

Unite bargaining brief



Unite the Union

July 2017

INTRODUCTION

The recent fall in inflation was against most commentators' expectations, but the drop is little comfort for millions of workers who continue to endure the biggest continued squeeze on pay since the start of the 19th century. This is why Unite has repeated its call for a minimum wage of £10-an-hour and the lifting of the public sector pay cap.¹

Chancellor Phillip Hammond may have been reported as telling cabinet colleagues that public-sector staff were "overpaid"², but an IDR/TUC report mentioned in this Bargaining Brief finds that the pay cap is not only hitting public sector workers hard but is leading to growing recruitment pressures. Many parts of the private sector are being hit too and the report show that Britain still needs a pay rise.³

The Taylor Review of Modern Working Practices presented an opportunity to make some bold proposals to help address the lack of control that many workers feel by properly promoting collective bargaining and the ability of workers to organise. But, as I have written elsewhere, whilst giving a nod to how trade unions have helped deliver more successful and secure working environments, Taylor's recently published report misses that opportunity.⁴

Unite will continue to make the case for strong trade unions and collective bargaining as an important part of improving pay and productivity and this Bargaining Brief contains examples of recent Unite settlements including where we have successfully challenged artificially low pay offers.

John Earls, Head of Research

SUMMARY

- Median settlements remain at 2.4% (LRD, IDR private sector)
- Inflation falls: RPI 3.5%, CPIH 2.6%, CPI 2.6% (June 2017)
- RPI forecast to be close to 4.0% by the autumn
- Average weekly earnings rise only 1.8% on last year (total pay, including bonuses, single month)
- Average rents rise 1.8% nationwide
- The average cost of full-time childcare (50 hours) is £222.36 per week UK wide
- **New** Minimum Income Standards published by the Joseph Roundtree Foundation set at £17,934 for a single adult of working age and £40,762 for a family of four.

¹ <http://www.unitetheunion.org/news/inflation-drop-a-cruel-illusion/>

² <https://www.theguardian.com/politics/2017/jul/16/hammond-said-public-sector-workers-were-overpaid-report-claims>

³ <http://touchstoneblog.org.uk/2017/06/payoutlook/>

⁴ <http://classonline.org.uk/blog/item/taylor-review-of-modern-working-practices-our-panel-reacts1>

PAY SETTLEMENTS

LRD Payline median settlements stay at 2.4% in the three months to May 2017
Median settlements in IDR remain at 2.0% and 2.4% in the private sector
XpertHR settlements remain at 2%

Pay data analysis includes data published in Labour Research Department's Workplace Report (June), XpertHR 2017 Pay Awards and the Incomes Data Research's *Settlements in Brief* (June) and *Pay Climate* (June).

LRD – Median settlements stay steady at 2.4% for the three months to May

Labour Research Department reported in June's Workplace Report that "it was as you were in May as LRD's Payline database of collective agreements posted a three-monthly median increase of 2.4%, the same rise as for April, but above the 2.0% trend in the current pay round."

Labour Research Department's Payline Database

Percentage increases on lowest basic rates (by agreements covered) for the three months up to and including:

For the three months up to and including:	2016							2017					This pay round, Aug-May
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
All agreements	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.4	2.4	2.0
Private sector	2.0	2.0	2.0	2.0	2.1	2.5	2.2	2.0	2.0	2.0	2.4	2.4	2.2
Public sector	1.6	1.0	0.3	0.5	0.3	1.0	2.0	2.2	2.2	2.2	2.0	1.8	1.0
Manual	2.0	2.0	2.0	2.0	2.0	2.2	2.0	2.2	2.0	2.0	2.5	2.5	2.3
Non-manual	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	1.8	2.0	2.4	2.4	1.5
All industries	2.0	2.0	2.0	2.0	2.1	2.5	2.0	2.0	2.0	2.0	2.5	2.5	2.2
All services	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.4	2.4	1.7

Percentage increases on lowest basic rates (by agreements covered) for the twelve months up to and including:

For the twelve months up to and including:	2016							2017				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
By agreements	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
By workers covered	3.2	3.0	3.0	2.3	3.3	3.3	2.3	3.3	3.3	3.0	2.5	2.5

Source: LRD Workplace Report, June 2017

IDR - Median private sector stays at 2.4% for the three months to May 2017

Incomes Data Research (IDR) reported in its latest Settlements in Brief “our latest analysis of pay settlements shows the median falling back to 2% in May. However the interquartile range, where half of awards are set, remains at between 1% and 2.8%. This partly reflects a wide range of pay outcomes, with increases monitored in the latest period ranging from a pay freeze to 10.5%. The analysis is based on 130 pay settlements monitored by IDR in the three months to the end of May.”

NEW: Settlements three months to end of May 2017

	Whole economy	Private sector
Median	2.0%	2.4%
Average	2.2%	2.5%
Interquartile range	1.0 to 2.8%	2.0 to 3.0%

Based on 130 settlements covering 3.3 million employees in total

Source: *Settlements in Brief*, June 2017

Settlements three months to end of April 2017

	Whole economy	Private sector	Public sector	Manufacturing & Production	Private services	Not for Profit
Median	2.0%	2.4%	1.0%	2.4%	2.4%	2.2%
Average	2.2%	2.5%	1.1%	2.2%	2.7%	2.6%
Interquartile range	1.0 to 2.8%	2.0 to 3.0%	1.0 to 1.0%	1.9 to 2.9%	2.0 to 3.0%	1.7 to 4.0%

Based on 101 settlements covering 3,422,943 employees in total

Source: *IDR Pay Climate*, June 2017. IDR produces a quarterly *Pay Climate* report and this is supplemented monthly by *Settlements in Brief*. *Pay Climate* is next due to be released on 24th August 2017.

IDR and TUC Report: Pay Trends in 2016 and Outlook for 2017

This month IDR and the TUC also published *Pay Trends in 2016 and Outlook for 2017*, a new report setting out the state of pay in the UK. The report analyses hundreds of 2016 settlements by sector, before discussing the prospects for 2017. To read the report click here:

https://www.tuc.org.uk/sites/default/files/Pay%20trends%20in%202016%20and%20outlook%20for%202017.FINAL_.pdf

XpertHR - Awards in the three months to the end of May 2017 remain at 2%

Xpert HR highlight that this is the sixth consecutive rolling quarter that pay awards have stood at 2%, demonstrating the lack of movement in pay award levels since before the recession, and lagging behind the rate of inflation.

XpertHR’s analysis, covers awards between 1 March and 31 May 2017 and takes account of almost 3.3 million employees, found that:

- half of all pay awards are worth between 1.5% and 2.5%;
- 2% is the most common pay award, given to 28.5% of employee groups;
- a 2% pay award was recorded in the services, and manufacturing-and-production sectors;
- four in 10 pay awards (42.2%) are higher than employees received a year ago, with one-third (33.2%) lower;
- the number of pay reviews resulting in a pay freeze remains low, at just 4.8%

Reported in www.personneltoday.com, 29 June 2017

Recent Unite Settlements as reported to the LRD Pay & Conditions database

Agreement	Sector	Start	Description
Bentley Motors	Manufacturing	01/01/17	Three year deal of 2%, 2.25% and 2.25% plus consolidations of £250, £300, and £200 in 2020. A bonus of up to £1250 in each year available on efficiency, quality and delivery with a further deferred bonus of £865 and £2415 in 2020. The deal also included improvements in company sick pay, reductions in the working week and improvements in holiday pay.
E-on UK Field Agreement	Energy	01/04/17	A 3.2% increase from 1 April 2017.
Cummins Turbo Technologies (Huddersfield)	Manufacturing	01/01/17	A 3.5% increase from 1 January 2017 with no changes to terms and conditions and 35 hour week retained.
Tunnocks	Food and drink	01/07/16, 01/07/17	Two year deal 4.5% from July 2016 and 4.5% from July 2017
Virgin Atlantic	Transport	01/10/16 (30 month)	4.55% for Flight Service Manager and Cabin Service Supervisor grades and 6.65% increase in the basic for Cabin Crew grade backdated to October 2016. This is followed by a 3% or RPI + 0.5% whichever is greater uplift from 1st December 2017 The trip element of pay is also due to increase by 18%
Aston Martin	Manufacturing	01/12/16	Two-year pay agreement gives shop floor and staff a £379 lump sum in December 2016, consolidation of £650 (equivalent to 2.2% for a grade C worker) into 2016 new base pay rates, followed by a further 3% increase on pay rates on 1 January 2017. 1 January 2018, there will be a general increase in pay of 3% or RPI plus 0.5%, whichever is the greater.
Jaguar Land Rover (JLR)	Manufacturing	01/01/17	Two-year deal of 3.5%, plus a £750 bonus in year one; retail price index (RPI) plus 0.5% rise in year two
Dana Axels	Manufacturing	01/04/17	Two years pay rise of 3% in 2017 and 3% in 2018 New starter rates at 74% for the first 2 years and 77% in year 3 introduced but after 37 months workers achieve full parity.
Saria (Doncaster)	Food manufacturing supply chain	01/04/17	3% on all rates from April 2017
Johnson Controls (Halewood)	Electronics	01/07/17	Second stage of a 2 stage 24 month agreement with a pay increase of 3.5% from 1 January 2017.
Alstom Transport West Coast Traincare	Transport	01/06/17	A 3% increase on basic pay, London Weighting and Depot Driver Allowance from 1 June 2017. London Skills Retention remains unchanged.

Source: LRD Pay & Conditions database online, July 2017

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 3.5% in the year to June 2017 (3.7% in May 2017)
CONSUMER PRICE INDEX - HOUSING (CPIH) 2.6% in year to June 2017 (2.7% in May 2017)
CONSUMER PRICE INDEX (CPI) 2.6% in the year to June 2017 (2.9% in May 2017)

More inflation volatility as it falls back in June

The all-items Retail Prices Index (RPI) fell to 3.5% in the year to June 2017 down from 3.7% the previous month. This follows a significant rise in May underlining the substantial volatility in inflation rates over recent months.

The Government's preferred index of inflation, CPIH, fell to 2.6% in June, while the CPI also fell to 2.6%.

Unite argues that negotiators should use the RPI as the basis for negotiations. For a discussion of why see here: <http://touchstoneblog.org.uk/2017/03/controversies-around-inflation-measurement-annual-real-wages-fallen-2100-1200-800/>

Price inflation

	% increase on a year earlier		
	RPI	CPIH*	CPI
June 2016	1.6	0.8	0.5
July	1.9	0.9	0.6
August	1.8	1.0	0.6
September	2.0	1.3	1.0
October	2.0	1.3	0.9
November	2.2	1.5	1.2
December	2.5	1.8	1.6
January 2017	2.6	1.9	1.8
February	3.2	2.3	2.3
March	3.1	2.3	2.3
April	3.5	2.6	2.7
May	3.7	2.7	2.9
June	3.5	2.6	2.6

Source: ONS June 2017

*The UK Statistics Authority announced that from March 2017 CPIH has replaced CPI as the Government's preferred inflation index.

Pay specialists LRD commented in their Fact Service bulletin that "seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 3.5% in June.

The household goods group posted a rise of 5.5%, but that included an 8.0% rise in furniture prices and 6.8% in furnishings.

The motoring group's rise of 5.2% included an 18.5% increase in vehicle tax and insurance, while petrol and oil was only 4.5% dearer. A 15.0% increase in bus and coach fares contributed to the overall rise of 4.7% in the fares and other travel costs group.

The fuel and light posted an increase of 4.6%, but that included a 7.7% increase in electricity prices and a 12.0% increase in domestic oil prices.

The food group recorded a 2.3% increase, including a 10.7% increase in fish prices. Coffee was 9.2% dearer than a year ago, while tea was only up by 1.7%."

RPI components rising faster than inflation (3.5%)

	% annual increase
Broad Categories	
Alcohol and tobacco	4.1
Personal expenditure	5.8
Travel and leisure	4.2
Consumer durables	7.3
Mortgage interest payments (RPIX)	3.8
Fuel and light	4.6
Household goods	5.5
Clothing and footwear	9.8
Motoring expenditure	5.2
Fare and other travel costs	4.7
Significant rises	
Fish	10.7
of which fresh fish	13.3
processed fish	8.2
Butter	6.2
Milk products	9.2
Coffee and other hot drinks	8.0
Sugar and preserves	7.0
Fruit	3.9
Beer	3.8
Alcohol - Off sales	8.1
Tobacco	6.1
Housing Depreciation (Jan 1995 = 100)	4.6
Council tax and Rates	3.8
Dwelling insurance and ground rent	8.2
Electricity	7.7
Oil and other fuels	12.0
Furniture	8.0
Furnishings	6.8
Men's outerwear	9.6
Women's outerwear	12.7
Children's outerwear	7.1
Footwear	5.2
Petrol and oil	4.5
Vehicle tax and insurance	18.5
Rail fares	4.1
Bus and coach fares	15.0
Audio-visual equipment	5.9
Books and newspapers	6.6
UK holidays (Jan 1994=100)	5.8

Source: ONS July 2017

Inflation forecasts

Inflation forecasts reported by City economists now predict RPI will reach 4% by the Autumn. The forecasts below were released in May 2017.

On their blog (13 June 2017), IDR says *“The panel divides evenly between those who see RPI reaching 4% and those who think it is unlikely to rise this far. The main point of difference is based on whether the upward pressure on import prices from sterling’s previous depreciation, following the vote to leave the EU, have mainly worked through, or whether most of these effects remain to be felt.”*

They go on to point out that: *“One minor caution about the more dovish forecasts is that these predictions are partly based on sterling’s recovery following the general election announcement and the assumption at that point of a Conservative landslide.”*

RPI Inflation forecasts – City economists

	CE %	H %	JPM %	LB %	MS %	NWM %	SB %	SG %	Rounded average %
May 2017	3.6	3.5	3.6	3.9	3.4	3.6	3.52	3.2	3.6
June	3.4	3.3	3.6	3.8	3.3	3.7	3.65	3.2	3.5
July	3.3	3.2	3.4	3.8	3.4	3.7	3.78	3.2	3.5
August	3.6	3.5	3.4	4	3.7	3.9	4.01	3.5	3.7
September	3.6	3.6	3.7	3.9	3.5	4	4.21	3.6	3.8
October	3.7	3.7	4	4.1	3.7	4.2	4.28	3.6	3.9
November	3.6	3.7	4	4.1	3.6	4.2	4.14	3.7	3.9
December	3.4	3.5	3.8	4.1	3.5	4.3	4.11	3.8	3.8
January 2018	3.3	3.5	3.9	4.1	3.5	4.4	4.2	3.6	3.8
February	3.2	3.1	3.5	3.8	3.3	4.3	3.87	3.5	3.6
March	3.1	3.1	3.5	3.9	3.4	4.3	3.81	3.5	3.6
April	3.2	3	3.7	3.8	3.5	4.5	3.85	3.4	3.6
May	3.2	3	3.7	3.8	3.4	4.4	3.73	3.4	3.6
June	3.3	3.1	3.7	3.8	3.3	4.3	3.67	3.4	3.6
July		3	3.7	3.8	3.2	4.2	3.48	3.3	3.5
August		2.9	3.7	3.8	3	4.3	3.4	3.3	3.5
September		2.9	3.6	3.8	2.9	4.2	3.2	3.2	3.4
October		2.8	3.6	3.8	2.7	4.1	3.18	3	3.3
November		2.8	3.6		2.5	4.1	3.12	3	3.2
December		2.8			2.4	4	3.02	3	3

CE Capital Economics; **H** Heteronomics; **JPM** JP Morgan; **LB** Lloyds Banking Group; **MS** Morgan Stanley; **NWM** NatWest Markets; **SB** Scotia Bank; **SG** Societe Generale

Source: IDR Blog, 13 June 2017

RPI forecasts – Independent forecasters

HM Treasury's monthly comparison of independent forecasts reports RPI forecasts as follows

	Date Published	Fourth quarter 2017	Fourth quarter 2018
Median	Jul	3.7%	3.2%
Beacon Economic Forecasting	Jul	2.5%	2.3%
CBI	Jul	3.6%	3.8%
CEBR	Apr	3.2%	3.1%
Economic Perspectives	Jul	3.8%	3.6%
Experian Economics	Jul	3.6%	3.2%
ITEM Club	Jul	3.7%	3.5%
NIESR	Jun	4.9%	3.3%
Oxford Economics	Jul	3.6%	3.2%
Heteronomics	Jul	3.6%	3.2%
OBR	Mar	4.1%	3.4%

Source: HM Treasury, *Forecasts for the UK Economy*, July 2017 – New forecasts in red.

Childcare

The **Family and Childcare Trust** Childcare Survey⁵ published in March reports that “although there is some reprieve for families as nursery prices held steady and childminder prices rose just above inflation at 1.9 per cent, this will be scarce relief for families who can be spending up to 45 per cent of their disposable income on average childcare costs.”

The survey found that the average price of sending a child under two to nursery full-time (50 hours) is £222.36 per week UK wide - around £950 a month, or close to £11,400 a year. These figures are higher in London (see below).

The **British Chambers of Commerce** has estimated that once tax is factored in, the typical second-earner would need to be taking home £13,000 just to afford childcare, before other costs of returning to work are included.⁶

Average weekly childcare costs 2017

	Nursery				Childminder				After School Care	
	25 hours		50 hours		25 hours		50 hours		Child-minder	After-school Club
Child age	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	5 yrs - 11 yrs	
Britain	£116.25	£112.38	£222.36	£210.45	£109.84	£109.29	£212.86	£210.99	£67.11	£52.58
England	£117.43	£113.43	£225.13	£212.43	£110.68	£110.11	£214.02	£212.02	£68.12	£52.80
Scotland	£111.37	£106.16	£209.87	£199.16	£105.25	£104.53	£210.64	£209.24	£62.22	£55.71
Wales	£101.42	£102.30	£188.80	£190.55	£101.03	£101.03	£193.84	£193.84	£55.43	£43.13
Inner London	£154.08	£141.05	£290.73	£273.79	£156.67	£151.68	£290.18	£273.23	£97.12	£42.09

Northern Ireland is excluded from the analysis because childcare funding is different difficult to make comparisons

Source: *Family and Childcare Trust, 2017 Childcare Survey*, updated annually published March 2017

Housing

⁵ <https://www.familyandchildcaretrust.org/childcare-survey-2017>

⁶ <http://www.theweek.co.uk/78675/workers-are-quitting-jobs-over-high-childcare-costs>

Average rents continue to rise with ONS showing a 1.8% rise nationwide and over 2.8% South East.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change June 2017 Not seasonally adjusted	
Country/region	Percentage change on a year earlier
Great Britain	1.8%
GB excluding London	2.0%
North East	0.5%
North West	1.5%
Yorkshire and The Humber	1.7%
East Midlands	2.6%
West Midlands	2.2%
East of England	2.3%
London	1.3%
South East	2.8%
South West	2.4%
England	1.9%
England excluding London	2.2%
Wales	1.1%
Scotland	0.2%

Source: ONS Index of Private Housing Rental Prices (IPHRP), published July 2017.

Private company statistics on the private rental market

These tend to focus on new rental contracts whereas the IPHRP is a survey of all rents.

Countrywide (July 2017)

- Average new rents in June were £950 pcm (Great Britain) and £1,673 pcm (Greater London)
- Average renewal rents in June were £929 pcm (Great Britain) and £1,701 pcm (Greater London)

Homelet (July 2017)

- Average UK rental value for new rents in June was £908 pcm, (Greater London £1,524 pcm)

House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£237,662	0.5%	5.0%
Northern Ireland (Quarter 1 - 2017)	£124,007	-0.8%	4.3%
Scotland	£143,106	0.7%	3.5%
Wales	£149,817	0.6%	3.8%
East Midlands	£180,903	1.3%	7.2%
East of England	£284,097	0.7%	7.5%
London	£481,345	-0.3%	3.0%
North East	£126,738	1.8%	1.6%
North West	£153,297	0.7%	3.8%
South East	£315,807	-0.3%	4.8%
South West	£243,969	0.4%	5.5%
West Midlands Region	£183,942	0.8%	5.3%
Yorkshire and The Humber	£155,268	1.1%	4.4%

Source: ONS UK House Price Index May 2017, Published July 2017

AVERAGE EARNINGS

AVERAGE WEEKLY EARNINGS: rises 1.8% in the year to May 2016 (1.3% April 2016) (Total pay, including bonuses, Single month, seasonally adjusted)

LRD Fact Service reports that: *“Real wages declined again in May as the rise in weekly average earnings was much less than the rise in the cost of living as measured by retail price inflation.”*

“In May, growth in average weekly earnings in the whole economy was provisionally estimated to be 1.8% against the revised rise for April of 1.3%. With retail price inflation rising by 3.7% in May and 3.5% in April, there was a real-terms decrease in earnings of 1.9 percentage points in May and a 2.2 percentage points decrease in April.”

Pay squeeze in sharper focus than before

Ken Mulkearn, Director of IDR wrote on the IDR blog that *“Higher inflation is likely to mean that the return to modest but real earnings growth recorded by last year’s Annual Survey of Hours and Earnings (ASHE) will be shown to have been reversed once this year’s ASHE is published in the autumn. In 2016, real earnings in ASHE grew for the first time since 2009, by 0.9% on the RPI measure and 1.9% on the CPI measure of inflation. But that was against a backdrop of much lower inflation than currently. Higher inflation this year could well mean that once more, real earnings will have shrunk... So if inflation continues to rise, and pay doesn’t, then the resulting squeeze on incomes will worsen.”*

Source: IDR Blog, 5 June 2017

Average weekly earnings broken down by sector (seasonally adjusted)

	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month average	Single month	3 month average
Whole economy	1.8	1.8	2.3	2.0
Private sector	1.8	1.9	2.4	2.2
Public sector	2.0	1.4	2.1	1.4
Public Sector excluding financial services	2.1	1.3	2.1	1.4
Manufacturing	0.5	1.0	0.9	1.4
Services	2.1	2.0	2.5	2.1
Finance and business services	1.3	1.2	2.4	1.5
Construction	-1.5	-0.1	1.5	1.1
Wholesale, retailing, hotels & restaurants	2.5	2.6	2.3	2.5

Source: ONS UK Labour Market Statistical Bulletin, July 2017

Busting the public sector pay premium myth

After recent debates about public sector pay caused by Chancellor Philip Hammond’s reported comments about public sector workers being overpaid, Kam Gill policy officer at the TUC has revisited the debate in the Touchstone blog:

“The Office of National Statistics (ONS) produces data on earnings in both sectors. This is published monthly in their Average Weekly Earnings (AWE) series. AWE shows that the public sector earns 9.5% more than the private sector. That looks pretty decisive. But as with all statistics, the devil is in the detail.

The jobs that make up private and public sector work are often different, so a simple comparison between the two is not necessarily informative. It can be like comparing apples and oranges. In order to have a fair comparison we need

to compare similar jobs in each sector. This means we need to take account of different factors that might affect the result, such as type of employment, or the type of work performed.

For instance, if you control for industry you might find you get very different results. Because the public sector doesn't include many people employed in (typically low-paid) hospitality sector, but the private sector has lots, that will skew the findings a bit. If you control for the type of work being performed the public sector pay premium is significantly reduced.

In fact, 2016 research by Income Data Services (IDS) found that it pay had reached parity between the two sectors. They found that the private sector average was brought down by very low pay in specific industries, although average public sector earnings are less than those in finance and business services, construction and manufacturing.

The Institute for Fiscal Studies (IFS) found a similar effect when they compared workers with similar characteristics. When the IFS looked at this they controlled for age and qualifications, among other factors.

Most people would expect NHS and school staff to paid more than those in retail and hospitality – so dividing them along public/private lines doesn't really offer a useful comparison."

For more: <http://touchstoneblog.org.uk/2017/07/is-there-really-a-public-sector-pay-premium-2/>

Full-time average weekly earnings by occupation

The table below is from LRD Fact Service. It is based on the median average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) for April 2016. The original figures have been "uprated" by the 1.4% increase in average weekly earnings, including bonuses, for the whole economy between April 2016 and May 2017 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	546.20
All male	585.90
All female	487.20
Managers	808.80
Professionals	736.00
Associate professionals	602.00
Admin & secretarial	429.20
Skilled/craft	505.00
Services	357.80
Sales	359.90
Operatives	474.00
Other manual jobs	361.40

Source: LRD Fact Service, Volume 79 Issue 28, 13 July 2017

LOW AND HIGH PAY

National Minimum Wage rates:

These are the new rates are for the Government's National Living Wage (NLW) and the National Minimum Wage (NMW) from 1st April 2017:

Year	25 + (NLW)	21 to 24	18 to 20	Under 18	Apprentice
April 2017 (current rates)	£7.50	£7.05	£5.60	£4.05	£3.50

Living Wage Foundation rates:

The current Living Wage Foundation rates for the Living Wage (announced 31st October 2016) are:

- **UK rate: £8.45 per hour across the UK (an increase of 2.4%)**
- **London rate: £9.75 per hour (an increase of 3.7%)**

There are nearly 1000 accredited Living Wage employers in London and nearly 3000 UK wide.

Details are on the Living Wage Foundation website: <http://www.livingwage.org.uk/what-living-wage>

Explaining the difference between UK wage floor rates:

	National Minimum Wage (NMW)	National Living Wage (Statutory NMW 25+)	Living Wage Foundation
Is it the law?	Law	Law	Voluntary
What age group is covered?	There are separate rates for under 18, 18-20, 21-24 year olds and apprentices	25 and older	18 and older
How is it set?	Negotiated settlement based on recommendations from businesses and trade unions	A % of median income, currently at 55% it aims to reach 60% by 2020	Calculation made according to the cost of living, based on a basket of household goods and services
When they apply?	April	April	November

NEW Joseph Rowntree Foundation Minimum Income Standard (MIS):

The National Living Wage still leaves workers well short of the Minimum Income Standard (MIS) as defined by the JRF report. **This has been updated in July 2017.**

April 2017	Single Adult of working age	Two earner couple with two children	Lone parent with one child
MIS (including rent, childcare and council tax), per week	£296.82	£800.17	£555.37
Hourly wage rate (full time)	£9.17	£10.42	£18.88
Annual Earnings requirement	£17,934	£40,762	£36,915

Full details: <https://www.jrf.org.uk/report/minimum-income-standard-uk-2017>

JRF Minimum Income Standard: Family needs 'at least' £40,800 a year

Joseph Rowntree Foundation says inflation and benefit cuts are pushing decent standard of living further out of reach. Despite an above-inflation increase in the “national living wage”, low-income families were falling further behind a minimum income standard. The thinktank said less generous in-work benefits had made life tougher for all low-income families with children, and that lone-parent single-breadwinner families were the hardest hit.

Each year, the Centre for Research in Social Policy at Loughborough University provides a minimum income standard for the JRF, which acts as a barometer of living standards for households on low incomes.

While not a measure of poverty, the minimum income standard is based on feedback from the public on what it thinks people need to achieve a decent living standard. It includes money for school trips, Christmas presents and swimming lessons, and is updated annually to take account of economic trends and policy changes.

The JRF said a single person now needed to earn £17,900 a year to reach the minimum income standard. A dual-earner couple with two children needed to earn £20,400 each, while a lone parent with a preschool child had to earn £25,900. Developments over the past 12 months had made achieving these targets more difficult.

Source: Reported in the Guardian 6 July 2017 <https://www.theguardian.com/money/2017/jul/06/low-income-families-less-able-to-achieve-decent-living-standard>

BREXIT IN YOUR WORKPLACE

Automotive: Dana Axles Win Brexit Busting Pay Rise

Unite’s Brexit Check campaign is supporting reps to expose employers who are opportunistically using Brexit to attack pay. Reps at the Birmingham site of Dana Axels successfully used their collective strength to overturn an artificially low-pay offer, which the employer had falsely blamed on Brexit. Following a 96% ballot in favour of industrial action the reps achieved a pay settlement of 3% in 2017 and 3% in 2018.

Unite wins case against Veolia over overtime and holiday pay

Unite has successfully fought off plans by Veolia Environmental Service to not include overtime pay into annual holiday pay through a landmark tribunal case. The company had tried to use Brexit as an excuse not to comply with EU laws that still apply.

Brexit Check

Unite is determined to make sure Brexit happens on our terms. Our strength as a trade union comes from workplace organisation, it’s vital that we use this strength now to make sure we aren’t forced to shoulder the cost of Brexit. Unite will take on employers that are using Brexit as a smokescreen to attack terms, conditions and pay, e.g. by proposing artificially low offers during pay talks or trying to opt out of Holiday Pay agreements.

If you have an example of employer opportunism or if Brexit is having an impact in your workplace report it here:

<https://response.questback.com/unitetheunion/brexitcheck2>

Unite has also launched a new ‘Brexit Check’ website to monitor the impact of Brexit and provide the resources you need for your workplace.

For more information visit: www.brexitcheck.org

INFORMATION AND SUPPORT

Unite pay and conditions database (members only)

All Unite members can access the pay and conditions database maintained by LRD PayLine using the link above or through the Unite website (go to 'Unite at work', then 'research and resources' and 'Unite pay and conditions database'). You shouldn't need to log-in if already logged in as a member. However, Unite members can also access the Unite pay and conditions database maintained by LRD at <http://www.lrd.org.uk/payline> or through the LRD website - **username: unite, password: opal961**

The database contains details of settlements, pay rates, as well as details on regional allowances, shift pay, and overtime. It is searchable and can be broken down by sector, type of worker and region. It also has information on Living Wage employers and other conditions such as working time and allowances.

Pay settlements history

User feedback said that whilst the latest pay deal is the most important pay deal to see for any agreement, it would also be useful to be able to see information about earlier pay deals. LRD have now added this functionality to the 'pay increases' (full) report.

Unite guides

There are a number of Unite guides on workplace issues available to reps and members on the Unite website including 'A Wage You Can Live On – an activist's guide to better pay for all' and 'Company accounts and how to use them'. Go to the 'Research & resources' section in the 'Unite at Work' tab and click on 'Guides', or alternatively click on the link below: <http://www.unitetheunion.org/unite-at-work/informationresources/>

There are a range of guides on organising around pay under the Work, Voice, Pay section of the Unite website: <http://www.unitetheunion.org/work-voice-pay/work-voice-pay-guide/>

Unite's Equality department provides guidance and support for reps seeking to challenge pay discrimination and bring in fair pay. This can be found here: <http://www.unitetheunion.org/unite-at-work/equalities/>

Contact details

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Company accounts

Requests for information relating to company accounts should be sent to:
john.neal@unitetheunion.org

ACCESSING DATA

The data contained in this brief can all be obtained by using online facilities available to Unite members and general websites.

All Unite members can access the pay and conditions database maintained by LRD at <http://www.lrd.org.uk/payline> or through the LRD website - **username: unite, password: opal961**

