



DTI – Success at Work

Increasing the holiday entitlement – an initial consultation

Amicus is the UK's second largest trade union with 1.2 million members across the private and public sectors. Our members work in a range of industries including manufacturing, financial services, print, media, construction and not for profit sectors, local government, education and the NHS.

Amicus welcomes the opportunity to respond to government plans to make public holidays additional to the twenty days annual leave entitlement in the Working Time Directive. This was an important issue in the Warwick agreement between unions and the Labour Party and Amicus feels these proposals are long over due.

Executive summary

- Amicus welcomes the Government's plans to treat public holidays as an addition to the 20 days annual leave entitlement in the Working Time Directive.
- The moves will benefit some of the most exploited workers in the country with negligible implications to the economy as a whole.
- Increased holidays will benefit employers due to improved productivity, health and happiness amongst their staff.
- Flexibilities in the application of the plans should be negotiated with trade unions and only implemented with the consent of workers.

- Without removing the “opt out” from the Working Time Directive there is a concern that employers may try to increase hours to cover the change.
- The changes should be implemented immediately and not phased in over time.
- Any changes should not affect the minimum wage or any future increases in its rate.
- Amicus supports the TUC policy of 3 extra national holidays being introduced including one on International Women’s day.

The Amicus case in detail

1. Benefits to employees of increased holiday entitlement

Amicus welcomes the Government’s proposals. Many employees would benefit significantly from increased holiday entitlement. Broadly speaking it is the UK’s lowest paid workers who are not currently receiving the eight bank holidays in addition to the 20 days guaranteed under the Working Time Directive. We summarise below some of the benefits that this provision will have.

1.1 Physical and mental health

There is a swathe of information written about the impact of long hours and lack of time off on employee health. Serious health conditions such as stress, fatigue, mental illness and heart disease can all derive from long working conditions¹. Their impacts are far reaching, affecting co-workers, friends, family and society as a whole. It is difficult to calculate the full costs to society when you include the costs of health care provision and sick leave, the effects on children and other dependents, partners and friends.

Eight extra days holiday would help people rest and recuperate, making them less likely to take time off and more productive when at work.

¹*The Time of Our Lives* (Amicus, 2003)

1.2 Social and leisure time

Social and leisure time are crucial to human wellbeing and happiness.² Sadly, many people in the UK are unable to take part in social and leisure activities as they are too tired and overworked to enjoy their time off. Many leisure activities also benefit the economy and more time off could lead to more money going into the leisure industry, e.g. cinemas, sports facilities, libraries. This in turn would lead to wider economic growth and potentially more jobs.

The extra eight days will provide more time for people to pursue their social lives and take part in leisure activities.

1.3 Family

The long-hours culture in the UK has had a significant impact on many people's family lives. The effects that long hours and time away from families can have on dependents and partners have been well documented³. Not only does the problem affect personal relationships but it also has wider societal impacts including links to literacy and education policies, welfare provision, employment and crime.

The long-hours culture is also further exacerbating gender inequality in pay and the division of labour in the home⁴. This reinforces the idea that care and domestic work is of less value to society than paid work.

Increased holiday will give people the opportunity to spend more time with their families, be it partners, children and other dependents or other family members.

1.4 Pay

As highlighted earlier, many of the workers affected by this legislation will be some of the lowest paid in the country. These changes will potentially have

² Nick Isles, *The Joy of Work?* (The Work Foundation 2004)

³ *Families and work in the twenty-first century*, (Joseph Rowntree Foundation September 2003). Also *More time for families: tackling the long hours crisis in UK workplaces* (TUC/Working Families report August 2004)

⁴ *Out of time, why Britain needs a new approach to working-time flexibility* (TUC 2006)

the effect of increasing the amount of pay that these workers receive for the work they do. Amicus supports this as a small step towards providing these workers with a fair wage.

1.5 Public engagement and volunteering

Individual workers will use the time as they choose. However, one potential benefit will be to provide people with more time to dedicate themselves to public engagement and volunteering. The Government has regularly expressed a desire to encourage people to volunteer and participate in community and political work. If they are serious in encouraging this kind of engagement they need to give workers the time and financial support to do so.

Tired, over worked and low paid people are far less capable of engaging or participating in society. The proposed holiday increase is a step towards changing this.

2. Effects on business/the employer and the economy

While the impact on businesses and employers is important, the primary concern should be the impact that these changes will have on some of Britain's most vulnerable workers. When the Government brought in the Working Time Directive in 1998 the measures benefited 6 million low paid workers, including 2 million mostly female part-time workers who gained the right to holiday for the first time. Despite predictions, Labour Force Survey data has shown that this was absorbed by the economy without any noticeable impact. Amicus believes that these new proposals will have a similar impact while offering some significant benefits to employers.

2.1 Sick leave and absences

Studies show that workers are more productive when they are not stressed or suffering from fatigue. The Health and Safety Executive estimates that a total of 12.8 million working days were lost to stress, depression and anxiety in

2004/5⁵. Employees that do not receive adequate time off are much more likely to need sick leave. It therefore makes sense for employers to offer adequate holiday provision as long term sickness can have a much more serious effect on their capacity than a few planned days holiday.

2.2 Motivation and productivity

Holiday provision has positive psychological effects on staff as well. Staff that receive good terms and conditions feel valued by their employer and are happier and more motivated in their work. This again has a positive impact on productivity⁶.

2.3 Bureaucracy and working practices

Flexible working practices should not be significantly affected by these changes. Many employers that work with shift patterns, annualised hours or flexible benefits already offer their employees 28 days holiday. While initially the changeover may require some preparation, Amicus believes that the changes shouldn't be difficult to put into place, and that the Government should offer appropriate support to employers where necessary. All changes to working practices should be negotiated with staff and unions to assist the change process.

3. Concerns and other comments

While Amicus broadly supports the proposals, there are some serious concerns about their implementation and the effects on employees.

3.1 Phasing

Amicus rejects the need to phase in the additional holiday. Many workers currently get the full 28 days or more. Those who do not are being exploited by a loophole in the law. Businesses will support phasing if it is offered to them as there is no incentive not to. The result will be that many of those that can afford to cover the holiday increases will opt to phase in the changes.

⁵ <http://www.hse.gov.uk/stress/why.htm>

⁶ Robert Taylor, *Britain's World of Work – Myths and Realities* (ESRC, 2002) and Nick Isles, *The Joy of Work?* (The Work Foundation 2004)

Amicus believes that this is the wrong way round. The Government should not put the costs of the change onto employees but should offer help to employers that would legitimately find the changes hard to adapt to.

3.2 The proposals do not provide a statutory right to enhanced compensation for working on formal bank holidays.

National public holidays are often times when public events, festivals and school holidays occur. By allowing employers to treat these days as the same as other holidays they deprive many people of the ability to share their time off with their families and friends.

Amicus believes that organisations that require workers to work on bank holidays should compensate them for the social implications that this may have (by paying double time, for example).

3.3 Extra holidays may be used to justify longer working hours at other times.

With the UK continuing to hold on to the 'opt out' of the 48 hour working week in the Working Time Directive there is a worry that the current plans will lead employers to simply increase the number of hours they expect staff to work on other days in order to cover the costs of the time off.

Amicus believes that the 'opt out' should be scrapped and that measures should be put in place to prevent employers from finding new loopholes to negate the benefits of more time off for workers.

3.4 Impact on the national minimum wage.

The new provisions are about removing a loophole used by unscrupulous employers and should have no impact on the national minimum wage or any future planned increases by the Low Pay Commission. They should also have a negligible impact on the economy as a whole.

Amicus believes that the current minimum wage is still inadequate for many people and families. Amicus supports the introduction of a fair wage for all and terms and conditions that fit our *Agenda for Better Jobs*⁷. Changes to statutory leave entitlement should not be used to hold down the minimum wage.

3.5 Flexible working practices.

Badly organised flexible schemes can have a negative impact on workers terms and conditions as well as their work-life balance. The Government's proposals to 'buy out' the additional 8 days' holiday, give payment in lieu of taking leave or the possibility to carry over holiday could all lead to pressures on employees not to take their statutory holiday entitlement.

Amicus would want to see people taking their holiday entitlements (legal and negotiated). We are concerned at the potential for so-called 'flexible working' practices to concentrate on the demands of the employer whilst neglecting the needs of the employee. Any flexibilities that are brought in must be negotiated with staff, preferably through a trade union. Change is most likely to succeed if workers are genuinely involved and empowered.

3.6 Extra Bank Holidays

British workers currently receive an average of 4 fewer state holidays than most other EU countries. Amicus supports the TUC campaign for 3 additional paid bank holidays to bring the UK in line with the European average. In addition, Amicus proposes that one of these bank holidays should be International Women's Day in line with our union policy⁸.

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⁷ *Good Work: An Amicus agenda for better jobs*, (Amicus, May 2006)

⁸ <http://www.amicustheunion.org/pdf/2005policydecisions.pdf>

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