

Press release: LPC publishes its recommendations to tackle one-sided flexibility

Today the Government has published the Low Pay Commission's (LPC) recommendations to tackle one-sided flexibility. In addition to our usual brief recommending the minimum wage rates, the LPC was also asked to undertake some additional tasks in relation to the Taylor Review of Modern Working Practices. These were to review the scale and nature of the issue of 'one-sided flexibility', to assess the impact of introducing a higher minimum wage for non-guaranteed hours and consider alternative policy ideas.

We found evidence of one-sided flexibility as identified in the Taylor Review: the misuse by some employers of flexible working arrangements creating unpredictability, insecurity of income and a reluctance among some workers to assert basic employment rights. However, we also found evidence of positive examples of flexibility and believe it is important to preserve genuine two-way flexibility.

Commissioners thought that the higher minimum wage for non-guaranteed hours did not address one-sided flexibility effectively and had the potential to create many unintended consequences. We did not hear unqualified backing for the premium from any of the stakeholders we spoke to. We have therefore recommended an alternative package of measures.

- A right to switch to a contract which reflects your normal hours. This is not about a worker requesting a change to the amount of work they do, but rather proper recognition of their normal hours. We believe this will help to tackle the fear of employer retaliation by providing a guarantee of the worker's normal hours. Workers already worried about raising issues in the workplace are less likely to raise a 'request' so the right needs to be stronger than this.
- A right to reasonable notice of work schedule – to encourage employers to provide workers with their work schedule in advance so that individuals can plan their lives.
- Compensation for shift cancellation or curtailment without reasonable notice – to discourage employers from cancelling shifts at the last minute or partway through a shift.
- Information to workers – the written statement of terms from employers should detail the rights we are proposing here.

We also recommend that the Government considers ways to specifically measure the scale of one-sided flexibility.

Chair of the LPC Bryan Sanderson said:

We agree that one-sided flexibility is a problem and have

recommended a package of measures to address the issue. We found the problems were not specific to one form of contract but can happen across of range of working arrangements.

We are pleased to see that the Government will consider our recommendation for a right to switch to a contract that reflects normal working hours as it develops legislation on the 'right to request a more stable contract', and that it will consult on our other proposals.

Notes:

1. The Low Pay Commission is an independent body made up of employers, trade unions and experts whose role is to advise the Government on the minimum wage. The National Living Wage is the legally binding pay floor for workers aged 25 and over. The other minimum wage rates comprise: the 21-24 Year Old Rate, the 18-20 Year Old Rate, the 16-17 Year Old Rate and the Apprentice Rate.
2. The LPC's extended remit from Government was to 'assess the nature and extent of the issue identified in the Review; and to assess the impact of introducing a higher minimum wage for non-guaranteed hours. This assessment should consider any alternative policies that they consider address the same issue, including relevant international comparisons and evidence provided by stakeholders.'
3. The LPC provided its recommendations to the Government by 31 October, in line with the timetable set out in its remit.
4. The Government responded to the LPC's recommendations in its Good Work Plan, also published on 17 December 2018. It said: "We welcome the Commission's work and recommendations which are published alongside this document. As set out in this Good Work Plan, the Government remains determined to tackle one-sided flexibility while retaining the flexibility that many people find so valuable. For example, we are taking action by introducing a right to request a more stable contract. The Commission had specific views on this policy, which we will consider as we develop legislation. Alongside this, we will consult on the Low Pay Commission's other proposals."
5. The LPC refer to the higher minimum wage for non-guaranteed hours as the 'premium'.