

Three things to do today:

- [Learn about the childcare expansion](#)
- [Read about working class pay](#)
- [Ask a friend to join](#)

PFI Failure

The fiasco over the new Edinburgh Sick Kids Hospital continues to shine a light on the many reasons why conventional public funding is best for major capital projects.

Scottish Health Secretary Jeane Freeman delayed the opening in July because the ventilation system in critical care does not meet national standards.

There are no guarantees about when the new children's hospital will open and a barrage of media reports has highlighted other major concerns over drainage as well as the massive and rising costs involved in this Public Private Partnership (PPP) project.

The Sunday Mail [reported](#) that taxpayers are footing interest on the loans for the hospital at 9.47%, twelve times the Bank of England base rate. The SNP in opposition condemned the Private Finance Initiative and other PPP schemes. But their so-called Non Profit Distributing (NPD) model has the same profiteering and inflexibility inherent in PFI. As Tom Waterson, chair of UNISON's Scottish health committee, said:

"Every penny is a prisoner in that health board just now and to find out we are paying millions of pounds for a hospital we can't use is nothing short of scandalous. We need a full independent public inquiry into what has gone wrong."

Delivering a Just Transition

If we put communities and trade unions at the centre of decision making then moving to a green economy can be achieved without the devastation of livelihoods and communities that took place in previous technological revolutions.

A [new report](#) by the TUC based on research by the New Economics Foundation (NEF) examines how the UK could manage a just transition by looking at three case studies of industrial change: Bilbao, Eindhoven and Iceland.

Findings

Bilbao: strong public participation and local autonomy over policy and finance helped lift the city after a devastating flood and "intertwined social, economic and political crises".

Eindhoven: public investment and cooperation with business enabled the city to become a hub for technological innovation particularly in health and social care.

Iceland: moved through the global economic crisis with impressive income and gender equality by maintaining a commitment to social provision and democratic accountability supported by its strong trade union movement.

Critical success factors

- people feel secure and have a stake in their local areas
- there is a strong social safety net to foster long-term opportunity in an area
- genuine opportunities for participation in decision-making
- proactive, positive interactions between state, unions and businesses

The NEF recommendations for the UK are setting the development of quality jobs as the test for success of the industrial strategy, ensuring that plans for industrial strategy or economic development are overseen by a social partnership approach and allowing unions to bargain with employers to maximise employment standards across sectors

The report shows that taking positive action to improve lives and create well-paid secure jobs we can transform our economy and avoid a climate catastrophe. This will not happen without an active state working at all levels with trade unions and communities. Without these actions we will repeat the mistakes of the past which saw communities devastated by the closure of local industries.

Working Class Wages

Millions of employees in lower and middle income jobs have had real pay reductions over the last ten years.

pay below the median was stagnant

The [TUC has analysed](#) occupational hourly pay. This work shows that, while changes to the minimum wage have helped the lowest paid, millions of other workers have experienced a real pay cut since 2010.

The TUC is undertaking a series of analyses looking at class in Britain to support the trade union movement's work to advance "the general interests of the working classes". The reports define "class" through both occupation and pay. Going forward they will also look at the experience of class inside and outside of work including "issues of status and respect, control and voice".

This first report focuses on pay and aims to support the work of trade unions to build a new deal for working people.

Findings

In the decade before 2010 lowest earners experienced a 10% pay rise and low to middle earners a 7% rise. The minimum wage has made a big difference to the lowest paid but the TUC report shows that without strong trade unions it has been difficult to ensure that improved pay is more widely shared among those still earning below the median.

Since 2010 the minimum wage has provided some protection to the bottom half of earners. Real pay in jobs paid above the median fell by 6% and pay below the median was stagnant. The lowest paid jobs have seen a pay increase of 5%.

Those earning £26 per hour or more have seen their pay increase by 4%. The biggest groups of those earning below the median rate now work in

care and retail. Women and black and minority ethnic workers are over represented in the worst paid jobs and are under-represented in the higher-paid groups.

The New Deal

- The rate for the job and fair pay for everyone
- New rights so that workers can be protected by a union in every workplace, and when we use social media, so that nobody has to face their employer alone
- New rights for workers to bargain through our unions for fair pay and conditions across industries, ending the race to the bottom
- A £10 an hour national minimum wage and an end to discrimination against young workers
- Workers to be elected onto remuneration committees to help curb greed at the top
- Legal requirements on employers to report on and act to close race, gender and disability pay gaps

Women and black and minority ethnic workers are over-represented in the worst paid jobs

- Support for the genuinely self-employed while calling for a ban on zero hours contracts and false self-employment
- A right to reasonable notice of your shifts, and payment if your shifts are cancelled
- A move to a shorter working time with no loss of pay, starting with four new bank holidays a year, and setting an ambition for a four-day week
- A right to positive flexible working from day one of your job, with employers required to advertise all jobs on that basis
- A decent floor of rights for all workers and the return of protection from unfair dismissal to millions of working people.

The only way to deliver on these aims is to build strong trade unions.

Toxic Leaders

Organisations have put some focus on identifying and removing toxic leadership, Much less is done on how to support the workforce in the aftermath. Often organisations prefer to pretend that nothing has happened and expect staff to just get on with it.

A [recent article](#) in the Australian Army Journal offers some practical steps round prevention, and responding to toxic leadership and it's aftermath.

Toxic managers aren't rare events so policies and procedures should be put in place to identify the managers, to prevent harm from their behaviour and to support staff in the aftermath. Organisations that are serious about staff wellbeing need to offer support to those affected by toxic managers. This starts with a focus on dignity and respect in the workplace.

Policies and procedures should cover the psychological, emotional and physical impact of toxic managers as well as career implications for those affected.

There may be a need for support for the team as a whole to discuss/design new ways of working together and building new positive working relationships.

For some, a toxic manager's leaving may be enough to allow them to deal with issues and get on with their lives but, for others, there may be a need for support such as individual counselling. Responses to toxic leadership should form part of health and safety policies.

Employers shouldn't wait for this to happen but should be

Robot Women

Automation – the so called ‘fourth industrial revolution’ resulting from artificial intelligence and robotics – will have its greatest impact on women. That’s the claim being made by the IPPR.

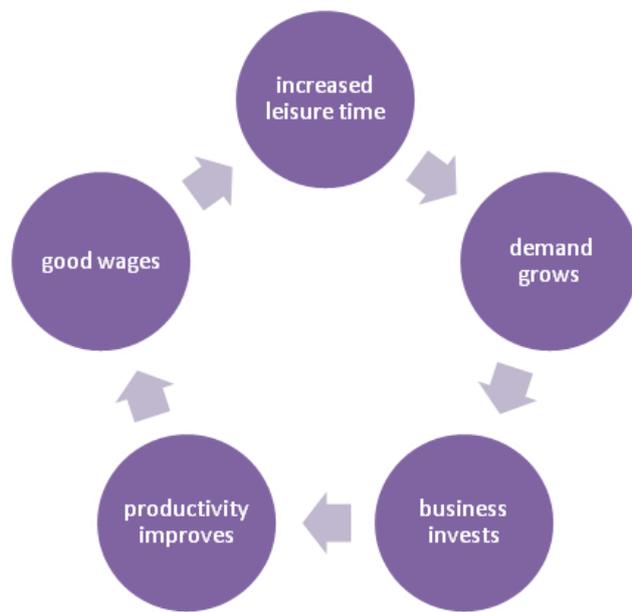
IPPR
The Centre for Economic Justice
THE FUTURE IS OURS
WOMEN, AUTOMATION AND EQUALITY IN THE DIGITAL AGE

Carry Roberts, Henry Parkes, Rachel Southam and Lesley Rankin
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In a [recent report](#) the think tank look at the likely areas for automation. They conclude that, of the jobs rated with a high potential for automation, 64% are carried out by women. The examples given include work in health and social care, clerical work and hospitality.

The analysis goes further, suggesting that as well as jobs being lost to automation – others will be created. This has the potential to address the gender pay gap if efforts are made to ensure women are trained up to take the newer, higher skilled roles. As a consequence the report makes various recommendations as to how the skills sector can be adapted to promote relevant training for automation to girls and young women in particular.

The impact of automation will of course not be limited merely to job displacement. There will be impacts on productivity. How the gains from this are distributed - either in reduced hours for the many or increased profits for the few, is set to become an increasingly urgent question.



Good Wages=Good Lives

Improving holiday entitlement and raising incomes will boost productivity. As will increased public investment according to the Economics Foundation (NEF).

productivity increases are associated with higher wages

The UK has one of the lowest productivity among the “advanced” economies. Raising productivity isn’t just about driving profit. Historically, productivity increases are associated with higher wages and increased leisure time for workers where there are strong trade unions. The environmental crisis also shows the need for efficient use of resources.

There have been a range of different ideas put forward as reasons for our slow productivity growth but little agreement on the problem or solutions. These often focus on the supply-side. This paper looks instead at demand-led solutions.

Lack of confidence about the future of organisations means that they tend towards short term solutions where costs are easily reversed rather than long term-investments. The growth of zero-hours contracts and outsourcing are typical of this mindset. The ONS (Office for National Statistics) estimate that lack of investment accounts for a

quarter of the UK’s gap in productivity (with the historical trend). The report explores reasons for weak demand and then offers routes to boost demand.

Boosting demand through fiscal policy The NEF propose a range of measures to raise demand focusing where the multipliers are high: frontloading public investment of between £20-40bn for the “green transition”; increased public spending on services by between £15 and £32bn and a new weekly national allowance of £2500 plus an increase in child benefit paid for by abolishing the income tax personal allowance. This will redistribute

a new weekly national allowance of £2500 plus an increase in child benefit

£8bn from the richest 35% of families to the rest. Most gains will be concentrated on the poorest 10% who are most likely to spend any increase.

Boosting demand through holiday and wages; Increase the minimum wage and increase statutory paid holiday.

Current policies aren’t working for ordinary people. They are not working for businesses either. This report offers evidence of the benefits

Pay is the key to quality

Scotland needs to avoid the mistakes made in England as we move towards increased Early Learning and Childcare hours. Without pay that reflects the skills needed to do the work and appropriate funding the expansion will not work. And we know which children will suffer most from shortages of spaces.

A [new report](#) by the All Party Parliamentary Group for Childcare and Early Education highlights a range of problems in England not least of which is the fact that the better-off benefit much more than those on lower incomes.

The system sees the expansion take place outside the public sector which has led to an expansion in wealthier areas where parent can afford to pay to top up the funding for the “free hours”. The research indicates that 17% of providers in deprived areas “anticipate closure in the next 12 months” compared to only 8% in affluent areas.

This means that it is increasingly difficult for those in less affluent areas to find a place for their child even if they could afford the top up fees and extremely difficult for those who only want the “free hours”.

The reality is that outsourcing childcare is not going to save money or build a high quality service. More significantly, for us in UNISON, the report highlights the effects of low pay creating difficulties retaining staff in the sector. The early years workforce is highly-skilled but poorly paid. Even the promise of the Scottish Living wage, which is well below public sector pay rates, will not be enough to recruit and retain staff when other jobs offer the same pay but without the high levels of responsibility, stress and ongoing professional development required.

In England, the average hourly pay was £8.20 an hour: about 40% less than the average female worker. The picture will be similar here as (outwith the public sector) workers without management roles are generally paid the legal minimum wage for their age.

Statistics of unsustainability

These statistics highlight the financial realities that providers and parents face in response to underfunding of the 30-hours funded childcare policy:

£5.36
cost per hour

The average cost to deliver one hour of early education and childcare for three and four-year-olds is now an estimated £5.36 (this is up 5.5% on the previous year), set against an average funding rate of £4.46, leaving a 20% funding shortfall.

£63m
shortfall

This adds up to an annual funding shortfall of £63m in the Government's 30-hours childcare policy.

66%
setting closures

There has been a 66% increase in setting closures since the introduction of the 30-hour childcare policy, with 42% of current providers now worried about closing in the year ahead.

17%
closures

Operators in the most deprived areas of England are twice as likely to anticipate closure (17%) as those in the most affluent (8%).

14.5%
business rate increase

A significant number of childcare providers have been hit with large increases in business rates, with average increases in 2018 of 14.5%. Some settings have experienced a doubling of their business rates.

2/3
increased fees

Two-thirds of childcare providers have already increased parent fees, and nine in ten expect to increase fees this year.

56%
parents

56% of parents pay charges for additional items and activities, and 48% face restrictions on how they can use the 30-hours policy due to providers struggling financially to deliver Government commitments.

The Scottish government needs 1000s of workers to train up in order to deliver the promised expansion. Yet they are only promising the Scottish Living Wage to those they are trying to attract. This report shows that low pay is one of the main drivers of childcare workers leaving the sector.

25% of respondents are considering leaving the sector due to stress or mental health difficulties. Heavy workloads, administration and paperwork and the financial resources and of course pay were the top four sources of stress.

Retail jobs are the main competition for staff. The pay is similar and while not an easy job does not have the responsibilities for children's development and health and wellbeing that early years work includes. It's therefore no surprise that nurseries report difficulties recruiting and retaining qualified staff.

Local authorities, also pay substantially better wages and will struggle less to retain staff than the low paying sectors as the expansion goes forward in Scotland. That will be small comfort to parents who cannot get a place for their children in a nursery due to lack of places.

Across the UK governments are attempting to expand childcare. It will not work without the investment to train and to pay the staff a wage that reflects their skills and responsibilities.

If you would like more information on any of the articles in this newsletter or have information you would like to share in the next issue please contact: [Kay Sillars](#) in the Bargaining and Campaigns



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