays. The campaign could be led by PCS/Unite Community and develop involvement and engagement with Equality Hubs in the city. This will be linked to City Region policies (see below).

## **6.2 Recommendations for City Region and Local Authority**

### **Promote employment rights among City Region employer stakeholders**

- This should include adopting initiatives developed by Sheffield's Fairness Commission around all employers within Sheffield paying the LWF recommended Living Wage to both direct employees and subcontracted staff.
- Ensure that unions are actively involved with training in city regions, building on the Unionlearn proven track record for achieving this.

### **Promote inclusive governance at the City Region Level with the development of social dialogue with trade unions**

- Ensure that disadvantaged groups and organisations that represent them (such as the voluntary sector) are involved in decision-making processes.
- Trade unions have important roles to play and should be represented alongside local authorities and business leaders.

- Establish joint spatial working relationships between the LEP, DWP, Work Programme providers, and Local Authorities, to tackle governance boundary problems and also facilitate the integration of employment and skills policies.
- Design growth strategies to reduce insecure work and address poverty reduction.
- Highlight the financial case for inclusion by undertaking a cost benefit analysis of anti-poverty initiatives and the public expenditure savings that can be accrued.

### **Promote an inclusive welfare to work at the city region level**

- Redesign the claimant agreement so as to reduce the incidence of benefit sanctions such as incorporating a role for advice services to support the customer journey through the welfare to work system.
- Ensure that welfare to work programmes are appropriately resourced so that interventions can be sustained.

### **Explore how the apprenticeship levy can support in work progression for people in low paid and skilled work**

- Increase access to apprenticeships for disadvantaged groups - learn from best practice (e.g. LGA review).
- Promote high-quality apprenticeships in the context of expanding numbers and supporting the research of the relevant trade unions and Ofsted.
- Promote the employee voice in the city region through the Unionlearn model, which involves greater union engagement in promoting learning and skills development in the work place to disadvantaged groups.
- Pilot a Job Rotation model within the Sheffield City Region. We propose that a City Region Job-Rotation (JR) initiative is developed as part of an 'inclusive growth' approach to addressing the low pay low skills cycle<sup>187</sup>. JR was developed in Denmark in the late 1980s promoted by the trade unions to address high rates of structural unemployment combining activation and work based training in a holistic model. JR involves training, development, and work experience for unemployed adults, which is combined with employer

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<sup>187</sup> Etherington D and Jones M (2017) Inclusive Labour Market Instrument: Job rotation, Submission to the RSA Inclusive Growth Commission, [https://www.thersa.org/globalassets/pdfs/inclusive-growth-commission/rsa-igc-job-rotation\\_de\\_mj.pdf](https://www.thersa.org/globalassets/pdfs/inclusive-growth-commission/rsa-igc-job-rotation_de_mj.pdf)

needs for planning training and progression for their existing staff. Job-Rotation is integrated into the strategy for supporting adults to return to the workplace. The unemployed adult is matched as closely as possible, in terms of their skills and abilities, to a suitable job rotation opportunity. Still receiving their unemployment benefits, which are topped-up so that they are working for the agreed rate for the job, supports the unemployed adult. A key feature of the model is that it promotes coordination between skills and welfare to work programme and in-work progression through employer training.

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*Forging an inclusive labour market - empowering workers and communities : an interim report on low pay and precarious work in Sheffield*

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