

## Economic Recovery

To ensure the major construction and infrastructure projects are key levers to stimulate the UK economy are successful, the government must implement an industrial strategy that is linked up and benefits a wide range of organisations and sectors.

The government has a key role to play in stimulating demand and ensuring UK producers benefit from all procurement opportunities to not only survive but thrive long into the future. By working with employers and businesses, good quality and well-paid jobs can be promoted, and an approach of decision-making focused on developing a fair and sustainable model of business success can be fostered.

### Sectors

**Recommendation: As initiated by the TUC, the government should bring together sectoral panels of trade unions, government and business to set out sectoral route maps that look ahead to the likely scenario for each sector and design support packages.**

1. There is a need for targeted sectoral support packages that promote good jobs. Foundation industries have played a significant role in places and regions across the UK, from new jobs, investment and prosperity to towns and cities. There needs to be a focus as to how those industries can not only become environmentally friendly industries but continue to be work-rich industries of the future.
2. The severe knock on effects of not supporting foundation industries, for example such as steel, impacts wider industry such as the UK's automotive, aerospace and defence sectors, as well as the thousands of direct job losses.
3. The government should explore the economic contributions of sectors, such as the value-added, skills, pay and the impact on local economies and supply chains.
4. The government should then focus on how sectors can adapt to and contribute to the reduction of carbon emissions to support the UK's move to a net-zero economy by 2050.

### Procurement and building in the UK

**Recommendation: The Government need to better promote, identify and champion procurement opportunities to support foundation industries.**

1. The government has a key role to play in stimulating demand and ensuring UK producers benefit from all procurement opportunities to not only survive but thrive long into the future.
2. There is a need to build capacity to bid and deliver through supply chains, such as UK steel in infrastructure projects.

### Car scrappage scheme

**Recommendation: The UK government must implement a car scrappage scheme that benefits not just the automotive industry but the wider supply chain including the steel industry.**

1. On 26<sup>th</sup> May 2020 President Emmanuel Macron announced an €8bn plan to revive France's motor industry.
2. The French scheme includes increased subsidies for buyers of electric and hybrid cars and support for research into hydrogen power and self-driving cars.
3. The UK vehicle scrappage scheme was introduced in the UK in 2009 to encourage British motorists to purchase a new, more environmentally friendly car or van in return for scrapping an older car they had owned for over 12 months.
4. The scheme was extended in September 2009 and again in February 2010 and it finished at the end of March 2010.
5. In February 2010, a separate Plug in Car Grant to provide 5,000 towards the cost of electric vehicles was announced and it began in January 2011.
6. The initial scheme, costing the UK Government [Labour] £300,000,000 was introduced to support the replacement of 300,000 cars purchased.
7. At the time there was very little concise focus or affirmative action towards maximizing the downstream opportunity of the scheme.
8. Any new proposal would need to foster conditions that lead to benefit for the wider supply chain, including that of the steel industry.
9. The Orb steelworkers in Newport is the only steelworks in the UK that has the potential to produce the non-oriented electrical steels needed in the motors of electric vehicles.
10. The Orb steelworks was mothballed late in 2019.
11. Any new scheme should support the reopening of the Orb steelworks.
12. Furthermore, Liberty Steel have ambitions to reverse the ratio of scrap from 70% export to 70% domestic use as part of a wider strategy towards 'green steel'.
13. Using the car scrappage scheme to support the steel industry is a compelling and realistic green industrial policy.

### The steel industry

1. Clearly the government has announced huge and unprecedented loan schemes for companies, but for a number of reasons the support on offer has not been fit for purpose for many UK producers. Our steel industry has been under pressure for several years and because of that credit ratings have suffered, and some have few assets to mortgage or the ability to service more debt. In addition, in some cases steel companies require greater support than has been on offer under the government loan schemes.
2. Bespoke solutions are required for the sector, and we believe government must do what it takes to secure the future of a strategic foundation industry which will be vital to efforts to rebuild the economy. The need for urgency cannot be overstated, and there is little doubt the UK has lagged behind our competitors in that regard. Some steel companies have now been waiting 3 months to receive a loan.
3. We welcome the recent announcement of huge infrastructure investment but the challenge now is to ensure our steel industry and our supply chains can extract maximum benefit. A measure of success will be in how the spending is implemented.
4. UK Steel have produced a compelling document on what the steel industry needs to recover from the coronavirus pandemic with a number of recommendations which Community support. This can be accessed [here](#).
5. Between 2000 and 2015, UK true steel demand grew by 4.4%. This highlights the continued UK dependence on steel usage to meet its manufacturing, automotive, capital goods and consumer goods needs.

### The third sector

**Recommendation: The charitable sector must continue to receive additional financial support as we emerge from the crisis. The government must be very clear as to what the new normal looks like. Commissioning guidelines must be reformed.**

1. The Charitable sector is facing increasing demands due to Coronavirus. At the same time many services have been rendered inoperable.
2. Some in the sector have called for charity workers to be able to do unpaid work- however, we believe that the risk of exploiting workers should be carefully considered before acting on this recommendation. Community believes that people should be paid a fair wage for their work.
3. The sector welcomes the £750m that the government has made available for charities, and the additional £150m from the Dormant assets scheme. However, this money is mainly for the increased demand caused by the crisis. There are large reductions for many charities in the amount of funding received.
4. Beyond the short term there is a medium- and long-term challenge for charities. Charities are continued to be constrained in their ability to run large-scale fundraising events and street fundraising.
5. The government should provide further funding to keep charities and their important work going until normal fundraising can resume.
6. The job retention scheme needs to continue to be available for charities whose ability to operate remains constrained well beyond the crisis.
7. The sector welcomes action so far to be more flexible in expectations of outcomes from work commissioned by local authorities. Clearly, charities cannot deliver the same outcomes on previous timescales, given increased demand, reduced capacity and a changed environment.
8. This flexibility must continue as the crisis ends. Measuring charities performance against old targets will not be appropriate.
9. More generally, this is an opportunity to reform the commissioning and procurement system. Public bodies must take social value into account. We would like to see ongoing use and stronger implementation of the procurement guidance from the Cabinet Office.
10. Commissioning organisations should consider the use of grants rather than contracts, as wider use of grants will increase flexibility.
11. As we emerge from the crisis, authorities must be clear with charities giving them sufficient information to plan their services. Local government funding must be increased to allow Local Authorities to adequately fund services.

### The self-employed

According to the Resolution Foundation almost half of self-employed people have lost work, whether for economic reasons (such as a lack of demand, limited access to supplies, or lockdown restrictions) or health or caring reasons (including self-isolation, shielding, and childcare).

**Recommendation: The government must provide kick start loans to the self-employed.**

1. The government must recognise that many of the would be self-employed do not have access to capital to begin businesses.

2. Those receiving social security should be entitled to receive these loans without this impacting on the amount of social security benefits they receive.
3. This would enable these workers to make investments into their business without placing them in a precarious financial system.
4. This would particularly benefit disabled workers who often find that they aren't able to start working because of the loss of social security payments associated with working the hours that would be required to start up a business.
5. Kick start loans could be repaid once the business reaches a certain profit threshold.

**Recommendation: The government must set up a taskforce to consider the ways in which the self-employed can be supported.**

1. The government must set up a task force to consider how the self-employed, and those not in formal employment (those classed as workers) can be supported through the tax and employment system.
2. The task force should look at the safety net for those taking on this risk of setting up a business.
3. It should also review options for creating a flexible pensions and savings system for the self-employed. This would support self-employed people with inconsistent incomes and outgoings.
4. If the government goes ahead with the planned rises to national insurance contribution this will be particularly important, as it will come closer to treating many people classed as "workers" in the same way as employees, despite the differences in the employment rights that workers receive compared to employees.

**Recommendation: The UK government must implement sick pay for the self-employed and raise the rate of statutory sick pay to the real living wage.**

1. We believe that the extension of the social security net is essential to ensuring that the self-employed are granted the same rights as the employed.
2. The current rate of statutory sick pay is £89.35 a week, paid from the fourth consecutive day of absence to 28 weeks. It is payable by employers to employees.
3. Self-employed people are not eligible for any form of sick pay.
4. Income replacement for those unable to work through illness should be a basic employment protection, available to all workers.
5. The real living wage for 2019-2020 is £9.30 an hour- for a worker on 35 hours a week this is £325.50 per week.
6. For someone on statutory sick pay there is a substantial shortfall of £236.15 per week. Sick pay should be increased to bridge this gap.

**Recommendations: The government must extend the entitlement to maternity leave, maternity pay, and other forms of parental leave and pay to the self-employed.**

1. Statutory Maternity Pay (SMP) is paid by an employer. If you are self-employed you cannot get statutory maternity pay as you do not have an employer.
2. The self-employed may sometimes qualify for maternity allowance. They may receive the full amount if they pay class 2 NICS AND they have been self-employed for at least 26

- weeks of the 66 weeks up to and including the week before their baby is due, AND have earned £30 a week over any 13 weeks in that period.
3. However, the standard rate of maternity allowance is only up to £151.20 per week for 39 weeks, or 90% of earnings if this is lower.
  4. The self-employed not eligible for this receive only £27 a week for 39 weeks.
  5. Those eligible for SMP receive the first 6 weeks of pay at 90% of average earnings, followed by the lower of £151.20 or 90% of earnings for 33 weeks.
  6. If you are self-employed you are also not entitled to statutory paternity pay.
  7. Self-employed mothers can exchange their maternity allowance for shared parental leave and pay for their partner, if he is employed and eligible, but they must give up their maternity allowance.
  8. Self-employed people aren't eligible for shared parental leave.
  9. We recommend that entitlements to all forms of leave related to having children should be equalised.
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## Reducing unemployment

### Job Retention Scheme

**Recommendation: The Coronavirus Job Retention Scheme needs to be extended beyond October and made more flexible to support the needs of companies and stop mass unemployment.**

1. Industries that Community represents including the footwear sector, steel industry and the third sector are all calling for an extension to the current scheme to avoid major job losses.
2. France has announced that their temporary unemployment scheme will likely be extended for up to two years.
3. Germany pioneered short time working following the 2008 financial crisis. Similar to France they have said that in September they will announce how their scheme 'Kurzarbeit' might work in 2021.
4. The flexibility employers need now is the ability to place relatively large portions of their workforce on reduced hours, as market conditions require.
5. The adapted scheme should instead allow for all relevant employees to have their hours reduced by 20%, sharing the burden equally across the workforce and maximising productivity.
6. Best practice can also be taken from the Netherlands' scheme which targets those companies experiencing the largest drops in turnover. By declaring their turnovers and accountants certifying their declarations, the scheme is easy to administer and gets help to those who need it most.

### Logistics

**Recommendation: the jobs gaps that are predicted to emerge in the logistics sector must be used to provide employment opportunities to those recently unemployed.**

1. A high proportion of the workforce in the logistics sector in the UK comes from Europe.

2. This makes them a highly seasonal workforce who want flexible employment so they have the ability to return to their home countries to visit friends and family.
3. The employers in the logistics sector have concerns about the impact that planned changes to immigration policy will have on their ability to access workers.
4. These concerns are slightly mitigated by their expectation that due to the coronavirus there will likely be a significant pool of skilled workers available to be employed in the sector in the final quarter of 2020.
5. In order to reduce unemployment, effort must be made to ensure that opportunities for the recently unemployed such as in the logistics sector can be taken up quickly.
6. Many logistics companies initially take on labour through an agency service before taking employees on full time. In order to ensure that agency workers are treated fairly effort should be made to ensure greater union coverage across both the agency and logistics sectors.
7. Furthermore, those workers who have gone from highly skilled, good quality jobs should have the opportunity to continue to maintain and develop their skillset.