

## **Unite's 10 point plan ahead of the Budget, March 2021**

### **Action urgently needed to protect health, jobs and incomes**

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Britain has the highest death rate in the world with over 120,000 people dying so far from Covid-19. We also have the worst economic performance of the G7 nations, with GDP falling 10% over 2020. This is the biggest contraction since records began.

Unemployment, according to analysis by the Alliance for Full Employment in January, is higher than official figures and already stands at more than 2 million and likely to rise to 3.5 to 4 million people this year (this is more than 10%, with official figures putting current unemployment at 5.1%, or 1.7 million people).

Our poor economic performance is linked to how we have failed to contain the virus. Both will continue to have human costs for months and potentially years to come. Alongside mass unemployment deepening poverty is forecast – the number of households living in destitution doubled last year and the queues of people at foodbanks remain shocking. Insecure work is spreading and there continues to be chronic under-investment and the privatisation of our public services, a housing crisis and a failure to meet the challenge of climate breakdown.

Yet bold action, like the large economic stimulus we have seen in the US, can still radically transform this situation and instead put Britain on a different path. Lives can be saved and a more hopeful future achieved, mass unemployment can be prevented and we can halt and reverse the spiralling levels of poverty and wealth inequality in this country. In building a recovery we must ensure that recovery is for everyone – and that we build better than we had before the pandemic. That is why Unite are calling for a package of actions that can do this, and that will protect health, jobs and incomes.

The importance of this budget cannot be overstated. It will reflect how the government chooses to rebuild the country out of the rubble of the pandemic. It will show the government's priorities and ambitions for the people of the country and so we are setting the tests on secure jobs, wages and health; just as we have throughout this crisis.

#### **Unite's 10 point plan for the Budget:**

##### **1) Comprehensive packages of sector support to prevent job losses**

We have many fantastic sectors in our country that will be the engine of growth in the future, but need support in the immediate short and medium term; sectors such as aviation and public transport, manufacturing industries such as automotive and aerospace, foundation industries such as steel and sectors hit by the specific nature of the pandemic such as retail and hospitality<sup>1</sup>. Unite has been demanding that the Government work with the TUC and trade unions since the start of the pandemic to

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<sup>1</sup> Read the Unite hospitality rescue package: [Hospitality urgently in need of a proper rescue](#)

develop sector specific support to prevent job losses. An aviation package that was promised in March 2020 is now a year overdue<sup>2</sup>. The Budget must be used as an opportunity to announce this much needed support; competitor nations are ahead of us on this agenda. Failure to act now on sector support could be felt for years to come.

## **2) Extend and fix furlough**

Unite support the TUC calls for the Job Retention Scheme to be extended until the end of 2021. This would mirror the support in place in other leading, competitor economies. As well as extending furlough in the Budget it is an opportunity to fix the holes to cover those currently excluded - for example, those starting work after its introductory cut-off date, those denied it by their employers and gaps in how maternity, paternity and parental leave is treated. The lack of a 'minimum wage floor' has also meant people can receive only 80% of the minimum wage. This is unacceptable. Extending and fixing furlough is about putting in place the necessary support to prevent job losses, provide certainty for workers as we come out of the pandemic, and help kickstart our recovery.

## **3) A pay rise for public service workers and raise the minimum wage to £10 for all**

People need a pay rise. The government can directly deliver this for millions of people. Public service workers suffered a decade of real pay cuts – local government workers have seen 25 per cent wiped from the value of their pay for example. The past year has seen public service workers among the many that have worked through exhausting, difficult and often distressing circumstances. Rather than a public sector pay freeze the government is in a position to reward public service workers with pay rises that keep pace with the increased cost of living, while making up for lost earnings over the last decade. There are also many key workers in the private sector who are engaged in delivering core public services, including social care workers. These workers will not even benefit from the £250 flat payment- despite many earning under £24,000. Everyone should receive a decent wage in this country - departments should be funded so that outsourced workers' pay is increased to at least the real Living Wage. This should be accompanied by an increase in the minimum wage to £10 an hour for all to raise everyone's incomes higher than the announced £8.91 for those aged 23 years and over from April 2021. The government has an obligation when millions of people are anxious about making ends meet to take whatever action it can to deliver income increases – the Budget is an opportunity to do so.

## **4) Don't cut Universal Credit – provide social security to end poverty**

Universal Credit (UC) and benefit levels have been exposed as being inadequate by the pandemic – and will be further exposed if unemployment continues to grow and no action is taken to raise wages. Confirming that Universal Credit will not be cut by £20 should be the first step in raising the amount people are entitled to receive. A Unite survey of our Community members found that found 78 per cent did not find the current level of UC's payment enough to live on as they struggled to pay food and utility bills<sup>3</sup>. Other immediate changes to UC that Unite and other campaigners have long called for also need to be acted upon. These include ending the five week wait for people to receive payments, ending the single household payment and the benefit cap. The TUC have also called for significant boosts in child

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<sup>2</sup> Read more about the Unite blueprint for aviation sector support and Labour support for it: [Unite welcome Labour support for aviation sector](#)

<sup>3</sup> You can read the Unite survey and comments from members: <http://www.unitetheunion.org/ucsurvey/>

benefit, the child element of UC and to remove the two child limit. As a country we should be ambitious in setting targets to end poverty - building a full social security system alongside creating better work can achieve this. The Budget should be grasped as an opportunity to start.

#### **5) Enable people to self-isolate – raise sick pay and give proper support to all**

The current £96 a week is a fifth of average weekly earnings and the 2 million workers who earn less than £120 a week do not qualify. We need to increase Statutory Sick Pay (SSP) to £320 a week – a living wage – and abolish the lower earnings threshold so that it is available to all workers, and expand the support available to the self-employed. Measures to contain the virus will continue to be needed during the roll-out of the vaccine. There have been repeated warnings from across the political spectrum and public health experts – including SAGE in September 2020 - that self-isolation rates are low, with lack of financial support one of the key reasons for this. Taking this action at the Budget is critical in addressing this problem.

#### **6) Create roving health and safety reps to ensure workplaces are safe**

The pandemic has highlighted our health and safety framework needs strengthening and bringing into the 21<sup>st</sup> Century to keep workers safe. One of the specific improvements Unite wants to see is 'roving' Health and Safety representatives. This would enable Health and Safety representatives to visit workplaces other than their own and be part of the stronger assessment and enforcement regime that is urgently needed to ensure workplaces are safe. Unite have worked with a number of employers constructively during the pandemic to put in place safe working conditions but there are insufficient penalties against employers who do not take such action and insufficient power in the hands of workers and their trade union reps. The Chancellor should announce Government action - continual failure to make workplaces safe will undermine attempts to contain the virus and our economic recovery.

#### **7) Build high quality universal public services for all**

Our health, local government and social care and education members are all clear that our public services desperately need extra resources – urgently now for pandemic costs and going into the future. After a decade of cuts and a year of the pandemic our services are under enormous strain. They are a necessary part of repairing social fabric, improving people's everyday lives and a crucial part of creating a more equal and just society. They are also part of the story in achieving the jobs led recovery we need. Research from the TUC has shown that investing the resources our public services immediately need would create 600,000 jobs. The extent to which privatisation, fragmentation and poor employment standards are all structural challenges to maintaining good safety and employment standards and high quality public services has also been drawn attention to by the pandemic – Unite believe there needs to be an end to privatisation and to instead insource our public services, making sure that the jobs we create are good jobs. Yet there are already siren voices calling for cuts – not only should they be resisted, there needs to be an increase in government spending to build the public services we need and deserve.

## **8) Massive public investment to create good, green jobs for full employment**

We need to create good, secure jobs in every local community and transform our whole economy into one that is sustainable. Unite has published its 'Plan for Jobs'<sup>4</sup> that gives seven examples for manufacturing that are ready to go now and can be a starting point. These include investing in the roll out of high speed broadband, building giga factories as part of transitioning to electric vehicles, building increasing our offshore wind capacity as part of a large-scale expansion of renewable and zero carbon energy generation. Retrofitting all of our homes and building many more council and genuinely affordable homes will create construction jobs in every area and help address our housing crisis – as would expanding, upgrading and transforming our public transport system. Mass unemployment from this pandemic is not inevitable – and in addressing the jobs challenge we can also meet our climate obligations. The TUC produced analysis in June 2020 showing how we can create 1.24 million jobs in green infrastructure. It has never been clearer what this country needs – we just need the government to act.

## **9) End the insecurity and 'fire and rehire' – make work pay and all jobs good jobs**

Insecure and precarious work accelerated after the financial crash and 2010, with 1 in 9 workers estimated by the TUC to be in insecure work before the pandemic. Yet rather than learn from the mistakes made over the past decade we see a further surge in the growth and spread of insecure and precarious work that will damage our country for decades to come. Unite are seeing the practice of 'fire and rehire' spread across sectors – employers are effectively trying to blackmail workers with the threat of losing their job into accepting devastating cuts in incomes. As well as the deep wealth divide, Unite believe the Covid-19 crisis has, and will continue to, expose how inadequate the rights and protections workers in this country have – with women, BAEM, disabled and LGBT+ workers the most likely to endure this. Instead we need a strengthening of our individual employment and collective trade union rights. People are entitled to secure work and earnings. Our one sided 'flexible' labour market needs to stop.

Just some of the measures we need to take are banning 'fire and rehire', ending zero hours contracts, giving workers the right to a regular hours contract and compensation for cancelled shifts. Greater security can be delivered through measures including ending bogus self-employment and making employees the default status of all workers unless there is proof of genuine self-employment. Crucially, we need to see measures such as sectoral collective bargaining. Sectoral collective bargaining – and the enforcement of national agreements in sectors where they exist – would effectively form a 'floor' across industries that would prevent bad and exploitative employers undercutting better employers in a sector. Unite are also finding that the relatively weak employment protections for British workers is contributing to multi-national business decisions to shed jobs in Britain because it is easier and cheaper than in other countries of operations. For example, Siemens made the decision to shed jobs in Britain, and maintain them in Italy. A strengthening of employment rights and protections in Britain would remove this factor of consideration.

The government must use every lever at its disposal to protect and create jobs – it should guarantee the money it spends and invests is proactively used to maintain and to create decent jobs in this country. Obligations should be put on receipt of public funds to ensure that companies receiving such contracts, public investment and spend do not use insecure working practices, that they recognise trade unions,

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<sup>4</sup> You can read the Unite Plan for Jobs: [Unite Plan for Jobs](#)

provide quality apprenticeships, have equality targets and best practice to diversify the future workforce, have high environmental and sustainability, and pay their taxes in this country.

We need to achieve full employment through creating good jobs – not repeat the mistakes of the past decade.

#### **10) Reverse the escalating and obscene wealth inequality**

A quarter of all household wealth is held by the richest 1% in the UK. There has been a wealth boom while average wages fell after the financial crash in 2008 and took over a decade to recover in real terms. While a few have made super profits from the pandemic, 6 million people including 20% of key workers have fallen behind on their bills. We know that many are struggling with rent debts, others are worried about their future mortgage payments and other debts. As well as raising incomes and wages the path to building a better country is to reverse our escalating wealth inequality.