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WITNESS STATEMENT OF KATE BELL (THE TUC)

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I am Kate Bell, Assistant General Secretary of the Trades Union Congress (“TUC”). My office address is Congress House, Great Russell Street, London, WC1B 3LS.

1. I make this statement on behalf of the TUC in response to a letter dated 5 February 2025 sent on behalf of the Chair of the UK Covid-19 Public Inquiry (the “Inquiry”), pursuant to Rule 9 of the Inquiry Rules 2006. This statement is made for the purposes of Module 9 of the Inquiry, which is examining the economic interventions taken by the UK Government and Devolved Administrations in response to the Covid-19 pandemic. As requested, this statement focusses on the period of time between 1 January 2020 and 28 June 2022.
  
2. This statement is structured as follows:
  - a) Introduction;
  - b) The structure and role of the TUC;  
*The relationship between the TUC and its sister organisations in the devolved nations*
  - c) Arrangements for liaison and communication with the UK Government;  
*Pre-existing arrangements for UK Government engagement with unions*  
*Use of these existing forums in the pandemic*  
*An overview of engagement through the pandemic*  
*New (temporary) sector specific forums led by government departments*  
*Select committees*
  - d) Coronavirus Job Retention Scheme;  
*Media and entertainment*
  - e) Self-employed Income Support Scheme;  
*Media and entertainment*

- f) Statutory Sick Pay;
- g) Universal Credit;
- h) Business rate relief;
- i) Sector-specific issues and interventions;
  - Media and entertainment*
  - Transport*
  - Retail*
  - Education*
  - Food processing*
- j) Impact on our members;
  - BAME workers*
  - Disabled workers*
  - Women*
  - Migrant workers*
  - The young*
- k) Conclusions and lessons learned.

## **A. INTRODUCTION**

3. The TUC was founded in 1868 and brings together 5.5 million working people that make up its 48 member unions, from all parts of the UK. The TUC seeks to stand up for everyone who works for a living, making sure their voices are heard, by publishing research and evidence and campaigning for changes to the law and in society. We seek to put working people at the heart of our society, economy and politics. We do this by supporting trade unions to grow and thrive, helping them represent their members and keep pace with the changing world of work. We advocate for collective bargaining and trade unionism and we aim to help union members get on in life.
4. Our values guide us in all our work. We stand for equality, fairness and justice, and for dignity and respect for all working people. We believe in solidarity: that working people can achieve more acting together than they can do on their own. And we are internationalists, acting with trade unionists around the world to promote working people's interests.
5. I joined the TUC in 2016 as its head of economic, international and employment rights department. In addition to my current role as Assistant General Secretary, during the pandemic I was head of our Rights, International, Social and Economic Affairs Department. The policy teams within this Department covered issues related to the pandemic, including financial support for workers and business, such as the Coronavirus

Job Retention Scheme (“**CJRS**”), the Self-Employed Income Support Scheme (“**SEISS**”), Statutory Sick Pay (“**SSP**”) and the Self-Isolation Payment initiative, as well as employment rights, insecure work and specific private sector industries. Along with my team, I took responsibility for leading our engagement with the Department for Business, Energy and Industrial Strategy (“**BEIS**”) and HM Treasury (“**HMT**”). I played an active role for the TUC during the course of pandemic, particularly in relation to liaising with ministers and civil servants in relation to the furlough scheme.

6. The TUC engaged, or at least attempted to engage, with the UK Government on its economic response during the pandemic, including through correspondence and meetings with ministers and government departments. In contrast to the position in the devolved nations, the arrangements for social partnership between unions, employers and the UK government were extremely limited. There was no overarching pre-existing and effective mechanism for dialogue and consultation that could be utilised once the pandemic hit. The pandemic had such significant implications for the workplace that it did prompt a significant increase in UK Government outreach to unions. Regular engagement was arranged with ministers – through bi-weekly and then monthly meetings of unions with the BEIS minister Paul Scully, TUC participation in meetings with the B5 business group and two roundtables with the Chancellor. This was also supplemented by some sector specific engagement with other departments and roundtables including unions with BEIS around safety at work guidance.
  
7. This did work in some instances. Engagement on the CJRS was broadly successful (albeit there were bumps in the road with uncertainty over extending the scheme at various stages, last-minute decision making and, arguably, no real legacy for wage support mechanisms moving forward after the pandemic). However, there were some fundamental limitations to this approach. Support for specific sectors, namely transport, education and the creative industries, was often lacking, with workers falling between the cracks of the CJRS and SEISS. Despite unions in these sectors raising these issues with government on several occasions, the action taken in response was underwhelming and sometimes non-existent. Furthermore, as discussed in detail later in this statement, measures to address the inadequacies of SSP were ineffective, local authority hardship grants were problematic, variable and largely under-prescribed and Kickstart was underwhelming. It is highly likely that more effective measures would have been implemented had these ad hoc arrangements been instead based on longstanding social partnership systems, as seen in the NHS and devolved administrations.

8. The TUC did significant work in seeking to understanding, and to advocate for, working people, in particular protected and vulnerable groups. The several reports we published during the course of the pandemic are summarised in this statement, and also exhibited.

## **B. STRUCTURE AND ROLE OF THE TUC**

9. The TUC supports trade unions to grow and thrive, and we stand up for everyone who works for a living. We campaign for more and better jobs, and a more equal, more prosperous country.
10. The TUC has 48 member unions, each of which is listed at [KB/001 - INQ000119021]. The TUC exists to support its member unions and the members of those unions. In doing so, it brings together 5.5 million working people. The member unions of the TUC span a wide array of sectors, across the UK, all of which were affected by the pandemic. The sectors represented by the TUC member unions include workers in the whole range of health and social care services, construction and manufacturing, railways, aviation, education, food industries, communications workers, fire and rescue services, the civil service, and the arts.
11. During the course of the pandemic, the TUC was led by its then General Secretary, Frances O'Grady. Following her retirement, she was replaced as General Secretary by Paul Nowak, who commenced his role in January 2023.

### **The relationship between the TUC and its sister organisations in the devolved nations**

12. TUC Cymru is part of the TUC and sits within the TUC's Organisational Services and Skills Department. It is an integral part of the wider organisation but autonomous in some policy areas. TUC Cymru consists of trade unions that are affiliated to the TUC and who have members in Wales and trades union councils in Wales registered with TUC Cymru. It has devolved responsibility within the TUC for: matters which are within the powers of the Welsh Government and the Senedd; matters that are wholly specific to Wales; and developing policy on matters which impact substantially differently on Wales than elsewhere in the UK. Regarding clearly UK-wide, non-devolved matters that do not impact Wales substantially differently to the rest of the UK, TUC Cymru provides advice to the TUC on delivery in the Welsh context.

13. The Scottish TUC (“**STUC**”) is not part of the TUC; it is an independent trade union centre to which trade unions affiliate their Scottish membership. The STUC represents over 540,000 trade union members in Scotland from 43 affiliated trade unions and 20 trade union councils and is governed by the STUC General Council who are elected annually at Congress.
14. The Irish Congress of Trade Unions is also an independent trade union centre. It represents trade union members across both Northern Ireland and in the Republic of Ireland. The Northern Ireland Office (ICTU-NI) is responsible for all issues affecting nearly 250,000 members in 36 unions in Northern Ireland. Many of the functions of that office are similar to those in Head Office of the Irish Congress, although the Northern Ireland Office operates, of course, within a different environment, dealing with British trade union legislation and a significantly different economic and social environment.
15. The TUC works in partnership with our sister centres in devolved nations within the UK, either through an integrated formal structure with TUC Cymru or through collaboration with STUC and ICTU-NI where we campaign on UK-wide issues of relevance to our members. This relationship is formalised with the STUC, TUC Cymru and Irish Congress of Trade Unions through a body known as the Council of the Isles, which brings representatives from each trade union centre on an annual basis.

### **C. ARRANGEMENTS FOR LIAISON AND COMMUNICATION WITH THE UK GOVERNMENT ON ECONOMIC ISSUES**

#### **Pre-existing arrangements for UK Government engagement with unions**

16. In contrast to the experience in Wales and Scotland, at the outbreak of the pandemic there was virtually no machinery in place for regular dialogue or engagement between the UK government and the TUC or its member unions.
17. Although there would, of course, be meetings and correspondence with ministers and civil servants on specific issues across a range of departments as a matter of the everyday work of the TUC, there was nothing approaching the levels of social partnership, joint decision-making or sector wide agreements and initiatives that were in place between unions and the devolved governments of Scotland and Wales.

18. Beyond the participation of trade union representatives in certain government agencies such as the Health and Safety Executive and the Low Pay Commission, the only vestiges of strategic engagement between the TUC, its member unions and central government departments was through the Public Services Forum (“**PSF**”). By strategic engagement, we mean structured dialogue and action with government directly related to strategic issues affecting the public service workforce - not matters of pay and terms and conditions which are dealt with through different forms of negotiating structures and Pay Review Bodies.
19. Formed by the Labour government in 2003, the PSF was Chaired by the Minister for the Cabinet Office or the Chancellor of the Duchy of Lancaster (“**CDL**”) and brings together key government departments, such as the Cabinet Office and HMT, public sector unions and employers, including the Local Government Association and NHS Employers, as well as third sector and business organisations with the aim of planning joint approaches to strategic issues concerning the public sector and public sector workforce.
20. Regular attendees at PSF meetings since its inception included:
- (a) The TUC along with affiliated unions with membership in the public sector, including UNISON, Unite, GMB, NEU, NASUWT, UCU, PCS, FDA, Prospect, CSP and RCM.
  - (b) Government departments including Cabinet Office, HMT and Department of Health and Social Care.
  - (c) Employer organisations in the public sector and beyond, including the Local Government Association, NHS Employers, the National Council for Voluntary Organisations and the Confederation of British Industry (“**CBI**”).
21. The PSF did not have a formal decision-making role but can agree joint initiatives with government departments – the most recent project being the development of a good work and well-being programme to foster partnership with unions and encourage good employment practices across the public sector.
22. Although a Labour government initiative, successive Conservative-led administrations maintained the PSF since 2010. However, in recent years the PSF has met infrequently and joint initiatives, including the health and well-being project, were not followed through to completion or were not given effective promotion due to dwindling resources and

ministerial focus. For example, the PSF met at least twice a year between 2011 and 2019 but met just three times across 2019 and 2020. It has not met since 22 June 2020, despite numerous written requests from the TUC asking for the PSF to be reconvened, a number of which have gone unanswered by various Ministers.

### **Use of these existing forums in the pandemic**

23. In the case of the Cabinet Office there was significant engagement, in contrast to the relative lack of progress with the PSF in the months leading to the pandemic. Given the CDL's role in coordinating pandemic responses across government, this channel of communication was particularly welcomed in the early months of the crisis.

24. The PSF met on three occasions in the first 3 months of the pandemic, on 24 March 2020 [KB/002 - INQ000119022], 7 May 2020 [KB/003 - INQ000119023] and 22 June 2020 [KB/004 - INQ000119024] and this was also supplemented by a specific CDL roundtable with public sector unions on 9 April.

25. In addition to the collective engagement through the PSF and union roundtables, three further one to one meetings were held between the CDL and Frances O'Grady on 3 April 2020 [KB/005 - INQ000612654] [KB/006 - INQ000612655], 22 June 2020 (ahead of the PSF) and 19 November. The TUC also wrote to the CDL on 27 April 2020, welcoming the engagement with the Cabinet Office, but urging the government to convene a 'national recovery council', chaired by the Prime Minister or a senior Cabinet member such as the CDL, that would enable key representatives of business, unions and others to advise, inform and help implement a programme of action that addresses matters such as measures to support economic recovery [KB/007 - INQ000612656].

### **An overview of engagement through the pandemic**

26. Over the course of the pandemic, liaison and communication with the government increased significantly. The following table maps the number of engagements that the TUC had – calls or meetings (including roundtables with other unions and stakeholders) – with key civil servants (Deputy Director level and above) and ministers across government departments in 2020 and 2021. This shows a pronounced spike in Q2 2020 followed by a tailing off of ministerial engagement but a regular pattern of departmental engagement with civil servants maintained throughout the pandemic.

Year	2020				2021			
Quarter	1	2	3	4	1	2	3	4
Civil servants	29	96	42	42	40	34	35	31
Ministers	13	43	17	14	7	8	7	5

*\*This table indicates meetings directly involving the TUC and does not record meetings that member unions may have had in addition.*

27. Liaison and communication with the government generally occurred in five main ways:

- (a) Direct engagement with government ministers and senior civil servants on specific issues, through correspondence, telephone calls and meetings.
- (b) Utilisation of existing forums such as the PSF and civil service NTUC.
- (c) Creation of new but temporary sector specific forums led by government departments, including the Department for Transport (“**DfT**”), Department for Education (“**DfE**”), BEIS, Department for Environment, Food and Rural Affairs (“**DEFRA**”) and Department for Digital, Culture, Media and Sport (“**DCMS**”).
- (d) Ad-hoc sectoral and thematic meetings organised around key government initiatives, such as the series of BEIS-convened meetings with unions and employers around workplace guidance.
- (e) Submissions to government consultations and select committees.

28. The main areas of dialogue between the TUC and government were around (i) financial support to workers and businesses and (ii) the management of NPIs in the workplace and across specific sectors and industries. I set out in detail in the relevant section below the dialogue between the TUC and government in early/mid-March 2020 leading to the introduction of the CJRS. Dialogue regarding the SEISS was much less extensive, but I also address that later in this statement.

29. Individual unions also reached out to ministers in the relevant sectors to seek to establish a dialogue and joint-working approach going forward. I address specific sectors later in this statement, but by way of example on 12 March 2020, representatives of GMB, Prospect, POA, PCS and FDA attended a meeting with the Cabinet Office to discuss how the government was advising departments on steps to take regarding absence, attendance and other HR matters [KB/008 - INQ000119125]; [KB/009 - INQ000119136]. The unions stressed the need for government to lead by example and that any guidance should include the need to protect vulnerable groups. They also highlighted the need for government to ensure contractors pay staff full wages in the event the employee was sick with the virus or had to self-isolate. It was agreed that the unions and the Cabinet Office would meet once or twice a week to jointly review the situation and to amend guidance. See also GMB's letter to Gavin Williamson at the DfE on 19 March 2020 [KB/010 - INQ000119180] seeking engagement and repeating a willingness to meet with the Prime Minister and the Secretary of State for education to discuss matters including ensuring the support staff wage bill continued to be met.
30. Furthermore, on 19 March 2020, a conference call took place with unions and Alok Sharma, including the TUC, UNISON, Unite, GMB, Accord, Prospect and Usdaw, looking at the development of business and worker support as well as providing an opportunity for unions to report the experience of their members in different sectors and industries. It was agreed to put this conference call on to a regular footing [KB/011 - INQ000119169].
31. On 25 March 2020 there was the first of a series of weekly meetings of unions representing members in key private sector industries with the Business Minister Paul Scully [KB/012 - INQ000119202]. These meetings included the TUC, UNISON, Unite, GMB, Prospect, CWU, Usdaw, Community and Accord. The meetings were the key mechanism through the pandemic for enabling the minister to update unions on key government decisions around business support, lockdown and NPIs affecting the workplace, while unions were able to raise issues facing their members in different sectors and industries. These meetings took place on a weekly basis from March 2020 to August 2020, moving to monthly thereafter until May 2022.
32. As the table produced earlier in this statement demonstrates, engagement with ministers and key civil servants was concentrated in the period from March to June 2020 but continued throughout the pandemic – particularly with BEIS, HMT and the DfT.

33. Contact was maintained with HMT officials and with the Chancellor himself throughout 2020 and into 2021. Further telephone discussions and meetings took place between the TUC and the Chancellor, as follows:

- (a) 1 May 2020 – to discuss the government's response to the coronavirus pandemic;
- (b) 28 May 2020 – regarding the future of the CJRS;
- (c) 7 July 2020 – ahead of the Summer Statement, covering the Plan for Jobs that included the Job Retention Bonus (“**JRB**”), Eat Out to Help Out and the launch of Kickstart;
- (d) 7 September 2020 – regarding the future of CJRS, Kickstart and other upskilling and employment support measures; and
- (e) 24 September 2020 – a joint meeting and photo call with the CBI on the launch of the Job Support Scheme (“**JSS**”).

34. In addition to these meetings, the Chancellor hosted four roundtables with trade union participation, as follows:

- (a) 6 May 2020 – considering the safe return to work, the future of the CJRS and SEISS and wider recovery – including the TUC, UNISON, Unite, Usdaw, Prospect, NASUWT and Equity [KB/013 - INQ000119203];
- (b) 11 June 2020 – considering safe working, the CJRS and economic recovery [KB/014 - INQ000119204];
- (c) 22 October 2020 – considering strengthening support for businesses through reform of the JSS, including the TUC and a delegation of business organisations from the hospitality sector; and
- (d) 22 September 2021 – considering support for businesses, workers and industries, public services and climate investment and green jobs, including the TUC, UNISON, Unite, GMB, NEU, Usdaw, NASUWT, Prospect and CWU [KB/015 - INQ000119205].

35. Following the publication of the Winter Economic Plan, in October 2020, Frances O'Grady wrote to Rishi Sunak to seek a meeting to discuss the measures needed to support jobs [KB/016 - INQ000612657]. The letter repeated TUC proposals for a successor to the

CJRS and highlighted the need for a National Recovery Council to help shape a strategy to protect and create decent jobs and to guide the design of sectoral recovery packages for the hardest hit industries of the economy. It also set out issues with Universal Credit that needed to be addressed, discussed in further detail later in this statement.

36. Engagement was also maintained with ministers and key civil servants at BEIS where the focus was both on support for businesses, workers and sectors, and on safety and implementation of NPIs in workplaces. This took the form of individual meetings and calls as well as roundtables, including the regular weekly (then monthly) meetings with Business Minister Paul Scully. Meetings included:

- (a) 29 April 2020 – a meeting with Paul Scully and Nadhim Zahawi, attended by Paul Nowak and other trade union representatives, where the lack of flexibility in the CJRS, the need for industry-specific packages and support for the self-employed were all discussed [KB/017 - INQ000612658];
- (b) 1 May 2020 – a call with Alok Sharma and Frances O’Grady, ahead of the publication of workplace safety guidance [KB/018 - INQ000119206]; and
- (c) 12 January 2021 – a call with Secretary of State Kwasi Kwarteng and Frances O’Grady, which served as an introductory meeting to discuss safe working guidance, industrial strategy and employment bill.

37. BEIS ministers also participated in trade union roundtables and conference calls in addition to the regular meetings of unions with Paul Scully, including:

- (a) 19 March 2020 – Alok Sharma roundtable with unions ahead of the Chancellor’s announcement on job support, including the TUC, Unite, UNISON, GMB, Usdaw, Prospect, Accord [KB/11] - INQ000119169];
- (b) 30 June 2020 – Alok Sharma roundtable with unions to discuss business support through the recovery, including the TUC, Unite, GMB, Usdaw, CWU, Community, Prospect and Accord [KB/020 - INQ000119207]; and
- (c) 27 January 2021 – Kwasi Kwarteng roundtable with unions to discuss safe working guidance and support for the recovery, including the TUC, Unite, GMB, Usdaw, CWU, Community, Prospect and Accord [KB/021 - INQ000119208].

38. Although the primary focus of TUC engagement was with HMT and BEIS, meetings with ministers took place with a more sector-specific focus, usually supplementing engagement with sector unions through ongoing roundtables detailed in later paragraphs. These included:

(a) 28 May 2020 – Gavin Williamson (DfE) call with Frances O’Grady to discuss policy on reopening of schools and engagement with school staff unions ahead of roundtable with education unions;

(b) 11 June 2020 – Thérèse Coffey (Department for Work and Pensions) call with Frances O’Grady to discuss SSP and social security [KB/022 - INQ000119209]; and

(c) 12 June 2020 – Oliver Dowden call with Paul Nowak to discuss support for cultural industries [KB/023 - INQ000119210].

39. Engagement with Number 10 was largely absent until the very late stages of the pandemic. Aside from a meeting with the Chief of Staff, NR on 11 May 2020 to discuss the pandemic response [KB/024 - INQ000119211], there was no direct engagement with the Prime Minister’s office until meetings with the Deputy Chief of Staff, Simone Finn, and Business Adviser, NR in August and September 2021 [KB/025 - INQ000119212]. At this August meeting, the TUC urged Number 10 to build on the success of the CJRS and the SEISS with a new, permanent short-time working initiative and offered to work with them to develop a new scheme. There was no direct engagement with the Prime Minister himself until a meeting on 6 December 2021 [KB/026 - INQ000119213], where the Prime Minister agreed that furlough demonstrated the contribution that unions can make working with government, and that partnership working should be encouraged. Frances O’Grady followed up this meeting with a letter to the Prime Minister on 20 December 2021 (dated incorrectly) [KB/027 - INQ000612659]. The letter welcomed the engagement but also set out urgent actions required to support jobs and incomes in the pandemic, including providing immediate furlough support for businesses in sectors that were experiencing dramatic loss of demand due to new public health measures that the government had introduced in response to the significant increases in cases of the Omicron variant.

#### **New (temporary) sector specific forums led by government departments**

40. Where there was no existing machinery for collective engagement with unions (and other stakeholders), some government departments put new structures in place, this included:

- (a) A series of weekly, then monthly, meetings from March 2020 to May 2022 with unions representing members in the private sector with BEIS, chaired by Business Minister Paul Scully (as detailed above);
- (b) The TUC also attended regular meetings of the B5 group of business organisations with BEIS ministers. See for example [KB/028 - INQ000119214];
- (c) Regular meetings between DfT ministers, including Chris Heaton-Harris, Baroness Vere and Kelly Tolhurst with unions representing members in different transport sectors, particularly rail, aviation and local transport/buses. Around 30 of these meetings took place between March 2020 and June 2021, see for example [KB/029 - INQ000119215]. On 18 May 2020, this was supplemented by a meeting of transport unions with the Secretary of State Grant Shapps [KB/030 - INQ000119216];
- (d) In addition, the TUC and Unite also participated in the DfT's expert steering group bringing a range of organisations together to advise the government on the impact in the aviation industry, which met regularly from May 2020;
- (e) Following a meeting of education unions with Gavin Williamson on 28 May 2020, the DfE established a stakeholder forum which was chaired by Schools Minister Nick Gibb and included teaching and support staff unions along with other organisations. Invitations to attend were sent on 5 June 2020, with the first meeting on 10 June 2020 [KB/031 - INQ000119217] along with draft terms of reference [KB/032 - INQ000119218]. The intention was for the DfE Stakeholder group to meet every fortnight;
- (f) The TUC also participated in the Cultural Renewal Taskforce convened by the DCMS to coordinate support for the cultural and creative industries, chaired by the Secretary of State Oliver Dowden, which met over a dozen times between May 2020 and January 2021 [KB/033 - INQ000119219]. The Taskforce established a number of working groups looking at different creative and cultural sectors which included TUC member unions; and
- (g) DEFRA-coordinated meetings with unions representing workers in the food production sector, that met on 1 October 2020, including the TUC, GMB, BFAWU and Unite [KB/034 - INQ000119220].

## Select committees

41. Although select committees are not part of the government, they also offered an important mechanism for the TUC to set out its agenda on the response to the pandemic with MPs and ministers. This included the provision of oral evidence, in addition to written submissions, to the following committees:

- (a) 17 March 2020 – Paul Nowak at the Treasury Select Committee inquiry – *the impact of CV19 on workers and businesses* [KB/035 - INQ000119114];
- (b) 20 May 2020 – Kate Bell at the Work and Pensions Select Committee inquiry – *the DWP's response to the coronavirus outbreak* [KB/036 - INQ000119231];
- (c) 24 September 2020 – Kate Bell at the BEIS Select Committee inquiry – *Post-Pandemic Economic Growth* [KB/037 - INQ000192224];
- (d) 6 October 2020 – Paul Nowak at the Treasury Select Committee inquiry – *the economic impact of coronavirus* [KB/038 - INQ000119232];
- (e) 4 November 2020 – Kate Bell at the Work and Pensions Select Committee inquiry – *DWP's preparations for changes in the world of work* [KB/039 - INQ000119233];  
and
- (f) 20 September 2021 – Paul Nowak at the Treasury Select Committee inquiry – *jobs and growth after the pandemic* [KB/040 - INQ000119235].

## **D. CORONAVIRUS JOB RETENTION SCHEME**

42. The TUC was, to my knowledge, the first to call for the introduction of a form of wage subsidy scheme to support workers impacted by the pandemic – we lobbied and offered our insight and expertise to government, to seek to establish an effective mechanism. The CJRS provided vital support in a time of need and is an example of what can be achieved through proper social partnership, with government and stakeholders working together. The following paragraphs detail this engagement, whilst also highlighting some of the (not insignificant) flaws and limitations of the CJRS.

43. In a press release of 9 March 2020, the TUC made its first call for the government to establish a taskforce with unions and business to design an emergency support package, ensure public services are kept running and public sector workers are protected from the

virus and to fix the UK's sick pay rules so that every worker has financial support regardless of how much they earn [KB/041 - INQ000119103]. This was followed up with a press release on 11 March, in response to the Budget, where the TUC set out further the need for a taskforce so that ministers could *"bring together unions and employers to talk about how to support jobs, including through wage subsidies for short time working schemes, and further help for public services – especially social care"* [KB/042 - INQ000192221]. On 17 March 2020, these calls were reiterated by the then Deputy General Secretary, Paul Nowak, when he appeared before the BEIS Select Committee [KB/035 - INQ000119114].

44. Also on 17 March 2020, the TUC wrote to the Prime Minister, Boris Johnson, asking him to set up a government taskforce to pull together unions, business and government agencies to work together to minimise the economic and health impact of the challenges arising from the Covid-19 pandemic [KB/043 - INQ000119147]. This letter was copied to both Alok Sharma, the Secretary of State for BEIS, and Michael Gove, the CDL. The letter stressed that the TUC was *"keen to work in partnership with the government and employers to ensure an effective national response to our businesses and workers facing this crisis"* and called for a taskforce comprised of representatives of key government agencies, trade unions and employers' representatives and chaired by a relevant government minister in order to ensure joined-up approaches across government departments and agencies.
45. On the same day, 17 March 2020, the Prime Minister announced the creation of four new ministerial-led committees to coordinate responses to the pandemic covering healthcare, general public sector, economic and business and international. The announcement made reference to engagement with key stakeholders in relevant sectors. In a press conference that same day, the Chancellor stated that he *"would work closely with trade unions and industry to protect jobs during this period"*.
46. On 18 March 2020, the TUC set out in more detail the measures that the government should take to support working people, businesses and jobs during the pandemic in our published report *'Protecting workers' jobs and livelihoods - the economic response to the coronavirus'* [KB/044 - INQ000119158]. The report again called upon the Prime Minister to establish a taskforce chaired by a Senior Cabinet Minister and comprising unions, business and government agencies to minimise the economic and health impact of the coronavirus pandemic. The TUC suggested the taskforce should have the aim of bringing stakeholders together to co-ordinate support and ensure that measures are being

effectively targeted, delivered and accessed by employers and workers in need. The report stated: *“Our key demand is that government provide wage subsidies for short-time working and temporary layoffs. Government should learn from examples across Europe and introduce an immediate package across the economy to protect jobs. As we recommend below, Government should immediately convene a taskforce of unions and employers to design details of this package. We know that government has the tools to deliver this package now.”*

47. On that same day, the TUC’s General Secretary at the time, Frances O’Grady, took a call from the Chancellor, Rishi Sunak. I was also present. My contemporary notes of the meeting show that Frances raised the need to protect employment as a fundamental objective [KB/045 - INQ000613869]. The Chancellor said that he was examining the international wage subsidy schemes cited in the TUC paper referenced above, but that the principal barrier to implementing such schemes would be cost, given the large financing requirements for government. It was noted that Frances and [NR] would meet the Chancellor on the subsequent day – my personal recollection is that this was at Frances’ suggestion.

48. On 19 March 2020, I met with [NR] from the Treasury in order to discuss potential details of the scheme. My notes of this meeting mention potential timescales for implementation of the scheme, the use of National Insurance and the fact that many businesses do not pay it, and the need for guarantees around jobs [KB/046 - INQ000613870]. Later that day I and others from the TUC attended an in-person meeting with the Chancellor and representatives of business organisations (the CBI, the Federation of Small Businesses, and the British Chamber of Commerce) at the Treasury [KB/047 - INQ000613871]. In this meeting, the Chancellor reiterated that Covid-19 would have a significant public health impact, not all of which would be able to be mitigated, but that there were things that the government could and should do. The government wanted to introduce measures which would actually make a difference on the ground, recognising the constraints on borrowing. The Chancellor reiterated that it was important that the people in the room who lead the economy had a grip on the situation and were trying to work together. Frances stated that the TUC stood ready to play our part in responding to a national and international crisis. People needed to see a ‘fair share of sacrifice’ and it was important that there was a decent economy for people to come back to when the crisis passed. That was why the TUC was pushing for wage subsidies. Frances also raised the importance of sick pay, support for self-employed people, and the five-week waiting period

for Universal Credit. The Chancellor stated that the most helpful thing the government could do was to help people stay in work.

49. The Chancellor went on to set out what he considered to be some key principles of wage subsidies:

- a) a fair share of sacrifice;
- b) that government could provide some degree of cash directly to businesses that keep people in some form of attachment to work;
- c) that the money would go directly to the individual;
- d) that people might be able to train or volunteer during this period; and
- e) that government would not be able to sustain this at scale for a period of time.

50. Frances responded, to say that these were positive steps. It was important to maintain fairness, and demand in the economy and she recognised the trade-off between the longevity and level of any scheme, with the TUC proposing six months. Frances also urged the government to respect the principle of agreement and consultation with unions.

51. In a joint statement with HMT following this meeting, Frances explained that *“the TUC and unions stand ready to work with government and employers to protect jobs and livelihoods across the UK. As well as providing emergency support to business, it is essential that money goes into workers’ pockets now. We must do whatever it takes to stop businesses going to the wall and workers being plunged into poverty.”* [KB/048 - INQ000192222].

52. A further telephone call with Rishi Sunak and Frances O’Grady took place on 20 March 2020, where the Chancellor fed back some key principles agreed regarding a wage subsidy scheme, details of which were announced in a press conference later that day on the CJRS. In response to the Chancellor’s announcement, the TUC said *“This is a breakthrough. The Chancellor has shown real leadership. We’re glad he has listened to unions and taken vital steps to support working families. Large-scale wages subsidies are the best way to boost household finances and keep businesses running. And they’ll help our economy bounce back after this crisis. Employers across the economy can now be confident that they will be able to pay their wages bills. They must urgently reassure their staff that their jobs and livelihoods are safe. Unions will continue to work with business and government to protect jobs and livelihoods.”* [KB/049 - INQ000192223].

53. On 25 March 2020, the TUC and the CBI jointly wrote to the Prime Minister, welcoming the announcement of the CJRS but highlighting the lack of clarity about which businesses

were expected to remain open and which should be instructed to close and access the CJRS to continue to pay their staff [KB/050 - INQ000612660].

54. On 3 April 2020, the TUC published its report '*Fixing the safety net: next steps in the economic response to coronavirus*' [KB/051 - INQ000618152]. This welcomed the announcement of the CJRS on 20 March 2020 (and the SEISS on 26 March 2020), but also identified a number of ways in which it could be improved to support more workers. These included introducing more flexibility (mirroring other European schemes) such as through enabling firms to furlough workers for a minimum of one week rather than three, and clarifying that employers can reclaim 80% wage costs for pregnant workers on medical suspension. The TUC sent a letter to Thérèse Coffey on the same day, attaching the report, and seeking a meeting to discuss the findings [KB/052 - INQ000612661].

55. The CJRS also only required employers to provide earnings protection of 80%, subject to a monthly cap of £2,500 per employee. Unions saw the scheme as a minimum safety net that should be improved upon wherever possible, and, in the absence of government action, sought to engage with employers to ensure this additional support would be provided to employees. For example, GMB and its sister steel trade unions reached an agreement with Tata Steel for a protection level of 95% of earnings for the first month on furlough, falling to 90% after the first month [KB/053 - INQ000612662].

56. On 17 April 2020, the CJRS was extended to the end of June, which was welcomed by the TUC [KB/054 - INQ000612663]. On 24 April 2020, Frances O'Grady wrote to Rishi Sunak to request a discussion about the future of the CJRS beyond June 2020, as the TUC was keen to provide more certainty to workers and businesses [KB/055 - INQ000612664]. The letter set out measures that the TUC considered necessary to ensure the vital work that the CJRS had performed was not lost:

- a) the CJRS should be maintained as long as the current set of lockdown restrictions remained in place;
- b) the flexibility of the scheme should be expanded to support short-time working; and
- c) the scheme should still protect those who were not able to work despite the easing of the lockdown (such as those shielding, or caring for someone shielding, and parents who could not work while schools were closed).

57. BEIS also embarked on an intense period of consultation with unions and employers on the return to work. This process was kickstarted with a phone call from Alok Sharma to

Paul Nowak, Deputy General Secretary, TUC on 24 April 2020, followed by a series of hastily convened business engagement forums that took place over the weekend of 25 and 26 April 2020 through to 4 May 2020. The organisation and trade union composition of these forums is set out above, and, by way of example, at the Safer Workplaces – Factory Settings forum held by BEIS on 6 April 2020, unions highlighted the need for more flexibility for the CJRS (phased return to work and short-time working) and continuing the CJRS for those unable to return to work (as well as the need to raise the basic rate of Universal Credit and raise the rate of SSP) [KB/056 - INQ000119228].

58. Around this time, the TUC published a report, '*Preparing for the return to work outside the home: a trade union approach*' [KB/057 - INQ000612665]. A key recommendation of this report was the need for government to ensure the CJRS continued to protect jobs, by maintaining the scheme as long as lockdown was in place, increasing the flexibility of the scheme to support short-time working (to enable people to return to work gradually) and ensuring the scheme still protected those who could not work (including those who were shielding or caring for someone shielding, parents who could not work while schools were closed and those who were ordered to self-isolate). By way of letter on 3 May 2020 [KB/058 - INQ000119249], Alok Sharma confirmed that there would be further collaborative engagement to ensure that workers had the confidence in a safe return to work. Frances O'Grady wrote again [KB/059 - INQ000119250] further setting out the measures we believed were critical to securing workforce confidence, which included ensuring specific and continuing support from the CJRS for clinically extremely vulnerable and shielding workers, and those who have caring responsibilities for shielding workers.

59. On 11 May 2020, BEIS published its guidance on the return to work. In a meeting between BEIS Minister Paul Scully and unions on 13 May [KB/060 - INQ000119256], the Minister provided an update on the announcement on the future of CJRS that confirmed a four-month extension beyond June, maintaining the 80% wage subsidy and introduced additional flexibilities at a later stage in support of short time working. The unions welcomed the announcement, although they explained that an immediate introduction of flexibilities would be helpful. They also highlighted that discussions would be required on the future design of the scheme, with employers meeting a greater share of the costs. Many employers would revert to redundancies if furlough costs were transferred to businesses, particularly in vulnerable sectors like hospitality, and it was therefore important that the scheme was modelled in a way that provided continued support for job retention while balancing impacts on public finances. Unions also emphasised that engagement between government, businesses and unions on key strategic issues around the future

recovery and development of the economy were critical, suggesting that the TUC's proposal for a national recovery council could form the basis for that engagement.

60. In May 2020, the TUC urged the government to develop and promote guidance on avoiding discrimination in the operation of the CJRS, for example setting out employers' responsibilities to ensure they do not furlough disabled workers as a means to avoid meeting reasonable adjustments or assume that mothers rather than fathers should be furloughed as a result of their caring responsibilities. The TUC also again highlighted the need for the CJRS to be more flexible to support short-time working. We therefore welcomed the news on 29 May 2020 that the Chancellor had listened to unions and allowed employers to start using short-time furlough from July [KB/061 - INQ000612666].

61. In July 2020, the TUC joined a coalition of charities including Age UK and National Voices to call on the government to extend the furlough scheme for shielding and high-risk workers [KB/062 - INQ000612667]. This followed the government announcing that, from 1 August 2020, shielding restrictions would be lifted across parts of the country, meaning tens of thousands of people, especially older and disabled workers and those living with ill health, may not have been able to go back to work safely, because they still faced a high risk from coronavirus. The TUC called on employers to make full use of the CJRS up until at least October (its scheduled end point) for shielding workers and for carers or household members of people shielding [KB/063 - INQ000612668]. The TUC also set out the need for government to extend the CJRS for circumstances where support was needed beyond October, including:

- a) workers whose GP or clinician advised that they should continue shielding, and workers who lived with them;
- b) workers affected by local lockdowns;
- c) carers, particularly working parents who needed to prioritise childcare until schools and childcare settings fully reopened; and
- d) businesses in the hardest hit sectors, like retail, aviation and manufacturing.

62. On 4 September 2020, the TUC published a report calling for government to establish a new Jobs Protection and Upskilling Plan, to replace furlough at the point it was scheduled to end in October [KB/064 - INQ000612669]. The report set out 12 recommendations, including targeted support for businesses that needed it most, supporting workers through subsidising wages and funding training, and government support that encourages decent

jobs. We shared this report with government ministers and officials. On 24 September 2020, the Chancellor announced that the JSS would commence in November, after the CJRS was due to end on 31 October. The TUC welcomed the news of continued job support for working people, calling it a “significant step forward”, albeit highlighting the need to target support for industries facing a tough winter and for more support for families most at risk of hardship and debt [KB/065 - INQ000612670]. As we entered the second national lockdown, on 5 November 2020, the JSS was postponed and the Chancellor instead agreed to extend the CJRS at 80% until the spring. Frances O’Grady described this as a positive step at the time, but warned *“there are still gaps in the government’s support package. It’s not right to ask millions of low-paid workers on furlough to survive on less than the minimum wage. The Chancellor must fix the scheme so their pay is topped up to 100%. And he must offer to help to those self-employed workers who are falling between the cracks. We also need an urgent boost to both sick pay and universal credit. No-one should be plunged into financial hardship if they have to self-isolate or if they lose their job”* [KB/066 - INQ000612671].

63. At a meeting prior to this announcement, trade unions discussed with BEIS whether there would be any gap in eligibility for support under the CJRS between the previously announced end-date of the CJRS and the extension announced on 31 October 2020 [KB/067 - INQ000612672]. BEIS pointed to an HMT press notice that confirmed no gap would exist, however GMB also stressed the need for the scheme to be extended until the end of the year. In December 2020, the TUC met with HMT officials to discuss the course of the CJRS and the SEISS between then and March 2021, with Frances O’Grady setting out the TUC’s views in a follow-up letter to the Chancellor on 17 December 2020 [KB/068 - INQ000612673]. This was the same day as the Chancellor’s announcement that the CJRS would be extended until April 2021, which again was welcome. However, following government comments that there would be a ‘review’ of the CJRS in January 2021, the TUC suggested that a swift announcement that the CJRS would remain as it was until at least the end March 2021 would help with business confidence and protect jobs. The letter also explained that, whilst sectoral support packages were badly needed, particularly in aviation, hospitality and retail, they would best be delivered outside of the CJRS.

64. In February 2021, the TUC published its submission to the HMT in respect of the March 2021 Budget [KB/069 - INQ000612674], which called for the CJRS (and the SEISS) to be extended until the end of 2021, mirroring the support in place in other leading economies, such as fellow G7 members, Germany and France, which, at the time of the March 2021 Budget had already assured their support schemes until the Autumn of 2021. The TUC

proposed that this be accompanied by a 'furlough commitment' to keep in place or renew support for as long as health measures affected economic activity, with the Chancellor to provide a quarterly update on the state of the labour market and the support available. We suggested that the opportunity should also be taken to improve the scheme, such as by introducing a floor in payments so that nobody fell below the minimum wage and encouraging those who are furloughed to take part in funded training schemes.

65. These points were repeated in the TUC's report, '*The impact of the pandemic on household finances*', published the same month [KB/070 - INQ000612675].

66. In June 2021, the TUC published a report '*Jobs and recovery monitor – Industry*' [KB/071 - INQ000612676]. This highlighted the positive impact the CJRS had had, preventing the mass unemployment that was feared at the start of the pandemic. However, a large number of workers across many industries had still lost work and many were still on furlough. The TUC therefore called for government to delay asking businesses to make contributions to the furlough scheme in July and to extend the scheme as long as needed, with targeted support for particularly impacted industries such as the hospitality sector. GMB warned that ending the furlough scheme too early could kill any recovery before it even starts [KB/072 - INQ000612677].

67. As we came towards the end of September 2021, the TUC continued to call for Ministers to rethink the end of furlough, pointing to the fact that many workers in hard hit industries were still furloughed and needed support for longer [KB/073 - INQ000612678]. However, on 30 September, the CJRS came to an end. Throughout December 2021, in the face of the Omicron variant, we called for a targeted furlough scheme to be reintroduced to protect jobs and livelihoods in hard-hit sectors [KB/074 - INQ000612679] [KB/075 - INQ000612680], however, the government's economic support package announced on 21 December 2021 was insufficient, with the measures not being conditional on employers keeping workers on and covering their wages [KB/076 - INQ000612681]. As we moved into 2022 and the economy began to reopen, issues surrounding the CJRS fell away, with the focus more generally on advocating for workers rights and improved economic conditions.

68. The TUC considers the CJRS to have been the most successful scheme in the pandemic, albeit not without the flaws highlighted in the preceding paragraphs and sectoral sections below. However, it also showed the need for wider steps to save viable businesses, protect jobs and support new jobs and aid economic recovery. We have, for some time

now, emphasised the need for the government to build on the successes of furlough and called for a permanent short-time working scheme to protect jobs in times of economic crisis and change. Our report, '*Beyond furlough: why the UK needs a permanent short-time work scheme*' [KB/077 - INQ000612682] sets this out in detail and we address this further in the recommendations section below.

## **E. SELF-EMPLOYED INCOME SUPPORT SCHEME**

69. Soon after the announcement of the CJRS, on 23 March 2020 the TUC called on the government to extend the scheme to the self-employed [KB/078 - INQ000612683], pointing to its report, '*Fixing the safety net: what next on supporting working people's incomes?*' [KB/079 - INQ000612684]. The report proposed establishing a scheme mirroring the support for employed workers, and guaranteeing at least 80% of income up to a maximum of £2,500 per month. The TUC's April 2020 report '*Fixing the safety net: next steps in the economic response to coronavirus*', referenced above, therefore welcomed the introduction of the SEISS. However, it raised a number of issues with the scheme, including:

- a) people who had multiple engagements where they are paid through PAYE may not have an employer willing to furlough them, but could not access the SEISS (i.e. freelancers – the SEISS only supported workers whose income came primarily from self-employment, meaning freelancers with a mix of PAYE and self-employed income were ineligible. This disproportionately affected creative professionals, who often earn through a combination of PAYE contracts and self-employment, as detailed later in this statement);
- b) those who had started self-employment in the previous year had no form of support;
- c) those who may have taken time out due to maternity or other caring responsibilities in the previous year may see the level of support they can claim for diminished; and
- d) the delay in implementing the scheme until June 2020 would leave many workers facing financial hardship.

70. The TUC's March 2021 Budget submission (referenced above) called for those who had recently become self-employed to be eligible for the fourth SEISS grant from February to April, and for the same commitment to be extended for as long as the pandemic lasted.

71. The TUC's involvement and engagement with the SEISS was less than that in respect of the CJRS, however affiliate unions were certainly raising issues with government in relation to the scheme and advocating for the changes and further support necessary for their members. It was a particular concern in the creative industries. I set this out in the relevant sectoral sections below.

## **F. STATUTORY SICK PAY**

72. The TUC had been concerned about the eligibility for and level of SSP for long before the pandemic. In 2020/21, an employee could not be eligible for SSP unless earning, on average, £120 per week (the 'lower earnings limit'). That caused around 1.8million employees to miss out, and 7 out of 10 of those were women. It also particularly impacted young workers, those on zero-hour contracts, and certain occupations. The level of SSP was also low, at £95.85. The average worker would therefore see their weekly income fall from £504 to just under £95.85, as set out in the TUC's report '*Sick pay and debt*', published on 10 September 2020 [KB/080 - INQ000119080].

73. It appeared that the concern had also partly been shared by the UK Government. In November 2019 the UK Government had consulted on removing the lower earnings limit from sick-pay, in a consultation: '*Health is everyone's business: proposals to reduce ill health-related jobs*'. It had been stated in the consultation document that "*The government is concerned that employees on lower incomes are missing out on the protection that SSP provides. People may be working when unwell, or relying on the benefit system, when remaining attached to their employer is likely to be more beneficial. The Taylor Review of Modern Working Practices recommended extending SSP to include those earning below the LEL. This would extend SSP protection to around 2m employees, including over 1m who work less than 16 hours per week. The government believes there is a case to accept this recommendation.*" However, in October 2021, and notwithstanding the particularly acute difficulties that arose during the pandemic, the UK Government published its response to the consultation, in which it expressed the view that "*now is not the right time to introduce changes to the sick pay system*" [KB/081 - INQ000192238].

74. The reality for many in low-paid and insecure work was that self-isolating in accordance with government guidance would leave them without the money upon which to support themselves and their families.

75. The TUC therefore continued to press the case for reform to sick pay to ensure it was accessible to all workers, through the removal of the lower earnings limit and set at a rate that enabled people to live. Throughout this period, we had regular dialogue with civil servants in the DWP and HMT through meetings and phone calls, discussing the need for reform (these discussions are undocumented). But in addition to this regular contact with civil servants, the TUC and our member unions produced reports, submitted letters to ministers and issued press releases, which we detail below.
76. On 3 March 2020, the TUC called on the UK Government to respond to the pandemic by providing emergency support for the millions of UK workers who were ineligible for SSP [KB/082 - INQ000192239]. Frances O'Grady, had written to Ministers warning that inadequate provision of sick pay could stop people taking public health advice, and some may feel they have no choice but to go to work [KB/083 - INQ000612685] [KB/084 - INQ000612686]. The TUC published the report, '*Sick pay for all – How the Corona Virus has shown we need urgent reform of the sick pay system*' [KB/085 - INQ000119057].
77. The report pointed to the fact that the earnings threshold for SSP disproportionately impacted women, those in insecure work, and young and older workers, who were more likely to be without sick pay. Further, the rate of SSP (at £94.25) was low, and amongst the lowest compared with European counterparts.
78. The absence of adequate sick pay carried significant risks in the social care sector. It also had implications for the effectiveness of the emerging testing regime, with care workers being reluctant to be tested, as they feared the potential loss of earnings if test results were positive. Adequate sick pay was relevant not just to enable self-isolation, but also as a matter of fairness to many workers who were keeping the country going whilst putting themselves at risk. For example, many Usdaw members throughout the food, retail and pharmaceutical supply chains were at the forefront of the nation's response, working hard at a heightened risk of infection, and it was unfair to expect them to live off inadequate sick pay if they fell ill to Covid-19 as a result.
79. In the Budget of 11 March 2020, the Chancellor confirmed the removal of the three-day waiting period for SSP in cases of coronavirus, but the problems of its low rate and many being ineligible remained. GMB highlighted this missed opportunity at the time, and challenged Ministers to see if they could live on £18 per day [KB/086 - INQ000612687]. The Chancellor suggested that those without sick pay could turn to the benefit system instead, but that was wholly unrealistic because of the five-week wait for the main benefit

and the low rate of Employment and Support Allowance at £73.10 per week. I address issues with Universal Credit further below. The point was raised again in the TUC's March 2020 report '*Protecting workers' jobs and livelihoods - the economic response to the coronavirus*' [KB/044 - INQ000119158], which called upon the government to act immediately by removing the lower earnings limit for qualification for statutory sick pay, and increasing the level of statutory sick pay. It was raised yet again by the TUC in our report of 23 March 2020, '*Fixing the safety net: What next on supporting working people's incomes?*' [KB/079 - INQ000612684].

80. On Thursday, 19 March 2020, under questioning from the TUC's Frances O'Grady on BBC One's Question Time, the Health Secretary Matt Hancock himself admitted that he could not live on the £94.25 a week SSP.

81. The UK Government did introduce a pilot scheme for low paid workers in which it would pay £13 a day to employees or self-employed workers told to isolate, but it only applied in areas in local lockdown and where the worker was receiving Universal Credit or working tax credit, and so it did not reach enough people, and did not pay enough.

82. On 10 September 2020 the TUC published its report on sick pay and debt which raised similar concerns [KB/80 - INQ000119080]. It reported the result of a BritainThinks survey, carried out on behalf of the TUC, which found that almost a quarter of workers received only basic SSP when off work, equating to around 6.4 million employees. The TUC also pointed to a number of disparities in the impact of low levels of eligibility for SSP. The TUC said:

*"... stopping the spread of coronavirus heavily relies upon people isolating when they have the virus. Current guidance says that those with coronavirus symptoms must self-isolate for ten days, and those who have been in contact with someone with symptoms must isolate for two weeks. The current level of SSP, however, may discourage those with symptoms from self-isolating. Living off just SSP for two weeks will push many people into financial hardship. Over 4-in-10 workers (43 per cent) told us that they would have to go into debt or not pay bills if their income dropped down to £96 per week for two weeks. Concerningly, those who have been working outside their home are more likely than those working from home to say they'd fall into debt or not pay bills if they had to live off SSP for two weeks (47 per cent compared to 37 per cent). Those on low and average incomes are also more likely than high earners to be unable to cope on SSP without being pushed into debt. Half of those earning less than £15,000*

*per year and around half (47 per cent) of those earning between £15,000 and £29,000 say they'd be unable to get by without going into debt, compared to around a third (32 per cent) of those earning more than £50,000 per year."*

83. From 28 September 2020 some people in England on low incomes became entitled to a £500 Test and Trace Support Payment where they were required to self-isolate, unable to work from home, and they or a partner received Universal Credit or working tax credit. However, in a February 2021 TUC-published report, '*Sick pay that works – TUC report on the urgent need for reform*' [KB/088 - INQ000119082] the TUC highlighted the inadequacies of the Test and Trace Support Payment scheme. Freedom of information requests revealed that 70% of applications were being rejected by local authorities. There was both a mandatory and discretionary scheme, and only 10% or fewer of applications under the discretionary scheme were being granted. As the TUC stated: "*Our findings shows that the scheme is failing to financially support workers who have been required to self-isolate. This is for two reasons: the eligibility criteria for the main payment means that many workers miss out; and the lack of funding for the discretionary scheme means most applicants are rejected*". This research was repeated in May 2021 and the TUC found that there had been almost no improvement in the rejection rate, whilst only a fifth of workers had heard of the scheme [KB/089 - INQ000192241].
84. On 26 October 2020, the TUC, Maternity Action, RCM and RCOG jointly wrote to Rishi Sunak, the Chancellor of the Exchequer at the time, urging a revision to the then announced Job Support Scheme to enable employers to reclaim 100% of the cost of a maternity suspension on full pay, ensuring that pregnant women would not be sent home on just sick pay or unpaid leave [KB/090 - INQ000119083].
85. On 8 January 2021, GMB wrote to Rishi Sunak, then Chancellor, regarding the expiration of Cabinet Office supplier relief guidance to contracting authorities [KB/091 - INQ000119084]. Procurement Policy Notes 02/20 and 04/20 were instrumental in ensuring that suppliers received continuity payment, which in turn meant that staff working in hospitals, schools, job centres, prisons and other public sector jobs would receive full pay for Covid-19 related absences. GMB expressed concerns that, following the expiry of the supplier relief, some contractors had ceased to pay staff working in hospitals for Covid-19 related absences, forcing many to attend work against government advice. GMB called for the guidance to be reinstated with immediate effect.

86. As England entered its third national lockdown, unions met with BEIS officials on 15 January 2021. With workplace infection at its peak, the unions highlighted the rate of SSP continuing to be an issue for many workers, particularly those in the social care and manufacturing sectors, where multiple exposures to the virus required them to isolate repeatedly and significantly lose out on pay [KB/092 - INQ000119265].
87. As referenced above, the TUC's report '*Sick pay that works – TUC report on the urgent need for reform*', set out many of the flaws with SSP [KB/088 - INQ000119082]. Frances O'Grady sent this report to Thérèse Coffey on 3 February 2021, seeking a meeting to discuss these concerns and calling for the DWP to take action to address the shortfalls of the system.
88. On 16 April 2021 the TUC published a report, '*Covid-19 and Insecure Work*' [KB/093 - INQ000119085]. It described again how the system for SSP was failing workers, and particular those in insecure work. The report observed that insecure workers were nearly 10 times more likely to say they receive no sick pay compared to secure workers. It provided a stark example of how inadequate employment protections compel insecure workers to continue working throughout the pandemic.
89. In June 2021 the TUC published an analysis reporting that a third of key workers said they did not get sick pay [KB/094 - INQ000192242]. In December 2021 it was the TUC's analysis that 647,000 festive workers would not be eligible for any sick pay [KB/095 - INQ000192243].

## **G. UNIVERSAL CREDIT**

90. As referenced above, on 6 April 2020, the TUC published its report '*Fixing the safety net: next steps in the economic response to coronavirus*'. The report noted that the best way to protect people's incomes was to keep them in work, but that many more people were already having to turn to the social security system. The DWP had said that 950,000 applications for Universal Credit were made between 16 March 2020, when people were advised to work from home, and the end of the month. The DWP would normally expect 100,000 claims over this period. The huge scale of the increase showed how vital social security would be in supporting people through the crisis. The TUC called for an emergency rehaul of Universal Credit, urging for six specific measures to be put in place:

- a) suspend any conditionality requirements with Universal Credit;
- b) remove the savings rules;
- c) end the five week wait by converting emergency payment loans to grants;
- d) raise the basic level of Universal Credit;
- e) significantly increase Child Benefit payments;
- f) ensure nobody loses out as a result of these changes (for example, those on legacy benefits); and
- g) remove the minimum hours requirements in working tax credits.

91. On 7 April 2020, Prospect published a report, '*Covid-19 Income Support Schemes – Plugging the Gaps*' [KB/096 - INQ000612688]: "*An issue which has been raised repeatedly with the union is the savings cap built into the Universal Credit system which dramatically tapers payments when the claimant has over £6,000 of savings. Many self-employed workers will breach this threshold as they use savings as their pensions and they will have been saving for the 31st July tax deadline (which has now been postponed).*"

*It is simply wrong to punish workers for having saved for retirement or to pay tax. And forcing workers to raid their own pensions or tax savings to get through the next few months would only store up even bigger problems in the future. This savings limit should be temporarily suspended for the duration of the crisis."*

92. The TUC's '*Preparing for the return to work*' report (referenced earlier in the statement) highlighted in April 2020 the need for Universal Credit and legacy benefits to be raised to at least £260 per week (80% of the real living wage), and for the five-week wait for support to end, to ensure that those who lost their jobs in the pandemic were protected by a strengthened safety net.

93. Then, in May 2020, the TUC published its report '*A Better Recovery: Learning the lessons of the corona crisis to create a stronger, fairer economy*' [KB/097 - INQ000612689]. This called for substantial reform of Universal Credit and other benefits, by:

- a) raising the basic level of Universal Credit and legacy benefits, including jobs seekers allowance and employment and support allowance, to at least 80 per cent of the national living wage (£260 per week);
- b) ending the five-week wait for first payment of Universal Credit by converting emergency payment loans to grants;
- c) removing the savings rules in Universal Credit to allow more people to access it;

- d) significantly increasing child benefit payments and removing the two-child limit within Universal Credit and working tax credit;
- e) ensuring no-one loses out on any increases in social security by removing the arbitrary benefit cap (with no one on legacy benefits losing the protection of the managed transition to Universal Credit as part of this change);
- f) suspending the conditionality requirements within the Universal Credit system and the harsh and unfair sanctions regime; and
- g) introducing a wider package of support for households, by increasing the hardship fund delivered by local authorities.

94. On the day of publication, the TUC shared this report with Alok Sharma [KB/098 - INQ000612690], Michael Gove [KB/099 - INQ000612691], Thérèse Coffey [KB/100 - INQ000612692] and Boris Johnson [KB/101 - INQ000612693], suggesting meetings with each.

95. Meanwhile, in June 2020 an Usdaw survey showed 94% of those attempting to claim Universal Credit had had difficulty with the claims process, with the five-week wait to receive the first payment causing severe financial problems [KB/102 - INQ000119199].

96. Following a telephone conversation on 11 June 2020, Frances O'Grady sent a letter to Thérèse Coffey on 12 June 2020 repeating many of the points made regarding Universal Credit set out above and requesting a joint meeting with Thérèse Coffey and Alok Sharma [KB/103 - INQ000612694].

97. In October 2020, the TUC and the Federation of Small Businesses wrote to Thérèse Coffey to raise serious concerns about the ending of the suspension of the Minimum Income Floor ("MIF") in Universal Credit for the self-employed [KB/104 - INQ000612695]. The letter pointed to self-employed Universal Credit claimants struggling to return to normal trading profits potentially seeing a significant drop in their award due to the MIF.

98. The TUC repeated its calls for the basic level of Universal Credit to be raised to £260 for the duration of the pandemic, and for an end to the five weeks wait, in its March 2021 Budget submission (referenced above). We pointed to the fact that a boost to family incomes through the social security system would also put much needed cash directly into the hands of families and improve outcomes for children. Doubling child benefit would inject £14 billion into the economy over the following 18 months and boost GDP by £19 billion. Increasing the child element of Universal Credit and child tax credit by £20 per

week per child and removing the two-child limit would inject £11 billion into the economy, and boost GDP by £15 billion. Both policies would substantially reduce poverty – lifting between 500,000 children and 800,000 people above the projected poverty line.

## **H. BUSINESS RATE RELIEF**

99. I have no evidence to provide regarding this topic, save to note that, in February 2021, Prospect responded to a proposal by Labour to extend business rate relief for six months to save over 1,800 theatres, museums, galleries and cinemas [KB/105 - INQ000612696]. Mike Clancy said at the time that this *“would be a good first step to reduce fixed costs at a time when these venues are not allowed to open and bring in income, but support has to go beyond buildings and include the workforce who make our cultural life so unique”*.

## **I. SECTOR-SPECIFIC ISSUES AND INTERVENTIONS**

### **Media and entertainment**

#### *CJRS*

100. In response to the economic devastation caused by the Covid-19 pandemic, the Broadcasting, Entertainment, Communications and Theatre Union (“**Bectu**”), alongside its parent union, Prospect, played a critical role in lobbying for financial support for workers in the creative industries. Their involvement in the CJRS was extensive, spanning from early calls for support in March 2020 to sustained pressure on the government well into 2021.

101. Bectu’s initial engagement with the CJRS began on 24 March 2020, when the union urged theatres to take advantage of the scheme [KB/106 - INQ000612697]. Since theatres had shut down, roughly a week earlier, Bectu had been engaged in discussion with UK Theatres, the Society of London Theatres, and the Ambassador Theatre Group, for a minimum interim agreement to ensure that staff continued to be paid while measures were in place to control the pandemic. The initial offer before government intervention was for staff on permanent contracts only to be paid 50% of their basic salary, an offer that Bectu would have rejected as it did not cover many people who work on zero-hours contracts and other casual contracts, as well as not being enough to live on. The CJRS provided

pay up to £2,500 a month for everyone who was on the PAYE system through a company, therefore Bectu asked these organisations to reconsider their proposals.

102. However, there were significant issues with the CJRS. Many creative professionals were engaged on short-term PAYE contracts, moving between different projects and employers, and, as a result, did not qualify for government support under the scheme. The CJRS required an employer to place a worker on furlough, but freelancers did not have a single long-term employer to do this, so even when technically eligible, many employers were unwilling or unable to furlough freelancers, leaving them without income. Furthermore, many in the broadcasting, heritage, and live events sectors were employed on fixed-term contracts that ended just before furlough eligibility dates. As a result, workers whose contracts expired before 19 March 2020, were ineligible for furlough, even if they had worked continuously in the industry. Bectu lobbied HMT and the DCMS to expand the CJRS to include short-term PAYE freelancers and fixed-term contract workers, but despite persistent campaigning, the government did not significantly adjust the scheme, leaving thousands of creative workers without financial support. This is set out in more detail in the following paragraphs.

103. By late March 2020, concerns were already mounting – over 7,000 freelance workers in the creative industries wrote to their MPs on 24 March, asking them to back Bectu’s campaign to support freelancers [KB/107 - INQ000612698], with a Bectu survey revealing that 47% of PAYE freelancers were not employed on 1 March 2020 and therefore were not expected to be eligible for support through the CJRS [KB/108 - INQ000612699].

104. On 7 April 2020, Prospect published a report, *‘Covid-19 Income Support Schemes – Plugging the Gaps’* highlighting the deficiencies in the CJRS (and the SEISS, which is addressed later in this statement) [KB/096 - INQ000612688]. This set out many of the issues faced by PAYE freelancers, along with suggested solutions, including replacing the 28 February cut off date with the date of the announcement of the CJRS (20 March), provision of short-term loans to assist smaller employers who were reluctant to furlough for cash-flow reasons and the establishment of a ‘Freelance Worker Income Support Scheme’. It was suggested this scheme could be set up by HMT, using PAYE data to calculate average earnings for PAYE freelancers and compensating them at the 80% rate directly, without going through an employer’s payroll system (possibly as a tax rebate).

105. The Prospect report also raised the issue faced by those operating as a limited company, ‘Personal Service Companies’ (“PSCs”), something people working in film and

television are often required to do by their engager. This left them unable to fully access the CJRS (or the SEISS), as they took most of their income in dividends from their own company. The government had said that those individuals could use the CJRS to furlough themselves from their own company, but this would only cover a fraction of their actual income (on average around 24%, according to Prospect). The issue for HMT was the difficulty in distinguishing PSC dividend income from income from other dividends. Prospect suggested using the 'Dividends Vouchers', normally simply used to assist the self-declaration process, to verify how much dividend income was coming from a worker's own PSC, in combination with self-assessment returns. Alternatively, Prospect suggested using the self-assessment return in combination with the balance sheet of the PSC, further verified by the Profit and Loss Accounts submitted to the HMRC – these pieces of information taken together should give a reasonably accurate picture of dividend payment from the PSC to the director, which should allow an income replacement scheme to operate.

106. Prospect did have some success with direct negotiations with employers, rather than lobbying government. For example, on 9 April 2020, it secured protection for flexible hour contract staff in the National Trust, with staff being paid 100% furlough pay, on the basis of salary payments for the same month last year or an average from the previous 12 months, whichever was greater [KB/109 - INQ000612701].

107. Nevertheless, unions continued to attempt to engage government to address the issues arising under the CJRS. On 17 April 2020, unions representing more than 120,000 people working in the creative industries wrote to the Chancellor, seeking a meeting to discuss solutions they were proposing [KB/110 - INQ000612702], including the creation of a new Freelance Worker Income Support Scheme detailed above. On 18 April 2020, Bectu contacted HMT officials and Prospect wrote to the Chancellor regarding a crucial update to guidance on 17 April 2020 that prevented fixed-term contract PAYE freelancers from being re-engaged and furloughed, even if they had active contracts during the relevant period [KB/111 - INQ000612703]. Bectu members had previously been asking employers to furlough them on the basis of guidance issued on 4 April 2020, which explicitly stated employers could agree to re-employ someone, extend the contract and place them on furlough if they had stopped working for them. The new guidance simply did not recognise the reality of daily or weekly contracts.

108. By mid-May 2020, a Bectu survey revealed half of people working in the creative industries had been forced to borrow money to survive, with only 33% of respondents who

reported themselves as PAYE freelancers having been furloughed [KB/112 - INQ000612704]. The National Theatre then informed staff that it was looking to make 20-30% of its workforce redundant, showing the need for government to provide clarity on how the CJRS would continue to operate to stop employers taking such significant decisions [KB/113 - INQ000612705].

109. Prospect and Bectu met with HMT officials regarding financial support for creative freelancers, where they discussed PAYE freelancers who were still excluded from the CJRS and concerns about how the CJRS would be used if employers were expected to pay an increased contribution (alongside SEISS concerns, which are addressed later in this statement) [KB/114 - INQ000612706]. HMT did not commit to any action.

110. Prospect escalated these efforts, with Mike Clancy, General Secretary of Prospect, writing to the Chancellor on 27 May 2020, warning that there were many thousands of workers facing an “*extremely perilous situation*” [KB/115 - INQ000612707]. In particular, he highlighted the plight of freelance workers, the self-employed, and others who were not covered by the schemes or who could be at risk of being made redundant if the criteria changed.

111. Throughout the summer of 2020, Bectu maintained pressure on the government. On 4 June 2020, NR Head of Bectu, wrote to Oliver Dowden at the DMCS, to express deep concerns about the future of the theatre and live events industries [KB/116 - INQ000612708]. The most immediate concern was that changes to the CJRS would result in mass redundancies as employers could not afford to even pay National Insurance or pension contributions. The letter referred to a recent webinar organised by Bectu and attended by a vast range of theatre employers, during which 74% of employers said that changes to the CJRS would result in them having to make furloughed staff redundant. Indeed, on 12 June 2020, Delfont Mackintosh announced that it was consulting staff about redundancy plans – theatres were choosing to stop using the CJRS as a direct result of the changes to the scheme announced by the Chancellor at the end of May 2020 requiring employers to make increased contributions from August 2020.

112. On 7 August 2020, Mike Clancy wrote to the Chancellor, urging him to reconsider his stance on extending the CJRS on a sectoral basis [KB/117 - INQ000612709]. He highlighted the mounting redundancies in the theatre, events and heritage industries (as well as aviation), with the JRB proving ineffective and resources should instead be spent

on extending the furlough scheme to save jobs that would be economically viable in normal times.

113. These calls were repeated through September and October 2020, with Bectu consistently urging government to extend the CJRS (and the SEISS) until at least Spring 2021 [KB/118 - INQ000612710] [KB/119 - INQ000612711] [KB/120 - INQ000612712] [KB/121 - INQ000612713].

114. The extension of the furlough scheme in November 2020 until the end of March 2021 was therefore welcomed, however Bectu stressed at the time that it had come too late for the thousands of workers who had already been made redundant, and many creative workers, including PAYE freelancers, would again be excluded [KB/122 - INQ000612714] [KB/123 - INQ000612715]. On 27 November 2020, Prospect wrote a letter to the Chancellor, co-signed by a number of other relevant unions and politicians, urging him to engage with them and to fix these gaps in support before they become a trapdoor under the economy [KB/124 - INQ000612716].

115. In December 2020, theatre workers answered the Culture Secretary's call to deliver 'Operation Sleeping Beauty', quitting new jobs they had found having been made redundant previously in the pandemic and returning to the industry to help the government's ambition to bring some theatre and Panto back by Christmas. However, with London and the Southeast then joining much of the rest of the country in Tier 3, many of those who answered the call were then facing redundancy for the second time that year, and just one week before Christmas. To make matters worse, because a lot of these workers were not employed on the 30 October cut-off date in the CJRS, they were not eligible for furlough. Bectu wrote to the Chancellor on 16 December 2020, urging him to amend the CJRS so that Tier 3 workers would be eligible for vital support [KB/125 - INQ000612717].

116. Letters from Bectu to the Chancellor in February [KB/126 - INQ000612718] and March 2021 [KB/127 - INQ000612719] reiterated previous concerns and urged the Chancellor to use the Spring Budget to extend the CJRS (and the SEISS) until lockdown restrictions were fully lifted. By mid-2021, with the UK Government preparing to relax Covid-19 restrictions, Bectu continued to warn of the need for bridging support [KB/128 - INQ000612720]. Their advocacy continued into December 2021, when they called for emergency measures to support freelancers and self-employed workers amid renewed pandemic challenges [KB/129 - INQ000612721] [KB/130 - INQ000612722].

## SEISS

117. The Covid-19 pandemic brought unprecedented challenges for self-employed workers, particularly in the creative industries. As lockdowns shuttered theatres, film productions, and live events, thousands of freelancers found themselves without income or government support. Before the introduction of the SEISS, Prospect were in touch with the Chancellor's economic advisor, Tim Leunig, about the design of the scheme, and successfully pushed for the scheme to be based on trading profits rather than declared income, as people would normally take most income in profits and only pay themselves income up until the tax-free allowance. However, many creative workers were excluded due to strict eligibility criteria. Furthermore, the SEISS only supported workers whose income came primarily from self-employment, meaning freelancers with a mix of PAYE and self-employed income were ineligible. This disproportionately affected creative professionals, who often earn through a combination of PAYE contracts and self-employment. Many creative industry workers also operate as limited company directors, paying themselves through a mix of salary and dividends. The SEISS did not account for dividend income, meaning limited company directors received little or no financial support. Prospect called for the introduction of a Directors Income Support Scheme to protect these workers, but the government did not act on this proposal.
118. Other issues with the SEISS included the £50,000 income cap, as many creative professionals rely on sporadic, high-earning contracts, meaning their average income over a three-year period could appear misleadingly high. The SEISS required at least one year of filed tax returns to qualify, meaning newly self-employed workers who had not yet submitted a tax return were excluded entirely, despite paying taxes in other forms. Bectu pushed for newly self-employed workers to be included in later rounds of SEISS, but the government only made minimal adjustments.
119. The government introduction of SEISS on 26 March 2020 did offer some relief to freelancers. However, there remained issues, with Bectu raising concerns on 27 March 2020 that many members still "fell through the cracks", as the scheme excluded PAYE freelancers, directors of limited companies, and those with irregular incomes, leaving thousands without aid [KB/131 - INQ000612723].
120. To address these exclusions, Prospect released its '*Covid-19 Income Support Schemes – Plugging the Gaps*' report on 7 April 2020, as explained above. The report highlighted serious shortcomings in SEISS and called for urgent amendments. For

example, it explained how SEISS worked on the basis of tax returns for 2018/19 or the average from the latest three tax years – the Institute for Fiscal Studies estimated that 650,000 people had declared themselves as self-employed in the previous year (i.e. from April 2019) and did not have 2018/19 tax records at all, or the records did not accurately reflect their income. Bectu suggested extending the deadline for filing 2018/19 tax returns for four weeks and to allow start-ups to submit their 2019/20 tax returns during April and have their income assessed on that basis. The report also highlighted how self-employed workers who had taken time off for maternity, paternity or due to sickness in the previous three years would have lower average incomes for these reasons and would be unfairly punished by the design of the scheme. Bectu suggested one possible solution of allowing workers to choose the highest of the last three years rather than the average over three years when calculating average income, or by excluding certain periods from the calculation of the average. Finally, the report proposed that the SEISS profit cap be removed or at least raised substantially – there was not equivalent in the CJRS and many people in the creative industries fell the wrong side of the £50,000, despite not being ‘super rich’. Their savings were often their pensions and the money they had put aside to pay the next tax bill.

121. On 17 April 2020, Bectu joined the Federation of Entertainment Unions (FEU) in writing to Chancellor Rishi Sunak, demanding a meeting to discuss the gaps in SEISS (as already explained earlier in this statement). ONS data at the time showed that a quarter of self-employed workers were ineligible for SEISS, by virtue of being sole directors or freelancers [KB/132 - INQ000612724].

122. Despite government extensions to SEISS in May 2020, the scheme still failed to reach many. As stated earlier in this statement, on 21 May 2020, Bectu and Prospect met with Treasury officials and Labour’s shadow culture team to push for better financial support for freelancers, and, on 27 May 2020, Prospect’s General Secretary, Mike Clancy, personally wrote to the Chancellor, warning of the “*extremely perilous situation*” thousands of workers faced and urging the SEISS to be extended.

123. Bectu continued applying pressure throughout the remainder of 2020, supporting the Excluded UK “Lobby Weeks” initiative in September and organising protests in October, as described above. Following the government’s announcement of the extension of the furlough scheme in November 2020, there was concern around the silence on the fate of the self-employed. On 2 November 2020, Prospect called for the restoration of SEISS to 80% of earnings, an extension of welfare exemptions for self-employed workers and for

engagement from the government with unions and business groups on steps to address the exclusion of workers from the SEISS [KB/133 - INQ000612725].

124. As 2021 began, Bectu and Prospect continued to call for support for self-employed workers, as well as long-term solutions beyond the pandemic. A report commissioned by Prospect, Community and the Federation of Small Businesses in February 2021, recommended a 'Self-employment Stabilisation Scheme' that would include measures such as allowing tax-returns for 2019/20 to be included in SEISS claims, widening eligibility under the SEISS to those earning under 50% of the income from self-employment, introducing a Directors Income Support Scheme and creating Freelancers Funds in sectors with high proportions of freelance workers to distribute hardship grants to PAYE freelancers [KB/134 - INQ000612726]. As described earlier in this statement, letters from Bectu to the Chancellor in February and March 2021, urged the government to use the Spring Budget to extend the SEISS until restrictions were fully lifted. A survey of nearly 4,000 workers in the creative industries (96% of whom were Bectu members) carried out around that time revealed that 21% of those needing support had not been able to access the SEISS or the CJRS [KB/135 - INQ000612727], and Bectu followed this with a letter to the DCMS on 16 March 2021, seeking a meeting to discuss the findings and proposed measures to support the self-employed and address flaws in the SEISS [KB/136 - INQ000612728].

125. As described above in relation to the CJRS, by mid-2021, with the UK Government preparing to relax Covid-19 restrictions, Bectu continued to warn of the need for bridging support before returning to 'normal' [KB/128 - INQ000612720]. Their advocacy continued into December 2021, when they called for emergency measures to support freelancers and self-employed workers amid renewed pandemic challenges [KB/129 - INQ000612721] [KB/130 - INQ000612722].

#### *Media and entertainment sector-specific interventions*

126. The creative community was significantly affected by the pandemic, and in the absence of support provided by the CJRS and the SEISS, sector-specific interventions were required. In March 2020, the British Film Institute and The Film and TV Charity partnered to create a Covid-19 TV and film relief fund, established with a £1 million donation from Netflix, to provide financial support to individuals and companies in the television and film industries who were directly impacted by the pandemic [KB/137 - INQ000612729]. The fund aimed to help those who faced financial hardship due to production delays,

shutdowns and cancellations. Bectu welcomed the news and praise the industry for coming together to create a much-needed hardship fund, but BECTU also warned that more needed to be done, calling for government to step in and provide assistance.

127. On 5 July 2020, the DCMS announced a £1.57 billion Culture Recovery Fund (“**CRF**”) rescue package to help the cultural, creative and heritage sectors that were severely impacted by the pandemic. The fund aimed to provide financial assistance to help safeguard jobs, protect cultural institutions and support the reopening of the sectors as lockdown restrictions were eased. However, Bectu wrote to the Minister of State for Digital and Culture, Caroline Dinenage, on 14 July 2020, highlighting the urgent need for a timeframe for how the CRF would be distributed. In the absence of certainty over whether and when they would be eligible to access funds, theatres were pressing ahead with redundancy plans, despite the announcement of the CRF [KB/138 - INQ000612730] [KB/139 - INQ000612731].

128. There was also the issue of freelancers – many fell outside of the government support schemes, such as the CJRS and SEISS, and therefore faced the prospect of having to leave the creative industries for financial reasons, putting the sector at risk. Bectu’s letter raised the need for freelancers to be given access to substantial support, and this followed a letter from Bectu’s parent union, Prospect, to Rishi Sunak on 10 July, urging HMT to explore ways of compensating freelancers and the self-employed, for example through direct grants or through the tax system. The BBC did announce a package to support the earnings of over 600 freelancers who worked for the public service arm of the organisation and had lost work due to the pandemic [KB/140 - INQ000612732], but many other freelancers failed to receive the required support.

129. On 23 July 2020, Bectu criticised the government’s lack of action to save the arts [KB/141 - INQ000612733]. By this point it was more than two weeks since the announcement of the CRF, but not a penny had been allocated and theatres and other institutions continued to press on with redundancy packages.

130. Belatedly, on 28 July 2020, the DCMS announced further details of how the CRF would be distributed. However, aside from the fact that this had come too late for many, there remained some issues, as highlighted by Bectu [KB/142 - INQ000612734]: grants of up to £3 million would help some organisations, but for larger theatres and venues they needed to know the conditions of any loans to help them plan their way through the crisis, and the need for theatres and venues to demonstrate an innovative plan and diversify their income

streams would only add to the burden on these businesses. The CRF was accompanied by an announcement of the development of the Film and TV Production Restart Scheme, a £500 million insurance fund, to encourage productions to resume, which was welcomed by Bectu as offering some assurance to freelancers in the UK film and television industry [KB/143 - INQ000612735].

131. In the month following the announcement of the CRF, the number of theatre redundancies and layoffs that Bectu had been made aware of jumped from 3,000 to 5,000 [KB/144 - INQ000612736]. On 12 August 2020, Bectu wrote to the DCMS [KB/145 - INQ000612737], outlining a number of pressing challenges theatres and the live events industry were facing as the funding process was starting up, in particular:

- a) theatres were not halting redundancy consultations as they did not know if they would be eligible for grants or loans and precisely when the money would be paid out;
- b) large theatres needed more than £3 million, the proposed cap for grants, and so would only be eligible for loans, but the details on how to apply for a loan had not been released;
- c) theatres needed a similar insurance guarantee to that provided for film and television for productions to resume;
- d) the focus was for the fund to be used for theatres to 'mothball' rather than start planning for future productions;
- e) the furlough scheme was coming to an end when the money from the CRF had still not been made available; and
- f) there was no guarantee that money from the package would be used to support freelancers who make up a significant amount of the workforce.

132. In December 2020, the TUC Midlands Cultural and Leisure Industries Committee, comprised of Equity, the Musicians' Union and BECTU, published a policy proposal for freelancers and the cultural recovery out of Covid-19 in the West Midlands [KB/146 - INQ000612738]. This highlighted how the CRF had proved to be inadequate, with a majority of the CRF money had been used to ensure basic organisational survival meaning high levels of redundancies and workers slipping through the net. The unions proposed that the underspend in the CRF be used to establish a 'Creative Support Scheme' for affected workers and called on all stakeholders to commit to a number of principles of a West Midlands cultural recovery, including drawing £42 million from the CRF for a regional fund for the freelance workforce, renewing demands to progress a Midlands Television

and Film Studio, providing incentives to arts organisations to get people back into venues and convening a roundtable of all stakeholders to plan the recovery with a phased timetable.

133. Many of these challenges persisted throughout the following year. In July 2021, Bectu joined the Society of London Theatre, UK Theatre, Equity and the Musicians' Union to call on government to provide government-backed insurance for live events and theatres [KB/147 - INQ000612739]. The Film and TV Production Restart Scheme, described above, had served as a fantastic example of a partnership between government and industry, ensuring a successful resumption of television and film production and providing assurance to those working in the sector. However, despite discussions with government, there appeared to be no appetite for a workable scheme to be implemented in the live events and theatre industries.

## **Transport**

134. Unions in the transport sector found engagement with the government lacking. A meeting between unions and the Secretary of State for Transport Grant Shapps did take place on 18 May 2020 [KB/148 - INQ000119216], where, at the outset, Frances O'Grady emphasised that the aim is to protect livelihoods and health, so it was important to develop good faith relationships and engagement and there was a need for more systematic dialogue on different industries within the sector. Frances O'Grady followed up this meeting with a letter to Grant Shapps the next day [KB/149 - INQ000612740], setting out the specific actions agreed, including:

- a) further engagement with trade unions and employers in the aviation industry to look at support for the sector's recovery; and
- b) discussions with maritime unions around job losses on ferry routes and clarification on the position of seafarers excluded from the CJRS and the SEISS.

## *Aviation*

135. The aviation industry was a sector in dire need of support from early on in the pandemic. In March 2020, Unite called for an urgent comprehensive financial package, specifically a four-point plan whereby the government would make contributions to cover workers' pay, loans to airlines, airports and other aviation companies would be extended, payment of taxes and duties that airlines are obliged to pay would be delayed and government would support routes through subsidies. Meanwhile, GMB and Unite

negotiated an agreement with British Airways to introduce a modified version of the CJRS, with workers to be furloughed on 80% of pay but with no cap on earnings [KB/150 - INQ000612741] [KB/151 - INQ000612742].

136. In September 2020, the government had announced that it was establishing an 'Aviation Recovery Plan', but despite such promises of sector support, Unite was still calling for a coherent strategy from government for the aviation sector through to March 2021 [KB/152 - INQ000612743]. Unite's '*Blueprint for Aviation – Flying into the Future*', first published in May 2020 and then updated in August and October 2020 [KB/153 - INQ000612744], set out economic and fiscal measures that the union believed government needed to implement, including:

- a) the introduction of a sector specific scheme within aviation to support employers in retaining employees and protect employment through at least the coming winter season;
- b) ending the current slot alleviation rules and support for continued route and networked operation;
- c) suspension of Air Passenger Duty;
- d) government to meet air navigation charges;
- e) business rate relief for airports (as had been implemented in Scotland and Northern Ireland);
- f) extending the period of repayment of loans to aviation companies beyond the current two year maximum; and
- g) implementation of the airline insolvency review.

137. This was against the backdrop of the delays in extending the CJRS leading to mass redundancies in the sector in autumn 2020 [KB/154 - INQ000612745].

138. In June 2021, key stakeholders in the industry, including Unite, came together to demand support, calling for a sector-specific extension to the CJRS [KB/152 - INQ000612743] [KB/155 - INQ000612746].

### *Buses*

139. When it came to the buses, on 3 April 2020, the government published details of its new Bus Service Support Grant, a fund of £400 million initially to maintain bus services across the country. As with other packages, this came with no conditionalities regarding

safeguarding jobs. RMT was concerned that, unlike in rail, there was no industry forum for the discussion and agreement of safety measures within the industry. RMT raised these issues with the government by way of letter to Grant Shapps dated 6 April 2020 [KB/156 - INQ000119036], but to no avail, and later with the Confederation of Passenger Transport (“CPT”) via Grahame Morris MP. CPT responded to Mr Morris on 25 February 2021, refusing to establish an industry-wide forum [KB/157 - INQ000612748]. Meanwhile, certain UK employers continued to fail to provide the economic support to staff. For example, First Bus wrongly asserted that the CJRS determined that furlough pay was calculated based on basic hours, rather than including other pay elements such as overtime [KB/158 - INQ000612749]. Go North West attempted to reduce the wages of 500 Manchester bus drivers by an estimated £2,000 per year [KB/159 - INQ000612750].

### *Rail*

140. The rail sector received substantial economic support in the form of the Emergency Measures Agreements (“EMAs”) and Emergency Recovery Management Agreements (“ERMAs”). Through these mechanisms, the government assured the ongoing financial sustainability of private profit-making companies in public service delivery, including underwriting their continued payment of dividends, with a guaranteed 2% margin on private operators’ costs. RMT criticised this approach saying that there was an overwhelming case for taking the railways into public ownership instead to ensure services continued and to save jobs, writing to Grant Shapps on behalf of organisations of rail passengers and workers on 22 July 2020 [KB/160 - INQ000612751]. The concern was that the EMAs and ERMAs were designed to ensure service continuity for private profits, with a hands-off approach to business restructuring, even if this was at the cost of jobs and conditions. Around the edges of the publicly funded ‘core railway’, this laissez-faire approach was more pronounced and more jobs were put at risk throughout the pandemic. In September 2020, Avanti West Coast announced proposals to relocate the Customer Resolutions Centre based in Birmingham to a central First Group Contact Centre in Sheffield, putting 60 jobs at risk. RMT argued that the EMA and ERMA packages of which Avanti were beneficiaries should be conditional on retaining jobs, not opportunities to restructure to cut costs. RMT wrote to the Secretary of State on 22 October 2020 saying: *“Since the outbreak of Covid-19, Avanti West Coast has, of course, been in receipt of a significant amount of public funding, and will continue to do so over the next 18 months, in the form of its Emergency Recovery Measures Agreement. RMT is urging your Department to ensure that any future ERMA payments for Avanti are dependent on it retaining all Customer Resolution posts in Birmingham, on a permanent basis”* [KB/161 -

INQ000612752]. Then, once the pandemic restrictions began to be eased, the cost of these support packages formed the rationale for attacks on jobs, pay and conditions in rail, provoking the national rail strikes from June 2022 onwards.

141. 'Open Access' or other commercial operators like Heathrow Express, Hull Trains and Grand Central, work on a different economic model to the main rail franchises. They are granted contracts to run some services over existing franchises – theoretically to inject more competition into the industry – but without bearing the same level of costs as the franchises. During the Covid-19 pandemic, these operations were not included in the EMA support but were only given access to the CJRS. Consequently, some of these services decided to announce business reorganisations, including job cuts and attacks on conditions. On 14 May 2020, Heathrow Express announced its intention to cut 123 roles among on-board staff while it was in receipt of CJRS money. On 27 May 2020, RMT wrote to the Secretary of State asking him to intervene and take the operation into public ownership [KB/162 - INQ000612753]. On 8 June 2020, the Secretary of State replied, stating *“the matter to which you refer in your letter relates to a proposed business reorganisation by Heathrow Express of certain aspects of its internal operation. As such there is no basis upon which I or my department are able to intervene. Furthermore, it would not be appropriate for me to seek to influence how the company handles matters such as this, which are clearly its own responsibility”* [KB/163 - INQ000612754].

142. On 1 June 2020, the union wrote again to the government asking it to intervene to provide support for Hull Trains and Grand Central to ensure their continued viability, with neither having received any emergency government funding during the pandemic and both having suspended their operations in full and furloughed their employees [KB/164 - INQ000612755]. RMT's concerns were that, if services were to resume, they would be at a significantly reduced capacity to allow for social distancing measures and the resulting reduction in revenue would risk the viability of the companies, who employ hundreds of workers. On 15 June 2020, the Secretary of State replied that *“open access operators run services without a direct contractual relationship with Government. This means that they were not eligible for, and could not be offered, the Emergency Measures Agreements that were put in place for franchised operators”*, referring them instead to the CJRS [KB/165 - INQ000612756].

143. By September 2020, both Hull Trains and Grand Central were proposing redundancies and on 29 September 2020, RMT wrote once more to the Secretary of State *“reiterating the need for the Government to agree a financial support package for the open-access rail*

*operators to ensure they remain viable and to avoid any future job losses. RMT believes that many of the proposed job losses could be avoided through other TOCs absorbing the at-risk posts into existing vacancies. I am therefore, calling on the Government to intervene, as a matter of urgency, and to support and coordinate this action, thus avoiding job losses” [KB/166 - INQ000612757]. On 14 October 2020, the Secretary of State replied saying “Government is not able to give assurances to open-access operator staff, recognising that open-access operators do not operate services under contract with Government, but operate instead on a commercial basis. Despite the considerable and unprecedented support Government is providing to support jobs at this challenging time, it will not be possible to save every job across the economy” [KB/167 - INQ000612758].*

144. Sub-contracted functions in rail also suffered. On 25 March 2020, employees working on an hourly wage basis for the catering provider, SSP Group, were informed that they would be ‘laid off’ from 26 March 2020, just one day’s notice. RMT wrote to Grant Shapps on 27 March 2020, noting that this went against the whole principle of the CJRS to prevent job losses and is in direct contract to the publicly owned LNER, which was paying staff employed on its Rail Gourmet contract their full salary [KB/168 - INQ000612759]. SSP Group persisted with its plans to make 5000 staff redundant within the Group, including many rail catering workers. It announced the redundancies on 1 July 2020 some four months prior to the end of the CJRS and it appeared that the decision to do so was animated by the prospect of the scheme coming to an end. SSP Group cited in its London Stock Exchange filing that it was not considering winding up its operations in other countries because of their longer-duration support schemes. RMT wrote to the Secretary of State raising this on 7 July 2020 [KB/169 - INQ000612760]. On 27 August 2020, RMT raised once more SSP Group’s profits and the demand that train operating companies should take catering staff in-house to save their jobs [KB/170 - INQ000612761]. The government declined to take any action on this.

145. Other private train operators decided to end their sub-contracted operations completely. For example, South Western Railway ended its contract with catering company Elior. RMT wrote to the Secretary of State asking him to intervene to save these jobs, however his final response on 25 January 2021 stated that how Elior had handled those staff impacted was “*a commercial decision for Elior which included potential utilisation of the job retention scheme*” [KB/171 - INQ000612762] [KB/172 - INQ000612763].

## *Maritime*

146. Seafarers were classified as keyworkers, but the fragmented nature of employment in the maritime sector created highly uncertain and uneven outcomes for workers. Unlike rail and buses there was no bespoke funding package for maritime operators, who were instead directed toward the CJRS. There was uncertainty about whether maritime operators would be eligible for the scheme, arising from their highly deregulated economic and employment model. On 26 March 2020, RMT, Nautilus and the Chamber of Shipping wrote to the Chancellor and to the DfT calling for clarification on whether firms would be eligible for the CJRS on the basis that many of them employ seafarers through overseas-based companies [KB/173 - INQ000612764] [KB/174 - INQ000612765]. While the DfT responded on 3 April 2020 [KB/175 - INQ000612766], stating that they were awaiting clarification from HMT, the issue was never resolved.

147. The importance of a more robust package and the weaknesses of the CJRS were demonstrated in May 2020 when P&O announced plans to consult with unions making 1,100 redundancies across their operations [KB/176 - INQ000612767]. P&O had claimed over £10 million from the CJRS to support 1,400 staff wages, but decided to cease doing so in May in favour of beginning to re-engineer their workforce, a process they would then complete in March 2022 when they fired and replaced 800 UK Ratings. RMT raised this issue with Shipping Minister Kelly Tolhurst directly but the government declined to take any action to compel P&O to save jobs or repay its CJRS money [KB/177 - INQ000612768], and failed to institute a wider package of funding support for jobs.

## **Retail**

148. Some unions worked to supplement government guidance with more practical guidance as to how NPIs should be implemented in the workplace. For example, on 24 April 2020, Usdaw with the British Retail Consortium (BRC) published a guide for non-food retailers on how to implement government advice in respect of social distancing, in preparation for non-essential retail stores reopening [KB/178 - INQ000119043].

149. Some consideration was given within the Retail Sector Council. The Council was co-chaired by Paul Scully, the BEIS Minister with responsibility for retail. Usdaw was represented on the Council. Other organisations who also sat on the Council include the BRC, the British Independent Retailers Association, the Association of Convenience

Stores, Amazon UK, Asda and Ikea. A number of online meetings were held with BEIS civil servants co-ordinating the work of the Retail Sector Council. Following the publication of the joint BRC/Usdaw guidance on reopening non-food retail, there were a number of discussions with the BRC and government over developing advice to non-food retailers. Similar dialogue took place in Scotland, Wales and Northern Ireland with the BRC/Usdaw guidance being used as the starting point for these discussions.

150. A further version of the Usdaw and BRC guidance was published on 4 June 2020, which recommended implementation practices for non-food retail stores [KB/179 - INQ000119044].

151. According to GMB analysis, almost 135,000 traditional retail jobs were lost during the pandemic [KB/180 - INQ000612769].

## **Education**

152. On 8 January 2021, the TUC and education unions wrote to the Minister of State for Education, Nick Gibb, regarding the operation of the CJRS during lockdown [KB/181 - INQ000612770]. The letter set out the issues faced by supply staff, the vast majority of which are employed by agencies and very few of those agencies were prepared to place staff on furlough, often citing the costs (notably National Insurance and pension payments) borne by the employer under the CJRS at the time. The unions therefore called for a number of actions:

- a) for the DfE to send a direction and provide adequate funding to ensure that supply staff on a live assignment continue to be paid from the budget of the school, with those who had their assignments terminated earlier than the original terms reinstated on the original terms;
- b) for the DfE send a strong signal to employment agencies operating in the education sector that they should place staff on furlough when there is no demand for their services;
- c) for ministers assess whether the current employer contributions within the CJRS, covering National Insurance and pension contributions, were acting as a disincentive for agencies to furlough workers; and
- d) for agencies do the right thing and place education workers on furlough.

153. NEU, UNISON, NAHT and Early Education published a report of a survey in April 2021 relating to the impact of the pandemic on maintained nursery schools' finances [KB/182 - INQ000612771]. During the pandemic, maintained nursery schools were a lifeline for local families: they stayed open throughout for the most vulnerable children and children of critical workers, often taking in children from other settings which closed during the first lockdown. They supported their families with remote learning, and often with food parcels and practical support. They were in touch with vulnerable families when health and social services were unable to maintain contact. In the third lockdown, they were told to remain open to all children, at a time when all other schools were told to remain closed, without social distancing, vaccination or access to testing. The survey found that 33% of maintained nursery schools were cutting staffing and services to balance their books.
154. The DfE claimed that it had paid out £139 million for exceptional cost claims, however, in reality many schools received nothing at all as they did not meet the eligibility criteria. In July 2021, NAHT published results of a poll of nearly 1500 school leaders, which showed that the Covid-19 funding provided by the government fell far short of the costs incurred by schools since the start of the pandemic [KB/183 - INQ000612772]. 87% of respondents said that the Covid-19 recovery funding was not sufficient to meet the needs of pupils.

### **Food processing**

155. There were a number of outbreaks associated with food manufacturing plants across the UK. For example, concerns arose in relation to the operations of Bakkavor – a sandwich maker for large stores such as M&S employing 23,000 people at 23 factories. Two employees died at a factory near Dover in Kent and around 100 workers tested positive following an outbreak. The GMB called upon the company to offer fully pay to anyone taking covid-related absence (rather than statutory sick pay), mass testing for staff, and to perform a deep clean at the factory. The company only agreed to ask staff to wear face masks after pressure from the GMB [KB/184 - INQ000119200]. In April 2020, an operations manager at a factory admitted (in a secret recording) that social distancing was not possible, and threatened to fire anyone who was not ill and stayed at home and *“people who don't bother to get to work, get out.”* Staff reported being worried about their health at work, but under pressure to come in.
156. In August 2020 there was a call for workers at Banham Poultry factor in Norfolk to receive more than SSP amidst 75 staff having tested positive. As with many other sectors with a workforce that is often poorly paid, many were limited to SSP when self-isolating.

Although the limited statutory sick pay was frequently a problem, the CJRS did, in fact, allow employers to temporarily furlough workers if they required to self-isolated, but government communication of the scheme was poor, if not deliberately suppressed.

## **J. IMPACT ON OUR MEMBERS**

### **BAME workers**

157. The TUC's report, '*Jobs and Recovery Monitor – BME workers*' [KB/185 - INQ000119181], published in January 2021, set out how the already-high BAME unemployment rate had increased since the start of the pandemic, with early evidence of large falls in the number of BAME workers in industries hit hard by the pandemic when compared to the fall in the number of white employees in those industries.

### **Disabled workers**

158. Usdaw heard from disabled members the difficulties they faced in receiving full pay during the pandemic, that it appeared that disabled workers in the 'Extremely Vulnerable Group' were more likely to be at risk of furlough and of a lack of paid provision for disabled members who could not go into work because of their heightened risk of exposure to the virus. There was a poor understanding and implementation of the disability provisions of the Equality Act by many employers and most managers, with reasonable adjustments threatened by employers focussing mainly on social distancing. Usdaw urged the government to make it clear to employers that the duty to make reasonable adjustments was not affected in any way by the measures introduced to respond to the pandemic and the duty must be adhered to in all cases by employers. The pandemic and the particular experiences of disabled members had shone a light on the low rate of SSP, in circumstances where the disadvantages faced by some disabled workers might not be removed or reduced by reasonable adjustments resulting in those members having little option but to approach their doctor for a fit note and rely on SSP for income.

159. On 5 June 2021, the TUC produced a report setting out the results of its research into how pre-existing workplace barriers had been affected by the pandemic and the impact it had had on disabled workers: '*Disabled workers' experiences during the pandemic – a TUC report*' [KB/186 - INQ000119194]. The TUC found that many of the pre-pandemic issues that affected disabled workers continued to affect those workers during the

pandemic, such as difficulties in getting and keeping the reasonable adjustments necessary to work effectively.

## Women

160. The TUC observed that the health, social and economic impacts of Covid-19 were highly gendered. The economic and health impacts of this crisis were most acutely affecting key workers and those employed on insecure contracts in shutdown sectors. These workers were more likely to be women. The vast majority of those working on the frontline of the crisis were women, with the highest risk of exposure.

161. The TUC also observed that women were more vulnerable to economic hardship during this crisis than men. Women were the majority of those providing care, whether paid or unpaid, doing three times more unpaid caring than men. They are more likely to be employed on insecure and zero-hours contracts than men, particularly BME and migrant women, and to be working part-time. Women are also more likely to be employed in service sectors that have been shut down because of social distancing measures, particularly younger women. More women are dependent on the social security system than men and are living in insecure housing situations, especially women on low-incomes and single mothers.

162. On 11 June 2020, the TUC published a report, '*Pregnant and precarious: new and expectant mums' experiences of work during Covid-19, A TUC Women's Equality Briefing*' [KB/187 - INQ000119190], which reported on the results of a survey by the TUC of over 3,400 pregnant women and mothers on maternity leave to find out about their experiences of work during the pandemic. The report highlighted that:

- one in four pregnant women and new mothers had experienced unfair treatment or discrimination at work, including being singled out for redundancy or furlough;
- pregnant women's health and safety rights were being routinely disregarded, leaving women feeling unsafe at work or without pay when they were unable to attend their workplaces;
- low-paid pregnant women were almost twice as likely as women on median to high incomes to have lost pay and/or been forced to stop work (either by being required to take sick leave when they were not sick or to take unpaid leave, start their maternity leave early or leave the workplace altogether) because of unaddressed health and safety concerns; and

- 71% of new mothers planning to return to work in the next three months were at that time unable to find childcare to enable them to do so.

163. In December 2020, UNISON brought a legal claim against Dolce, an employer of school meals staff, following Dolce's decision to reduce their hours by an average of 20-25%, with some as much as 40%, and to move others to zero-hours contracts. This came in the midst of the second lockdown and saw an immediate pay cut for workers, with longer-term implications for their holiday and sick pay. The majority of workers affected were low-paid, female workers [KB/188 - INQ000612773]. Three years later, UNISON was successful in its claim, securing a significant wages settlement, however it demonstrated the economic challenges faced by lower-paid workers, particularly women, during the pandemic.

164. Similar gender disparities were apparent in the retail sector – whilst most Usdaw members that are women are employed on short hours contracts, almost all of them regularly work more than their contracted hours. Many do not have access to statutory employment rights, such as SSP, the right to request flexible working or statutory maternity pay, due to low earnings and breaks in service. Usdaw recognised at the time that low paid women and migrant workers were bearing the brunt of the pandemic and would be disproportionately affected by any subsequent economic crisis. The pandemic reinforced existing inequalities and entrenched the discrimination women face both at work and in wider society.

165. The gendered impacts of Covid-19 intersect with other characteristics such as age, ethnicity, disability, class and migration status resulting in different effects for different groups of women. Single mothers were particularly affected as their economic position is often more disadvantaged and, in some cases, financially precarious as they rely on one source of income. Migrant women who lost their jobs and were subject to the no recourse to public funds condition were unable to access the safety net offered by the government through the benefits system. This left these women and their families without the means to cover their housing costs or to feed their families, risking destitution, malnutrition and homelessness.

166. In May 2021, the TUC published a report '*Jobs and Recovery Monitor – Gender*' [KB/189 - INQ000618153]. This showed that women had seen a much higher level of redundancy than in previous crises and were working in sectors that were particularly exposed to the economic impact of the pandemic, again something that went against

previous experience. When new restrictions were introduced in November 2020 and January 2021, women were more likely to be put (back) on furlough.

167. On 10 December 2021 the TUC along with Maternity Action wrote to Maria Caulfield at DHSC, expressing concerns regarding the latest guidance for pregnant employees [KB/190 - INQ000119195]. The updated guidance published in November 2021 had removed reference to increased risks for women in their third trimester and affiliates had fed back to us that employers were now misinterpreting this as meaning they no longer had to take action to mitigate risks, including carrying out individual risk assessments and putting employees on maternity suspension if risks could not be mitigated. This came at a time when vaccine hesitancy amongst pregnant women was still high and the Omicron Variant was prevalent.

### **Migrant workers**

168. Migrant workers were disproportionately represented in occupations that keep the basic infrastructure of our communities functioning. These included jobs such as doctors or nurses or in less visible but equally important occupations such as care work, cleaning, food production or goods distribution. Many of these workers are BME and are more likely to be in likely to be in non-permanent jobs than UK born workers. Many are also involved in the gig economy and other less regulated sectors and are therefore vulnerable to abusive and unsafe employment practices under the current environment but have fewer outlets to seek help and keep themselves safe from coronavirus.

169. Concerns expressed by the TUC included that many migrant workers who were eligible to receive money through the job protection arrangements or unemployment benefits may have low awareness of their entitlements or may be unfamiliar with the process of claiming or visiting job centres.

170. The company 'Boohoo' which predominantly relies upon garments produced in Leicester, was compelled to launch an investigation after reports of the company's suppliers being among those paying wages as low as £3.50 per hour and breaching coronavirus safety guidelines, with huge volumes of production without any adequate social distancing [KB/191 - INQ000192263]. An informative report was produced by Labour Behind The Label [KB/192 - INQ000119201], which pointed towards the vulnerabilities linked to ethnicity, with a predominantly minority ethnic work force, many of whom are vulnerable to abuse as a result of their immigration status, language skills,

integration in the community, higher unemployment rates, and links to modern slavery and trafficking. That was a significant part of the picture in terms of the disproportionate impact of Covid-19 upon BAME groups.

### **The young**

171. The TUC noted on a number of occasions that younger workers were particularly affected by job losses associated with the pandemic. For example, see the report '*Young workers are most at risk from job losses due to the coronavirus crisis*' (12 June 2020) [KB/193 - INQ000119197], '*Jobs and Recovery Monitor – Young Workers*' (19 November 2020) [KB/194 - INQ000119198], and the update on younger workers (27 March 2021) [KB/195 - INQ000192264]. The June 2020 report called for a job guarantee scheme to stop those without work becoming long-term unemployed, with early access to the scheme for young workers. The following month, the government introduced the national 'Kickstart' scheme, intended to support jobs of six months for 16-24 year olds on Universal Credit. However, it was underwhelming in its delivery, with no quality control over the standard of training provided to participants and no standard contract ensuring companies were offering decent employment, terms and conditions.

172. The November 2020 report highlighted how many employers had not topped up the pay of furloughed staff, with young workers disproportionately affected – 29% of workers aged 16-17 and 22% of those aged 18-21 had been furloughed on reduced pay, much higher than other age groups. It also pointed to the fact that the CJRS contained no provision to prevent workers falling below the minimum wage when furloughed, with 423,000 16–24-year-olds being paid below the minimum wage in April 2020 compared to 64,000 the previous year. The March 2021 report showed that, as of 28 February 2021, 22% of young workers were furloughed, higher than any other age group.

## **K. CONCLUSIONS AND LESSONS LEARNED**

### **Furlough**

173. The Covid-19 pandemic had a devastating impact on businesses, workers and their families. Those in insecure work and marginalised groups suffered in particular. However, whilst far from perfect, the CJRS and SEISS should be considered successes of the government's response to the pandemic, with the CJRS supporting millions of people and

playing a clear role in limiting job losses. The UK now needs to build on this, putting in place a permanent furlough scheme to deal with future periods of economic turbulence. The UK is rare in not having such a permanent scheme in place; 23 OECD countries had short-time working schemes in place before the pandemic.

174. Both the success of the furlough schemes in the UK and prior evidence from Europe, including in the financial crisis, shows that short-time working schemes can play a valuable role in protecting both workers and business. Such schemes:

- a) reduce the risk of workers' losing their jobs in times of crisis, acting as a form of collective insurance to protect both workers' and employers' investment in job specific skills;
- b) protect workers' incomes – particularly as short-time work benefits are usually more generous than unemployment benefits. As short-time work schemes are based on a proportion of workers' normal income (up to a cap) they protect against the sudden income losses which are key trigger points for debt;
- c) protect against long-term unemployment, and the devastating impacts on communities;
- d) help prevent widening inequalities – given that job losses are likely to hit hardest those groups who already face structural discrimination in the labour market, measures which protect against job losses (such as short-time work schemes) could have a disproportionate benefit for these groups;
- e) save employers redundancy and hiring costs – by maintaining workers in jobs for which they have been recruited and trained, short-time work schemes can save employers significant redundancy and hiring costs; and
- f) help stabilise the economy and encourage a faster economic bounce-back as workers continue to spend their wages.

175. A new scheme should build on the success of the furlough scheme in working with unions and business and be designed and governed by a tri-partite panel. It should draw on best practice from schemes around the world to ensure: that consultation with workers is a precondition for businesses wishing to access the new scheme; flexibility in how the scheme is used; protection for workers' income, and that use of the scheme is a trigger for businesses to improve their working practices.

176. A new scheme must also put a significant emphasis in ensuring that furloughed workers receive access to training, as part of wider government efforts to invest in skills fit for a changing economy.

177. Further flexibilities within future furlough schemes will also be required to ensure adequate coverage for the self-employed, as strict eligibility criteria in SEISS prevented access to freelancers who received PAYE income from multiple employers, directors of limited companies and those with irregular incomes.

### **Statutory sick pay and Universal Credit**

178. To protect workers, particularly those in low-paid and insecure work, we need a statutory sick pay system that is fit for purpose. For SSP to work, there are issues which must urgently be improved in advance of future crises:

- a) fundamentally, SSP should be available to all workers – approximately two million workers are currently not eligible;
- b) the lower earnings threshold should be removed. The current government is proposing to do so through measures in the Employment Rights Bill, however, we would urge the Chair to support this as a key part of a reformed SSP system that is better able to support all workers in a future pandemic;
- c) the prohibitive three-day wait for payment should be removed. Again, this is also subject to change through the Employment Rights Bill, but we urge the Chair to recognise the importance of the temporary move to day-one rights in supporting workers in the pandemic; and
- d) the level of SSP should be increased to a liveable rate.

179. SSP is one area that needs strengthening in order to ensure a social security system that acts as an effective safety net in times of crisis for individuals. Universal Credit is another crucial component that was found not to be fit for purpose in the pandemic – providing inadequate financial support, with lengthy delays and a burdensome administrative process. The TUC has called for substantial reform of Universal Credit and other benefits, and recommends the following:

- a) the basic level of Universal Credit and legacy benefits should be raised to at least 80% of the national living wage, this includes jobs seekers allowance and employment and support allowance;

- b) the five-week wait for first payment of Universal Credit should be removed;
- c) benefit payments to children should be significantly increased and the two-child limit within Universal Credit should be removed;
- d) the arbitrary benefit cap should be removed;
- e) the punitive sanctions scheme should be scrapped – employment support must be designed to genuinely help people into decent work; and
- f) a wider package of support for households should be introduced, by increasing the hardship fund delivered by local authorities – the government should put in place a fund that provides a permanent source of grants to support those facing hardship.

### **Support for key sectors**

180. A range of industries, crucial to the UK economy, were profoundly affected by the pandemic and subsequent downturn. Responses varied across different sectors. In some cases, unions and employer organisations worked closely to provide support and guidance. The government intervened to some extent with financial support but, while this support was welcome, there were concerns about how effectively it was targeted and, at times, delays in providing the support.

181. The TUC recommends greater use of national, sector-specific bodies that bring government, employers and unions together on an ongoing basis to ensure that government support is timely, targeted to the right parts of the industry and supports jobs.  
This is particularly the case in times of crisis, including future pandemics.

### Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed: Personal Data

**Kate Bell**

Dated: 15 July 2025