

Economy Committee – 24 November 2015
Transcript of Item 8 – London’s Changing Economy Since 2008 – Productive, Flexible, Inclusive?

Fiona Twycross AM (Chair): Thank you. That brings us to today’s main item - apologies for the formal start to the meeting - which is on London’s changing economy since 2008.

I would very much like to welcome our guests for the first session today and ask each of you to introduce yourself and tell us whom you are representing. Maybe we can start with Fiona.

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): Hello. I am Fiona Wilson. I am Head of Research of Economics at the Union of Shop, Distributive and Allied Workers (USDAW).

Emma Stewart (Chief Executive, Timewise Foundation): Good morning. I am Emma Stewart. I am joint Chief Executive of the Timewise Foundation. We focus on facilitating better flexible working opportunities for parents and carers.

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): Good morning. My name is Kevin Curran. I am the Vice Chair of the Hotel Workers Branch of Unite the Union.

Hugh O’Shea (Chief Convenor, Hotel Workers Branch, Unite the Union): Good morning. I am Hugh O’Shea. I am the Senior Convenor of the same branch that Kevin is in. I interview the people with complaints every Monday and I will be speaking about that.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Good morning. I am Nilufer. I am a bartender and I am a member of the Unite Hotel Workers Branch.

Anna Gonçalez (Member, Hotel Workers Branch, Unite the Union): I am Anna and I am a bartender and also a member of the Hotel Workers Branch.

Jesus Ucendo (Member, Hotel Workers Branch, Unite the Union): Good morning. I am Jesus Ucendo. Currently I am working as a kitchen assistant in a restaurant and I am also a member of the union.

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): Hello. My name is Ewa Jasiewicz. I am an organiser for Unite the Union for the Hotel Workers Branch and a former room attendant.

Fiona Twycross AM (Chair): Thank you very much. We very much appreciate you all coming along today and so thank you.

In the first round of questions we thought we would speak particularly to the group of workers that have come along today, just to hear a bit about your experience directly. You have already mentioned a little bit about the jobs that you do, but it would be useful for us to hear a little bit from you about the type of contract you are on, the type of hours you have and a little bit about your experience. Could you maybe go into a bit more depth about the type of experience you have had? Maybe, Hugh, you could introduce some of this.

Hugh O'Shea (Chief Convenor, Hotel Workers Branch, Unite the Union): You are speaking to the people who actually work in the hotels and bars. Perhaps if we ask Nilufer and then Jesus if you would just speak briefly about the type of job you do and your hours?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): OK. I have worked in three different hospitality enterprises over the past year. For two of them I have been on zero-hour contracts. For one of them, I have been on a contract that states my hours as 20 hours plus. I went in expecting a full-time job and they said, "Your minimum is 20 hours", and so every week it would vary in the amount of hours I would do. The other two, which were at Côte Brasserie and Corney & Barrow, were zero-hour contracts. The third place was a Mitchells & Butlers pub and, basically, I did not even receive a contract for the first four months that I worked there.

For each of these places, it was minimum wage. For each of these places, the tips were taken, for instance. I do not know if you are interested in the tips situation but --

Tony Arbour AM: We certainly are.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): OK, cool. In Côte Brasserie they took 100% of card tips, all of them. That could be up to £500 a month because there was a service charge on every payment that was made. At Corney & Barrow, there was a system where they took money from your tips whenever something went missing, whenever there were breakages or if a customer walked out.

There is also a system whereby there is a mystery diner who comes in every month and the person who serves is responsible. The person who serves the mystery diner must achieve 100% good service, or a minimum of 95%. If they give them any less than that or if they are rated any lower than that, quite a large percentage of tips are taken. It could be --

Fiona Twycross AM (Chair): From all of the staff?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Yes, from the whole staff. It exposed who was serving them and so this could mean massive amounts of hostility towards the person who served them. Actually, every month it would be quite terrifying with the prospect of a mystery diner coming. It could be at any time. It could be extremely busy, like on a Saturday evening, and it could be anyone. It could be a trainee.

To be honest, we did not even receive training at all. We were just thrown into the middle of it and so things like breakages do happen, yes.

At another enterprise that I worked in, managers would discipline and reward staff members through the tip system. If they liked you, they would give you more tips. If they did not, then they would not. We would always compare our wage slips every time it was payday and we would see that. It was quite obvious. We all received different amounts. We had no control.

Fiona Twycross AM (Chair): I would love to come back to what you mentioned about the hours shortly, but I just wondered whether other members of the panel have experienced similar issues with tipping. Maybe we could cover the issue of tipping as part of your take-home pay now. Jesus?

Jesus Ucendo (Member, Hotel Workers Branch, Unite the Union): Yes, I would like to say something because yesterday, indeed, we had an appointment in our restaurant with the Operations Manager. The point of this meeting was to discuss the service charge. Right now in my restaurant, it is shared out with 50% for

employees and 50% for the company. Some customers find this is not fair, and they do not want to pay it because they say it should be everything for the staff serving them.

However, the company says that it is not going to solve the situation. It wants 50% of the service charge. It was giving another - let us say - option in case we want to have 100% of the service charge, which was removing the service charge so that we can keep all the tips in cash, but we should accept a drop in our wages to the National Minimum Wage and we also should start paying for the food that we eat in the place.

Of course, we wrote a document saying that we were not going to discuss all of these matters in the same meeting because something that comes across in a contract cannot be mixed with something that is a tip, which is basically a gratuity because someone is happy with your service. As far as I am concerned, right now there are going to be no changes, but it seems that there will be in the future and maybe forced change.

Fiona Twycross AM (Chair): Anna, would you like to add anything to that?

Anna Gonçalves (Member, Hotel Workers Branch, Unite the Union): Yes, I would like to add something with regards to the tips situation. Some of these places operate so-called *tronc* systems, but these systems are not very clear in how they function. The staff do not have a very transparent way of knowing how the money is actually allocated and how fairly it is allocated as well to people in the workplace.

From experience, normally, the *tronc* system is a system that they operate separately from the company itself. It is like an outsource service that the company uses to distribute the tips that are paid. Normally, they have a committee and they decide, essentially. They do charge as well to provide the service itself. Yes, some of the money from the tips is obviously taken to pay for the service that the *tronc* system provides to the company.

I do not know how much they take for themselves. I do not think anyone else knows. It is quite uncertain and very unclear to know, yes. Overall, I do not think the members of staff have a way of knowing how much money they make on the service charge monthly.

Fiona Twycross AM (Chair): It is very difficult to predict how much, yes?

Anna Gonçalves (Member, Hotel Workers Branch, Unite the Union): Yes, it is difficult to predict because, obviously, you cannot really keep track of how many people paid a service charge throughout the month and how much it is. Yes, that is a big issue, really.

Fiona Twycross AM (Chair): We have been joined by Mohinuddin. Would you have anything to add on tips? Which area do you work in?

Mohinuddin Farooqui (Member, Hotel Workers Branch, Unite the Union): I am just working in one of the hostel departments, which does provide a service to the local authority but it is under a private contract or something like that. I joined my job in 2011 in November. When I joined the job, the guy who is the boss said to me that I had to do just monitoring of the closed-circuit television (CCTV) and there are no tips there.

Fiona Twycross AM (Chair): There are no tips. OK. We will come back and ask you to come in on other sections maybe later on.

Could I go back to Nilufer's point about your contracts and maybe talk a little bit about the types of contracts you have? You mentioned that you had varying contracts, an over-20-hour contract and one that was a pure zero-hours contract. How easy was it for you to predict how many hours you were going to have on a weekly basis? How much did that vary from contract to contract?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): During Christmas, if we are looking at the winter period last year, basically, we were told that we had to sign away the Working Hours Directive and I was working 70-hour weeks. In January, it completely shot down to 25 hours. It depends on how busy the restaurant is. It is relatively predictable, but it still causes a lot of outrage when you turn up to work and your name is barely on the rota.

Fiona Twycross AM (Chair): How much notice of changes in hours would you receive, do you think?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): There is a company policy whereby they give you at least a week's notice - I think it was - but there were so many instances when I would come into work and the rota looked different and nothing would come of it. That could be the next day, for instance, yes.

Fiona Twycross AM (Chair): You could go in and be told that you were not working the next day?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Not working the next day or, say you had a day off, they would put you into work. It was really like there was very little sense. It was very much like you were pulled in and pushed out whenever, at the manager's discretion. There was very little control over that.

Fiona Twycross AM (Chair): Do other members of the panel have other similar experiences? How easy is it for you to predict your hours from week to week? Do you also have a zero-hours contract, Anna?

Anna González (Member, Hotel Workers Branch, Unite the Union): I believe that to be a case in quite a lot of place, what Nilufer just said, because there are periods in the year when you know how busy you are going to be. There are periods when you know that you are going to be fairly busy and so, obviously, you know they expect you then to work as many hours as they can give you. Come January, for instance, when people do not go out as much or people pass that festive period, obviously, it goes down and so they will not give you that many hours because they do not need you to be there. There are no customers and therefore ...

Fiona Twycross AM (Chair): How much notice of the change would you get?

Anna González (Member, Hotel Workers Branch, Unite the Union): Not much. To be fair, it is depending on the number of staff, depending if someone calls in sick or not. It can vary at a day's notice or something like that. It really depends and varies. Sometimes you do not have that much notice at all, really.

That is the other thing about the contracts as well. You need to be strictly flexible. It is like whenever. You need to be on call whenever they need you. It will just be like, "Yes, I need you. I have some hours for you", that kind of thing.

Fiona Twycross AM (Chair): Thank you. How about other panel members? What types of contracts do you have and what kind of hours and predictability of hours would you say you have, Jesus?

Jesus Ucendo (Member, Hotel Workers Branch, Unite the Union): In my situation, my company is really exceptional because it is a new company set up in London a year-and-a-half ago. I am the only one from that period remaining and I am the only member of staff working under those conditions. Mine is a full-time 40-hour contract. It has not been respected sometimes. I have had to complain to get this number of hours guaranteed. These conditions are not available for the new members. They are doing contracts now for 22 hours.

There is also an important point that in clause 2.5 of the contract they say that, in my case, I am not allowed to work for someone else and, in the case of the new members, they are allowed to work for someone else if the General Manager or the Operations Manager gives their permission in writing. Otherwise, they cannot work for anyone else, even if they do not get minimum hours granted to survive. With 22 hours on the current salary, they would earn around £600 a month, and it is impossible to pay for a room and for all the costs.

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): Could I say something about an agency that I worked for, a housekeeping department?

Fiona Twycross AM (Chair): Of course you can, Ewa.

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): It was called Omni Services and it was for four hours a week guaranteed in the contract, but there was a contractual clause that stated that the first two weeks of the job would be unpaid training if I left before the end of a three-month period. I did leave before the end of the three-month period, and was told that eight days work would not be paid for and so I would have done eight days work for nothing. It was amounting to about £360. I was told that this was because I had signed the contract and that this was transferrable training. The training had consisted of three days accompanying another room attendant and cleaning and doing the work and then, after that, I was on my own. When I told them that this was illegal, they did pay me.

I am a British citizen but I have a Polish name and I was, apart from one other room attendant in this hotel, the only other British citizen out of a workforce of about 30. I think they were exploiting my insecurity as a perceived migrant worker who did not know the law and did not know my rights.

I just want to add that I came in and I had put in some days in the off book and had been told that that was totally fine. Then they rostered me on one of my off days and so, when I came in, I was on the rota but they said that because I had not come in on this other day - and no one had phoned to say, "Where are you?" - I would be sent home. I was available for work and they just sent me home. When I told them that I wanted to be paid for that, they did pay it, but how many other people would just accept it?

Fiona Twycross AM (Chair): Mohinuddin, could you say a bit about your contract and the hours that you get?

Mohinuddin Farooqui (Member, Hotel Workers Branch, Unite the Union): I always do 12 hours a day, 8.00pm until the morning at 8.00am, for seven days; no day off.

Fiona Twycross AM (Chair): You work for seven days a week at 12 hours a day?

Mohinuddin Farooqui (Member, Hotel Workers Branch, Unite the Union): Yes, there is no day off. There is no day off at any time. I will continue to say that when I asked for a day off of my boss, he just said to me, "I will kick you out if you want a day off". Since 2011 in November, sometimes I just became sick, just like two days, three days, one week or two weeks. When I was really in big problems at that time, they just gave me a day off. Otherwise, they did not give me a day off as well. They gave to me three people's jobs, like reception as well, security as well and CCTV monitoring as well, and they paid me half of the money of the National [Minimum] Wage.

Fiona Twycross AM (Chair): What are the main disadvantages of the approach to contracts and pay for you? What are the main disadvantages that you find?

Mohinuddin Farooqui (Member, Hotel Workers Branch, Unite the Union): The first thing is that when I started the job, they did not give me any contract. After starting my job, I asked him, "I need my contract". He said to me, "Do you want a job or do you want a contract? Let me know".

Fiona Twycross AM (Chair): Did they eventually give you a contract?

Mohinuddin Farooqui (Member, Hotel Workers Branch, Unite the Union): No, they did not give me one, no contract, nothing.

Fiona Twycross AM (Chair): OK. How about for other people? Could you say what the main disadvantages to you are of the approach of the employers that you have worked for? Ewa, do you want to say something about the main disadvantages?

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): Yes. I am also a union organiser. There is about a 50% turnover in housekeeping departments of room attendants.

If you are working for Omni, which is a big agency that is present in the top hotels throughout London, and if you are leaving before three months are up, you are going to be down on however many days you have worked in two weeks. This agency is making a killing. The fact that you are on a virtual zero-hours contract if you are guaranteed only four hours means that they will just send you home.

It is a very intense manual job. You do not get personal protective equipment (PPE) and some - mostly women - workers are wearing tights and they have to kneel on the floor. It is not a good uniform for intense toilet-cleaning and changing of beds. You are having to turn over 16 rooms a day and you have a half-hour lunch break, but you are also expected to get your linen, fill up your chemical bottles and do a lot of other work in that period of time. A lot of people are not taking their statutory breaks.

Also, I have heard of many cases of a lot of pressure on room attendants who have a longer-term presence in the hotel industry to do more rooms, whereas the new starters do less but they get exactly the same pay. The piece rate has gone and you are still paid by the hour, but sometimes you are not actually paid the minimum wage if you are staying a bit later or are unable to fulfil your rooms.

The real concern is that when the new minimum wage comes in - and it is not a living wage; really remember that - the agencies and the hotels are going to look for ways to not have any loss of profits and so they will be forcing mainly migrant women workers in housekeeping departments to do more rooms and to work harder. They will bear the brunt of that and possibly youth workers under the age of 25, to whom that new minimum wage will not apply. It is really disgusting and many women whom I work with call it 'slavery'. They call it a 'work camp'. That is the language that they use about it.

Fiona Twycross AM (Chair): Thank you. What would other panellists like to see changed? What would make a difference for you if one thing could change in terms of how your working lives are managed? Jesus, would you like to comment on what you think should be changed?

Jesus Ucendo (Member, Hotel Workers Branch, Unite the Union): I do not know if it is actually related to this topic, but I would like to call attention to Statutory Sick Pay (SSP) and the conditions in case of incapacity.

I can talk also about my specific case. I had an injury in my left ankle quite a long time ago. After surgery, it seemed that it did not work properly. Yesterday I went to the hospital and the diagnosis was that I am going to need another operation to fix the problem. It will take up to six weeks to recover. Based on my contract, I

am guaranteed to get only the SSP, which is £88.45 per week. Right now I am earning around £1,200 a month. In that situation, I would be earning £383 and there is no other entitlement by contract. It is at their discretion, which basically means that they are not going to pay. With the SSP there is a wait that I may have along the process and, with that wait, it is impossible to afford the payment of the rent, transport and even food.

We are in a situation where we are working in an industry where getting an injury is quite likely, where we are working with knives, we are working with chopping things, we are working with these things all the time and lifting heavy things. It is quite likely to have an accident. In that case, there is no security for us. We cannot survive with that condition.

Fiona Twycross AM (Chair): You would like to see greater rights over sick pay?

Jesus Ucendo (Member, Hotel Workers Branch, Unite the Union): Yes.

Fiona Twycross AM (Chair): Anna, do you have any comments? What would you like to see changed?

Anna Gonçalez (Member, Hotel Workers Branch, Unite the Union): To start with, it would be very helpful if zero-hour contracts would stop. For that matter, it depends obviously whether you work full-time or part-time but, if you do work full-time, it is very ridiculous for you to have a 20-hour contract, for instance. At the end of the day, it does not provide you with any financial security whatsoever.

Also, you tend to feel quite oppressed within your workplace as well. Say, for instance, you do not agree with something. You are afraid to speak up, because it makes you think that there might be some consequences of you speaking up against whatever you think is not quite right because obviously your hours can just be cut. What do you do? You cannot really do much in that situation. That would be a step forward.

Also, in regards to the tip situation, it is absurd that a company can take a single penny from an employee's labour. If people do pay a service charge, it is because they are happy with your service and because they felt they were welcomed. Who provides that kind of experience? It is the waitress or the bartender or the person who is actually showing their face and doing the actual work that needs to be done in order for the business to function. Believe it or not, it can get very physically as well as psychologically exhausting. For a start, if that could change in some way for companies to make that more transparent and more clear to everyone, it would be great, really.

Fiona Twycross AM (Chair): That was really helpful. Thank you. Finally, before we move on to Darren's [Johnson AM] question, Nilufer, do you have anything to add to the comments others have made about what change you would like to see?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): Can I just summarise on behalf of Unite?

Fiona Twycross AM (Chair): Yes, very briefly afterwards. We will bring Nilufer in first.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): I completely agree with Anna [Gonçalez], especially on the minimum wage. With these kinds of conditions, you are always left in the lurch. You can be called in at the last minute and you would, obviously, agree to do it because you have no money, yes. You are left very precarious and very flexible, but in favour of the manager. You are literally doing whatever they demand in terms of when you come into work. There is no actual choice there. It is just like being pulled in and pushed out.

Fiona Twycross AM (Chair): That was really helpful. We are hugely grateful to you all for coming in. We will give you the opportunity to come in on other points as we go through the session as well. Kevin?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): Chair, some of the stories you have heard and some of the evidence this morning gives some insight into what we have found as a union over the last ten years. Our branch has been campaigning against these conditions now for the last ten years specifically, and over that period of time we have interviewed thousands of hotel workers individually. We came to our strategy about five or six years ago and some of the points have been given in the evidence.

The five points that we are campaigning for in London hotels now are for a living wage, for English-as-a-second-language in-house training, which leads on then to possibilities for career development training, which is absolutely non-existent at the moment, for improved health and safety standards - a lot of our members and people who work in hotels now are actually building up prolonged health problems that are going to come to the fore in years to come and we are very worried about that - and also, at the end of the day, for access for trade unions to talk to employees in their places of work. We are effectively, as an organisation, on the outside. We cannot get into hotels to talk to staff about their rights and some of the issues that are raised.

We have a surgery every Monday afternoon, which Hugh [O'Shea] runs, and we literally have queues every Monday of people relating very similar stories to this. The only way we think we can effectively get to grips with this is to give some empowerment to the workers by allowing them to organise themselves inside their hotels. This is part of the strategy that we are pursuing and will continue to pursue. That is our policy in summary, Chair.

Fiona Twycross AM (Chair): That was very helpful. Thank you very much. Thanks again and we will come back if you have anything. Stephen, you have a question?

Stephen Knight AM (Deputy Chair): Yes. I just wanted to ask some of the people who are on zero-hour contracts. The advocates of zero-hour contracts often say that it suits both workers and employers because some workers want the flexibility of being able to pick and choose hours.

To what extent do you get any flexibility out of it in terms of choosing when you want to work and to what extent are you just dictated to over which hours you will be working or else? It sounds to me from what you are saying that there is a one-way power relationship in this. Is that right?

Anna Gonçalves (Member, Hotel Workers Branch, Unite the Union): Absolutely. Can I just say something in relation to that? Yes, this week, in fact, I am working full-time hours, even though my contract technically gives me only 20 hours. I came up to my manager because I am quite tired and I just asked her, "Is it possible to have an extra day off this week?" She came to me and she said, "You are meant to be on full-time hours". I said, "Yes, I know". I had never asked her for any time off since I started working there whatsoever. It was just this particular week that I felt I needed an extra day off. She said to me, "Yes, I will see what I can do for you". It is not very flexible, is it?

Stephen Knight AM (Deputy Chair): She could say to you, "I do not need you tomorrow. Take the morning off", but it is not really expected to be the other way around.

Anna Gonçalves (Member, Hotel Workers Branch, Unite the Union): Exactly, but when it was me being forced to ask her, "I do actually need some time off", she was a bit hesitant and she said, "Yes, I will see. If it suits me, I will perhaps give you an extra day off. If not, then you will have to come in".

Stephen Knight AM (Deputy Chair): There was just one other point I wanted to raise and that was over the tips issue. We were told at a living wage seminar the other day by a restaurant business that the only way it could afford to pay a living wage basic rate of pay to people in the restaurant business is if it took all the tip money. It struck me. Would people prefer to get a decent basic wage rather than get a minimum wage plus an uncertain tip pool? How would you feel about it if the tip pool went but you had the living wage instead?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): We should have both. It is not funny. We should have both. The living wage is a living wage. It is something that is a bare minimum. It should be a bare minimum. It is something that pays for your housing, pays for your travel to and from work, pays for your food and pays for all these things that are necessary to get you back into work the next day. They benefit from us getting a living wage. By crushing us down further, it is not beneficial at all. Saying stuff like, "We should take your tips", I mean ...

Stephen Knight AM (Deputy Chair): I suppose my question is, if you had to choose between tips and a living wage, which would you go for?

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Obviously, relying on tips is precarious, is it not?

Stephen Knight AM (Deputy Chair): Yes.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Regardless, we should not have to choose. Tips are given to us on merit and for the kind of work we provide to customers. Customers reward us for the hard work we do. Often we do not do the kind of labour that the front-of-house staff provides, affective labour, emotional labour; it is invisible. The managers or the companies feel like, "We do not need to pay for that. We pay for them to bring in the dishes and take out the dishes and that is it", but actually a lot of hard work is put into making sure that everything is to a T and everything is provided up to a high standard to ensure the customers return to the enterprise. Tips are underestimated a lot. They are really significant. They provide an incentive for you to work hard and they make you feel rewarded for the hard work you do.

A living wage should not be under any dispute and it should just be given because it is a living wage; it is something that you need to survive. I am barely surviving at the moment. I am earning on average £850 a month. My rent is £600. How do you think I survive on that? I am in a lot of debt, to be frank, basically.

Fiona Twycross AM (Chair): Thank you. Darren?

Darren Johnson AM: Thank you. I am going to put questions to Emma and Fiona [Wilson] first, but it would be very useful to also hear some perspectives if you want to chip in from some of the union representatives working in the sector.

Firstly, with Emma and Fiona, flexible workforce jobs now account for a higher share of the labour market than ever before. We were told last month by representatives from the employers' side that there were clear advantages and we have heard a lot of disadvantages just now. Can you sum up the main advantages and disadvantages from your research? We will start with Emma.

Emma Stewart (Chief Executive, Timewise Foundation): Absolutely. The first thing to say is that there are different types of flexible jobs in the labour market and you have, clearly, heard where flexibility is incompatible for individuals for --

Darren Johnson AM: It sounds more like bonded labour than flexibility, from what we have heard, basically.

Emma Stewart (Chief Executive, Timewise Foundation): Yes.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): Precisely.

Emma Stewart (Chief Executive, Timewise Foundation): This is just to say that there are, clearly, other opportunities to create flexibility in jobs that are currently inflexible, as in a 9-to-5, five days a week. The piece of research that we have done and the work that we do with employers focuses, effectively, more on how you can unlock jobs to be done flexibly at a higher-quality level.

The main thing I wanted to say in terms of our research is that we have looked at the job market in London - the vacancy market, not the employment market - and we analysed how many jobs in London were advertised as either part-time or open to flexibility last year out of the full vacancy market. If you put a cap at £20,000 as the equivalent of a quality wage, full-time equivalent (FTE), only 3% of vacancies are either part-time or open to flexibility above £20,000 in London. That is half the national average. The national average is only 6% of vacancies are open to part-time or flexible work. There is a significant problem in that that flexibility is distributed at the bottom of the labour market, and it is distributed in there in sectors where there is an existing need for flexibility because of customer service: retail, hospitality and also social care.

We think there is a significant opportunity, and there are significant benefits to employers looking at how they can unlock standardised full-time jobs to be done flexibly.

Darren Johnson AM: When we are seeing that flexibility at the higher end of the jobs market, I am assuming that that flexibility is more evenly distributed and more evenly balanced between the rights of the employer and the rights of the employee, whereas flexibility at the lower end of the jobs market always seems to be in the employer's favour rather than the employee's favour. Is it a fair summary to say that it is far more of an even match in terms of the rights and responsibilities?

Emma Stewart (Chief Executive, Timewise Foundation): Essentially, yes, although it varies significantly by sector and by role type as well.

The benefit to businesses and the way we have seen businesses shift their approach to offering flexibility that works for the individual is on the basis of attracting talent, retaining talent, reducing attrition costs - you have heard of the churn that exists in the sectors at the lower end - and in optimising employee engagement, which ultimately drives efficiency. We know that two out of five women in the United Kingdom (UK) labour market currently underutilise their skills in the workplace, not because they do not have the skills but because they trade down in return for flexible part-time jobs.

There is a significant opportunity for businesses to capitalise on skills utilisation and productivity and to attract and retain talent. Businesses that have changed understand that and also understand that they have a competitive advantage. If you are one of the very few businesses in London that is open to flexibility at the point of hire, you are in that 3% category and you are going to get a competitive advantage on talent.

Darren Johnson AM: Thank you. Why do you think they are so reluctant at the higher end to embrace more flexible patterns?

Emma Stewart (Chief Executive, Timewise Foundation): It is at all levels. Essentially, the way we work has changed, but flexibility is often in many industries and at the higher end still wrapped around individuals and is based on somebody asking for flexibility. Businesses do not proactively design jobs on the basis of

thinking about where, how and when people work. They think about the salary and they think about the competencies they need. The businesses that do think and are open to flexibility are able to shift that.

Darren Johnson AM: Thank you. If I can turn to Fiona, we heard in the session we had last time as well that flexible jobs can be rewarding and empowering and can benefit both the employers and the employees. The key point is that it is only if the power is evenly matched between employer and employee. Would you say that the balance of power has become skewed so far in one direction now, from USDAW's point of view?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): From USDAW's point of view, our experience of flexible working very much reflects the evidence given this morning by colleagues from the hospitality sector.

It is worth just before specifically answering your question to go through that flexibility is a significant issue now in retailing. In theory, people should be able to choose certain hours to fit in with their work-life balance but, in reality, that is not what has happened, as we have heard from colleagues this morning. Many employers in retail use electronic scheduling systems, which very much reflect the experience of colleagues. We find that people are given very short notice. We find that that detrimentally impacts on people who have caring responsibilities, parents, etc. We also find, in terms of your question, that true flexibility - when the hours are agreed to suit both the worker and the employer - is increasingly rare in the retail sector.

What we do find often, looking at the point that Emma [Stewart] has just made, is that managers have lots of difficulty in getting flexible working. Managers are expected to work in full-time, put in all sorts of extra hours and do unpaid overtime, whereas the shop-floor workers have very little flexibility over their hours, reflecting very much the evidence this morning from people who are on, say, a low-hour contract but regularly work far more hours than they are contracted to. That, of course, is good in terms of the hours that people want. People are often working more than one job in retail. They may have a low-hours job in one retailer and a low-hours job in another retailer, and they juggle that to attempt to make a wage to live off.

What we really need to do is to find some way to address that imbalance between very low-paid workers - this is true across a lot of industries - and the higher end. In retail, the higher end of pay tends to also have no flexibility as well because they need to be there 24/7. Retail -- a flexible industry.

Darren Johnson AM: They just end up working extra hours for no extra pay, even at the higher end?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): Often, yes. Can I just make a quick point on that? This also has discriminatory elements to it because, very often, women and parents in particular are much less able to meet the criteria. It creates an imbalance in the managerial structure that managers are male and the shop-floor workforce is female because it is impossible for a mum to give the commitment to be available in that way.

Darren Johnson AM: Are there employers that you as a union would say are responsible employers on this, do not exploit the workforce in the way that we have heard from the hospitality sector and do actually ensure that there is provision for flexibility, that people can choose their hours and that it is not all one-way traffic just to suit the needs of the employer rather than the employee? Are there examples or is it all as dire as it is starting to sound?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): The distinction I would make is between the unionised sector and the non-unionised sector.

In the unionised sector, where you have all the major retailers, USDAW will represent workers and we have agreements in place. We police those agreements and, when there are issues, we get involved and we support as much as we can the workers to get the hours that they need. We had a particular issue when the hours criteria for tax credits was introduced some years ago to get people above the 24-hours criteria and to get the hours they needed. It is a bit historical now, but we had a lot of casework then.

In the unorganised sector, where there is not anyone like a trade union like USDAW to protect those workers, it is very much one-way traffic.

Darren Johnson AM: Emma?

Emma Stewart (Chief Executive, Timewise Foundation): I just wanted to add that we are currently running a pilot with a national retailer, through a Government programme, to try to test ways that we can help women to progress and to earn more money in the retail sector. What has been really interesting about that trial with the retailers is that they have recognised that they have a disproportionate number of men progressing and not women. They want to be able to support women better. Their attrition rates are very high, and so there is a business and a social case for doing it. However, the intervention is not been a skills intervention because their women can do the job and they have in-house training, but it has actually been a job-design intervention. They are now testing job-sharing part-time assistant manager roles within their four-tier stores so that they can effectively unlock the opportunity for women to be able to progress. Interestingly, already they have seen a real appetite - because they have surveyed their employees - for wanting to do that.

That is just one retailer in one particular environment, but it was not a skills-deficit; it was a timing and scheduling issue.

Darren Johnson AM: If I can just ask Kevin or Hugh, do you have examples in the hospitality sector where there has been a move to better conditions and where the union has helped to play a role in that, as we have heard from USDAW, or is it still pretty much all one-way traffic?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): It is still very much an unorganised sector. We are involved in tentative talks now with two major brands as a result of our campaigning and so we have brought two major brands to the table, as it were, through leverage and through ten years' hard work and through knocking on their doors. To be quite honest with you, we caused them a lot of grief by attacking their brands to bring them to talk to us because we had to address this issue somehow.

Whereas at the moment we would say that we have had some tentative progress with two brands, we are of the view that if we get one brand in London to come to the table to talk about the things that we have been discussing this morning, the other brands will follow. Therefore, our strategy is very much concentrated on knocking one over. I use that terminology because it is that difficult. This is not an easy sector to deal with. The stories you have heard today are everyday stories that are prevalent and are happening all the time.

This is a sector that is profitable. It is making an awful lot of money. We reckon on the latest figures that there is around 83% to 86% occupancy in London hotels, some of the highest room rates in the world. The same brands are making lots of money in this country and paying minimal wages, and making less money in other countries and paying very handsome wages. We are in contact with sister unions all around the world and the best example we have is in New York, where the same brands in New York are operating in very similar conditions as London as a world city and are paying a rate of £16 an hour to their housekeepers and room cleaners. We are saying to them, "If you can pay £16 an hour equivalent in New York to room cleaners, you can certainly pay the minimum wage in London, if not more".

Clearly, they are able to pay. We are not dealing with an industry that is impoverished. We are dealing with a very lucrative industry that is expanding by the week in terms of rooms coming into London. Londoners and the infrastructure in London is a major reason for their success; yet in terms of the workforce in London, we are not getting anything back at all.

What we are campaigning on is the five issues I mentioned earlier on, but the thing that we would particularly like to address to the general public is that, by these people getting paid a minimum wage and sometimes many times less, we are forcing them to go to the state for the Housing Benefit, which is tax-funded, of course, ultimately. Therefore, our argument is that we want these employers to meet their responsibility to pay a living wage because they can afford it and they should be paying it. It should not be the British taxpayer subsidising their profits.

Tony Arbour AM: -- agree with that.

Darren Johnson AM: Very good. If we could just hear any comments from the Unite members now on this. From what you have heard, obviously, some people are looking for a very secure, regular, full-time job with set hours and so on, but there will be other people who will be genuinely looking for something more flexible depending on their situation.

Do you think we can get to a stage in the hospitality sector where flexible work patterns could genuinely benefit employees and not just employers? I do not know if anyone wants to comment on that.

Nilufer Erdem (Member, Hotel Workers Branch, Unite the Union): It is possible, yes, but I do not know. I suppose it is about respecting employees when they demand or when they ask. It is actually just sticking to it and not going back on their word, not calling people into work every day when they only want to work two days.

Hugh O'Shea (Chief Convenor, Hotel Workers Branch, Unite the Union): Could I make a comment about flexibility? If you use the term 'flexibility' for a zero-hour contract, it is the wrong use of the word 'flexibility'. It is very flexible for the employer because --

Darren Johnson AM: But not at all flexible for the employee.

Hugh O'Shea (Chief Convenor, Hotel Workers Branch, Unite the Union): -- then it commoditises the workers: these are not people; this is a bag of potatoes and a case of wine and something else. They are regarded as economic units. They are not regarded as human beings. Flexibility for a worker is part-time or full-time, normally, sometimes evenings, sometimes weekends. This flexibility is welcome to the students and the people who need a bit of extra money. If this is available on a permanent contract, then this is perfect.

In one situation I met years ago in this industry, the union had a contract with an ice cream factory and it gave them annualised hours. When the weather was poor and they wanted to lay the staff off, there was no work and then they worked all the hours that God sent to make up. The staff are completely flexible because that would help their lives, but they are not flexible if it penalises them and pauperises them and turns them into commodities.

Darren Johnson AM: That is a good point. As we have heard, it is all one-way traffic and all in favour of one side and not the other. Does anyone else want to comment before I hand back to the Chair?

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): Particularly in the hotel sector, it should be easy to manage a workforce. You have a pretty clear idea of how many guests are booked in and

who is coming in. Housekeeping departments are constantly understaffed, which means that the pressure is so high and 90% of room attendants are on painkillers or they are on Red Bull. There is this built-in human obsolescence to that department. It is disgusting. It is a scandal. However, it is not impossible to manage. If the incentive to work is that or pauperisation, what is that doing? It is legalised abuse.

If people are treated well, if they are respected, if there is a constant negotiation and if greater flexibility is required, then do it with workers. Sit down and say, "This is the rota". It is planning and management. We come across shocking managers who do not know how to manage and do not know how to plan. This creates so much tension, abuses, aggression, poor customer experience as well when there is a lack of staff and genuine pain for workers.

The union can really help - and this is evidenced all around the world - when there is a managed relationship, where there is constant negotiation and support and you do not get things kicking off and blowing up, which, quite frankly, especially with the Trade Union Bill, is a recipe for wildcat strikes and a huge amount of instability. The answer for us is trade union dialogue, negotiation and support.

Darren Johnson AM: Thank you.

Fiona Twycross AM (Chair): Kevin wanted to come in and, Murad [Qureshi AM] and Kemi, you wanted to -

Kemi Badenoch AM: I will wait until after Murad. --

Fiona Twycross AM (Chair): Are you OK to wait for your section? OK. Murad, very quickly?

Murad Qureshi AM: Yes. I will just follow on from what Darren was asking. Kevin, you were saying about the hoteliers that pay \$16 or was it £16?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): It was £16 equivalent.

Murad Qureshi AM: You did not name the chain, though. Is it the Hilton?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): It is the Hilton and the Intercontinental Hotel Group, the biggest chains in the world. They are signatories to an agreement in New York to pay that money. It is a positive. They run training courses jointly with the managers and with the employers. They have a full-time college, which is, again, jointly funded by the union and the employers in New York.

It is a model that, frankly, we are aspiring to. We are a long way from it but, if we had it in London, the guest experience and the economy in London would improve. Everything would improve. All the things you have heard about from the way the staff are treated through to the guest experience would improve dramatically.

Murad Qureshi AM: Are the workers in New York any less or any more productive than the equivalent hotel workers here?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): My direct experience is that they are much more efficient because they are well treated and they are trained. Again, if you look at the makeup of the workforce in New York, it is African-American, South American and Latino and there are similar challenges in terms of English as a second language, and so there is training there as well. All these are

overcome in the way that everyone was explaining: in a managed way, in partnership with the union, to the benefit of all parties, basically.

Murad Qureshi AM: Was the Mayor of New York involved in any of this?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): It is something that the Greater London Authority (GLA) might want to consider sometime in the future if it is ever possible. What happens in New York is a different political setup. Basically, hotel owners have to go to the New York City Council for planning permission and at that stage the New York local authority introduces the owners to the union. They want this to be a good partnership and from day one there is political input. It is a different setup.

Murad Qureshi AM: Finally, do you think they would be open to the same approaches, whichever vehicle we use here, and to the same changes?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): What we are looking for - and we have had some political support from colleagues in this room in the past - is a concerted effort on behalf of the GLA to say to hoteliers, "Look, it is about time you took your responsibilities seriously".

Murad Qureshi AM: As they did in New York and in other places?

Kevin Curran (Vice Chair, Hotel Workers Branch, Unite the Union): Absolutely, yes.

Fiona Twycross AM (Chair): Emma has indicated and then Fiona [Wilson] has indicated. Do you want to come in quickly and then we will move on?

Emma Stewart (Chief Executive, Timewise Foundation): Just very quickly, there has been a piece of research done in the United States (US) and a book produced called *The Good Jobs Strategy* by Zeynep Ton, who is a Massachusetts Institute of Technology (MIT) professor. She has done some analysis to evidence the link with some low-pay sectors now, not hospitality, but she looked at retail. She looked at Costco. She looked at a number of chains in the US that invested in their people, overstocked staff and did a number of things that we talked about here that are not happening. She has evidenced the uplift in productivity, efficiency and profit as well. There is a really good evidence base to show that it can be done.

Fiona Twycross AM (Chair): Fiona?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): Yes, I have two very quick points going back to re-equalising flexibility. We are working with one particular major retailer at the moment to concentrate on flexibility of skills, rather than flexibility of hours. There can be a system brought in, particularly with modern-day technology, so that workers can choose the hours and the skills base has improved to allow that to tie in.

The second point I want to make very quickly, which is very important to retail workers and which the GLA and the Assembly can really make a contribution on, is about Sunday trading and the potential devolution of Sunday trading to a local authority decision. Sunday trading is a perfect example of where flexibility just does not work for the shop workers. If you increase the number of hours that shops open, you will simply increase the number of hours people have to work. Employers will move things around. There will be no more money spent in retail. People do not have the money to do that.

We have done extensive research and I have taken the liberty of bringing a copy of our research findings along. I probably have just about enough for everybody and the Members here. Looking in London, we surveyed and

- our results were from all of our members' views but in London - 63% of people who work in large stores at the moment get a Sunday trading premium. That will all go if Sunday trading is devolved because that is how the employers will pay for the increased opening hours. To further emphasise that, only 47% of people in London who work in small stores get a premium. This is also how retail employers are going to pay for their so-called National Living Wage. That is how they are going to massage it. We are having now to negotiate premiums and the hourly rates.

You asked a question earlier to our colleagues in hospitality about which they prefer: tips or money in their wage packets. Exactly the same thing is true in retail. People do not want to lose their privilege cards and discount cards in exchange. It is not a fair exchange. It is helping people to make ends meet.

I know you want to move on, Chair, to the next agenda item, but perhaps I could hand these over to be distributed to Assembly Members. There may not be enough but I can send that in electronically if you need me to. It is a really key point where you can make a difference if Sunday trading is devolved, and we are hoping that that will not happen. If it does, do not fall into the trap of thinking that longer hours means more money being spent in shops and more jobs for shop workers because it absolutely does not. It will just lead to more unequal treatment of people in flexible working.

Fiona Twycross AM (Chair): Thank you for that. We have a couple more questions. We have run over time, but people were really appreciating the comments that the hospitality workers themselves were giving. Is anyone on the panel not able to stay for another few minutes to go through them?

Fiona Twycross AM (Chair): Yes, OK, because we have a question from Stephen [Knight AM] and then Kemi [Badenoch] has a question and I know she wants to come back on the points that were made earlier. Obviously, we have other guests who are coming. If we can try to keep this relatively short.

Stephen Knight AM (Deputy Chair): I will try to get through. My questions are about inclusion in unemployment rates amongst various different groups.

First of all, to Fiona, if you could start us off, the first question I have here is about young people. We know that in London 18-to-24-year-olds have a higher unemployment rate than the national average at 17.1%. Have you seen evidence of young people finding it more difficult to get into the employment market, and can you think of anything that ought to be done to help young people in particular?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): From a retail point of view, the most significant thing we have seen for young workers in retail is that in our negotiated settlements we have eradicated youth rates. We have negotiated with all of the major retailers that every worker gets paid the same. It is absolutely possible for employers to pay all of their workers the same, bearing in mind that the young worker is doing the same job as the person next to them. I fear that that will change significantly once the new National Living Wage comes in and there is then a premium. There is an extra age-related scale of the minimum wage if you are aged 25 or over.

Stephen Knight AM (Deputy Chair): Employers will not want to employ young people because they are going to have to pay them properly.

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): That might be a possibility. They will, of course. Why would they not, from the employer's point of view? From our point of view, we work really hard to support young workers, a lot of whom do work in retail, because it is a job that will fit in with studying, for example. There are a lot of students who work in retail and then move to the retailer nearest their university place, etc.

Stephen Knight AM (Deputy Chair): Do you think we might see an odd spike in employment where employers are employing 20-to-25-year-olds who, once they hit 25-to-30, will find it difficult to get employment because of the differential in the pay that they have to be paid.

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): There is a serious danger that that will be one of the consequences of having a further age premium rate on the National Minimum Wage. From USDAW's point of view, representing low-paid workers, we work really hard to equalise outflows. In a retail environment, whether you are 45, 25 or 17, you are doing the same job. Once you have done your training and you have passed your initial probation, there is no reason at all why you should be paid differently.

Stephen Knight AM (Deputy Chair): Why? Are 24-year-olds paid differently to 25-year-olds?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): Yes, absolutely.

Stephen Knight AM (Deputy Chair): Thank you for that. The next group I want to talk about is minority ethnic communities. We know that there remains a higher unemployment rate in London for those groups. I wondered whether you were aware of particular barriers that members of minority ethnic communities are facing in the employment market.

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): From a retail point of view, I do not think that there are any discriminatory elements working. In terms of retail, the workforce very much reflects the makeup of the country itself. That is because statistically black and minority ethnic (BAME) workers tend to work in lower-paid sector and retail is a lower-paid sector.

Stephen Knight AM (Deputy Chair): I want to move on to the issue of female unemployment, which again remains higher in London than the UK average. We have talked a bit about this already in terms of the hours.

Emma, do you want to comment on what barriers there are particularly in London's economy to the inclusion of more women, particularly mothers, in the labour market, apart from the obvious barrier of getting fathers to do their fair share of childcare?

Emma Stewart (Chief Executive, Timewise Foundation): Our view is that there are skills barriers but, fundamentally, there is a structural barrier around how the labour market operates in London. There is less part-time work in London than outside of London. There are fewer people working part-time in quality jobs than outside of London. Those who do work part-time are predominantly women. They choose to work fewer hours predominantly because they have caring responsibilities both for children and also for elderly parents.

As I said earlier, if you have only 3% of the jobs market to fish in, if you want to work part-time or flexibility and you want to work at a decent level of pay, then what happens is that we have a talent bottleneck in London. People are either locked out of work because the jobs that are available are being done by women who have downgraded into them, or locked out of progressing up in the jobs market because they look above and they cannot take the flexibility they have negotiated and fought for in their existing job with them because they have to go back into full-time employment.

It is a significant issue for worklessness and increasingly for in-work poverty because half of the jobs in London that are part-time are below the London Living Wage. It is going to be a very significant issue when it comes to Universal Credit because everybody on Universal Credit is going to be working part-time.

It goes back to the point of how you tackle that. There is a skills intervention, but there is a significant piece of work that needs to be done on the demand side, which is about looking at how you can influence employers to change their recruitment and hiring practices to unlock more jobs to be done flexibly because not everybody wants more hours.

Stephen Knight AM (Deputy Chair): Are there some sectors that are worse than others in terms of employing women and in particular offering those flexibilities that often women need? Are there different pay rates and skill rates within the economy within those sectors? It may be that at a board level they are perfectly happy to take people part-time, but not in middle management. I do not know. Is that the sort of thing that --

Emma Stewart (Chief Executive, Timewise Foundation): There are lots of issues and you have to take a sectoral approach. There is not one size that fits all here.

As we have talked about, the issue within social care, within retail and within hospitality is that a significant proportion of women are very badly paid. Lots of flexibility does not work for them.

The issue within the public sector is that a higher proportion of women than in the private sector have been able to negotiate flexibility, but there is currently very little recruitment going on. There is a lack of job mobility and so women are stuck. In fact, our research shows that 77% of people working part-time get stuck in their jobs.

In the professional services and the private sector, there are issues depending on the size of the business. Small businesses are actually quite open to flexibility for recruitment. We always say, "Why pay for five days when sometimes three is all you need?" The challenge there is that you have to get business owners understanding the value of that and the value of being able to fish a wider candidate pool. There is an assumption that everybody who is working part-time wants more hours. Eight out of ten people working part-time want to work part-time; they just want more of an hourly rate of pay and they want to not work precariously.

In the professional services, there is a big perception that you cannot do client-facing roles and be flexible. Actually, a lot of our clients now in our recruitment business and our consultancy business are professional service firms like law firms that, again, recognise that if they want to progress women and they are looking at the c-suite. It is not just about women on boards; it is about the pipeline. You have to progress them flexibly. Otherwise, they will leave. There are lots of different issues going on.

Stephen Knight AM (Deputy Chair): Again, I guess an awful lot of this is about the power relationship between the employee and the employer in terms of flexibility, is it not?

Emma Stewart (Chief Executive, Timewise Foundation): Yes.

Stephen Knight AM (Deputy Chair): If the employee is valuable enough, they will be offered the terms they ask for. Do entry-level jobs find it more difficult to demand flexibility than more senior jobs?

Emma Stewart (Chief Executive, Timewise Foundation): At all levels, there is a challenge. We know from our research that nine out of ten managers are open to a conversation about flexibility at the point of hire, but only three out of ten do it. The three reasons they cite are: they do not know if their leadership is open to a conversation about flexibility at recruitment; they do not know how to because when they say to someone,

“How many hours”, they get into a conversation about job design and no one has capacity-built them to do that; and they do not know how to communicate it and so they do not say so on job adverts.

We would say that one of the very simple things that the Assembly can do and that the Mayor can do is to take a leadership role on this and to start saying that City Hall and the City Hall group is open to flexibility for roles when you are advertising.

Fiona Twycross AM (Chair): Thank you. Apologies, again, to our guests for the next session for us overrunning. We have one more question, which is from Kemi.

Kemi Badenoch AM: Thank you. Very quickly, my question is about career prospects for London workers since 2008. This is for Emma and Fiona [Wilson]. What do you think are the key barriers faced by people in low-paid work to progressing to better-paid roles? I know you have touched on that a little bit, but what are the key barriers for everyone, not just women, to career progression?

Emma Stewart (Chief Executive, Timewise Foundation): I will answer from the group that we work with, who are predominantly people with caring responsibilities. That is not just women; it is men as well.

We have been doing some work around progression. We have just done a pilot for the Government looking at Universal Credit and how you can progress low-paid workers. What we have found is that there are skills barriers but increasingly there are, as I have said before, barriers around not being able to move up because you cannot negotiate the flexibility you need in the next-level-up job. Sometimes that is overcome just by looking at moving from zero-hours to permanent contracts. Sometimes that is overcome by looking at shifts at the beginning of the day with job-carving.

We know through our pilot that it is possible if you present employers with candidates who can do a job and negotiate on behalf of that candidate to get the flexibility that they need in order to enable them to progress. The research and the evidence that we had from our pilot when we supported 100 women was that over a third of them were moved into better-quality jobs, but they retained flexibility and were £5,000 better off a year. Therefore, there are barriers around flexibility that I would come back to.

Kemi Badenoch AM: Fiona?

Fiona Wilson (Head of Research and Economics, Union of Shop, Distributive and Allied Workers): We would like to see the emphasis on getting away from a two-tier workforce. You talked about barriers in the workplace, but it is actually about stopping there being a situation where there are very low-paid workers who are treated with no response to flexibility but just do the hours they are asked.

There are four things that really could be focused on to promote decent work that would address this issue. The first point, as we have heard this morning, is about tackling exploitative zero-hours contracts and short-hour contracts. We should have contracts that reflect the normal hours they work so that they are not precarious in that respect.

Promote sector-wide initiatives on training and skills with unions, education providers and employers. Work together to provide better workplace learning and to increase, therefore, the flexibility of skills rather than rely on the flexibility of working hours.

Give people a stronger voice in the workplace by strengthening consultation, not like what we are seeing at the moment with the Trade Union Bill, but strengthening and promoting the role of trade unions in the workforce. We have heard this morning of the activities that Unite and USDAW have been doing. We are supporting and

improving difficulties in the workplace. It should be a real focus and an aim to assist in improving workplace barriers.

Finally, support workplace pay bargaining with stronger rights for trade unions. We have heard this morning from the organised sector that the situation, though difficult, is better than dire, where it is when people have no one to step up for them.

Kemi Badenoch AM: We have heard that investment in training is at a record low and is 30% to 40% lower than in the 1990s. Is this true in your experience?

Emma Stewart (Chief Executive, Timewise Foundation): Yes. From the employment skills providers that we work with, we know there are significant issues with massive cuts to English for speakers of other languages (ESOL) and significant cuts to adult training.

We would argue that if London wants to take a lead on evolving welfare reform and looking at Universal Credit, there is a real opportunity to think about a careers advancement service for London. That is not just about skills intervention, but is about working with existing colleges to provide some high-quality, holistic careers advice to people who want to progress and who are locked in low pay. There is a real opportunity to do something there. There is definitely a reduction in the training that is being made available at the moment.

Kemi Badenoch AM: Lastly, this is a question for Ewa and possibly Kevin [Curran] as well. I was quite interested in hearing about your experiences working in a hotel when the agency was trying to get you to work for free. Do you believe that the employer was aware that the agency was doing that?

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): I absolutely think the employers are aware. I do not know how they could not be aware. It is just an open secret that these agencies will be competing against one another based on the prices that the hotels set. They have a lot of responsibility for this kind of Wild West, as it is called, subcontractor market. They do know, but they are not picking up the liability because they say, "This is outsourced. This does not concern us. They are not even our employees", even though these are the people making the profits and making the beds.

Kemi Badenoch AM: It does touch on the training question that I was asking, but you knew that what they were doing was wrong and possibly a lot of other people may not have known because they were not British citizens and might not have been aware of their rights. Do you think that if they were aware they would have spoken up or would they still feel so vulnerable that it was not worth challenging it?

Ewa Jasiewicz (Member, Hotel Workers Branch, Unite the Union): They would probably still feel so vulnerable. People in this sector are really vulnerable. That is why the English language lessons are so important. They move around a lot as well.

It is Omni that is operating that particular contractual clause. Other agencies will do things like short-change people on how much they are paying, or there will be constant mistakes in pay, and sometimes workers will not feel like they can raise it. If they do need to take the employer or the agency to a tribunal, it will cost them £390 just to get to the tribunal. These agencies know that and so they can cut off £50 here and £20 there.

Kemi Badenoch AM: In that case, we have working conditions and health and safety inspections, but if we had inspections on this sort of thing - perhaps with Trading Standards or the councils - where employers were fined if employees stated that this sort of thing had happened, would that be something worth investigating or would it not make a difference?

Hugh O'Shea (Chief Convenor, Hotel Workers Branch, Unite the Union): Hotels normally buy on price. When they buy on price, they normally buy from the company with the least-good standards and the least observance of law. If an agency goes bust, it is the taxpayer who picks up on the National Insurance and tax that is missing. Very often, almost always, a phoenix company arises the next day and normally it keeps 75 to 80% of its contracts. The hotel company will just say, "We tell our agencies to obey the law". That is nonsense. They know that at the prices they are demanding, they cannot do anything.

What the agency that Ewa [Jasiewicz] mentioned - Omni - is doing is, in effect, tax evasion. The client has given it an amount of money to pay National Insurance on the employer's side and the income tax that should be taken. That does not go to Her Majesty's Revenue & Customs (HMRC). It goes straight to their bottom line.

I am in the strange position of two or three times a year meeting agency bosses who come to see me and say, "Hugh, can you do something about this agency?" That never happened five or ten years ago. The agencies themselves are very aware that it is so cutthroat that they are killing each other, they are killing the staff and they are depriving HRMC of what it should rightly get. It is a disastrous scenario. Inspection does not work. The law needs to be changed.

Kevin Curran (Vice Chair - Unite Hotel Workers Branch): Can I make a very quick point?

Fiona Twycross AM (Chair): Very quickly because we are going to move on.

Kevin Curran (Vice Chair - Unite Hotel Workers Branch): Our argument is that those hotels that are trade union-organised will not need inspection. It would be self-regulated. These things would not happen. That is our argument.

Fiona Twycross AM (Chair): OK, thank you. I am going to draw the first session to an end there. We could continue discussing this for quite a long time still, but we have another session. We really appreciate your time. I would stress that if anybody thinks of anything they would like to add, please do send it in afterwards. We really appreciate you all coming along today, particularly the hospitality workers who have come to give us their very personal perspectives. Thank you.