

Unite bargaining brief



Unite the Union

November 2017

INTRODUCTION

The latest labour market figures show real wages falling for the seventh month in a row, yet the Government continues to fail to take the necessary action to boost wages including giving public sector workers a long overdue pay rise and raising the minimum wage to £10 an hour as soon as possible.

Research from the Resolution Foundation finds that the average pay packet in Britain in five years' time will still be more than £20 lower than it was before the start of the financial crisis. The think-tank finds wages are on course to be £24.50 a week lower in inflation-adjusted terms in 2022 than anticipated at the time of the March 2017 budget. This would leave them £22.70 or just over 4% below their level in 2007 and delay the return to their pre-crisis peak into later in the 2020s.¹

The Government must use the Autumn Budget to stop austerity, as called for by top economists and trade union general secretaries, including Len McCluskey², and end the wage squeeze.³

John Earls, Head of Research

SUMMARY

- Median settlements at 2.0% (LRD, XpertHR) 2.3% for private sector (IDR)
- Inflation rises: RPI 4%, CPIH 2.8%, CPI 3.0% (October 2017)
- RPI forecast to remain around 4.0% until the end of the year and 3% by the fourth quarter of 2018
- Average weekly earnings rise to 2.6% on last year (total pay, including bonuses, single month) and 2.2% (regular pay, excluding bonuses, single month)
- **NEW** Real Living Wage published by the Living Wage Foundation at £8.75 (UK) and £10.20 (London)
- 62% of those earning less than the real Living Wage are women
- Average rents rise 1.5% nationwide
- The average cost of full-time childcare (50 hours) is £222.36 per week UK wide

¹ <https://www.theguardian.com/business/2017/nov/13/uk-wages-squeeze-continue-until-2022-resolution-foundation-warns>

² <https://www.theguardian.com/society/2017/nov/19/the-chancellor-must-end-austerity-now-it-is-punishing-an-entire-generation>

³ <https://www.tuc.org.uk/news/use-budget-end-wage-squeeze-tuc-tells-chancellor>

PAY SETTLEMENTS

LRD Payline median settlements stay at 2.0% in the three months to September 2017
IDR median settlements at 2.3% (private sector) in the three months to September 2017
XpertHR median settlements remain at 2% in the three months to September 2017

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

LRD – Median settlements fall back to 2% for the three months to September

Labour Research Department reported in October's Workplace Report that *"The start of the 2017-18 pay round has seen some slippage in pay settlements.*

The latest median from LRD's Payline database of collective agreements was 2.0% in the three months to September – down from the 2.2% rise in August. The median rise for the first two months of the new pay round was also 2.0%.

Official data show workers' living standards being eroded by inflation. In August, RPI annual inflation rate was 3.9% while annual growth in average earnings for the whole economy was 2.2% – a 1.7 percentage points gap.

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-Sept
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	
All agreements	1.0	2.0	2.0	2.0	2.0	2.2	2.4	2.4	2.4	2.3	2.2	2.0	2.0
Private sector	2.1	2.3	2.1	2.0	2.0	2.0	2.4	2.4	2.4	2.4	2.4	2.4	2.3
Public sector	0.5	1.0	2.0	2.2	2.2	2.2	1.6	1.5	1.5	1.0	1.3	1.1	1.1
Manual	2.0	2.2	2.1	2.2	2.2	2.2	2.4	2.4	2.4	2.5	2.4	2.5	2.4
Non-manual	1.0	2.0	2.0	2.0	2.0	2.0	2.3	2.2	2.2	2.0	2.2	2.0	1.9
All industries	2.0	2.0	2.0	2.0	2.0	2.0	2.3	2.3	2.3	2.5	2.5	2.5	2.5
All services	1.0	2.0	2.1	2.2	2.2	2.2	2.4	2.4	2.4	2.0	2.0	2.0	1.8

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								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept
By agreements	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2	2.2
By workers covered	3.3	3.3	2.3	3.3	3.3	3.0	2.5	2.5	2.4	2.4	2.2	2.3

Source: LRD Workplace Report, October 2017

IDR – Median private sector settlements down to 2.3% (3 months to Sept 17)

Incomes Data Research (IDR) reported in its latest settlements analysis (Blog 24th October 2017) *“that the private sector median remains unchanged at 2.3% in the three months to the end of September, one of the quieter periods of the year for pay setting. The private sector median for August had been slightly higher but we have since revised it down, on the basis of the addition of a number of lower awards at manufacturing firms. Meanwhile the whole economy median has risen from 2.0% in August to 2.2% in September, due to fewer awards in the public and not for profit sectors -which tend to be lower than those in the private sector -compared to the three months to end of August.”*

NEW Settlements three months to September 2017

	Whole economy	Private sector
Median	2.2%	2.3%
Average	2.3%	2.4%
Interquartile range	2.0 to 3.0%	2.0 to 3.0%
Based on 68 pay awards covering 576,049 employees		

Source: IDR blog: Pay reviews 24th October 2017

Settlements three months to July 2017

	Whole economy	Private sector	Public sector	Manufacturing & Production	Private services	Not-for-profit
Median	2.4%	2.5%	1.3%	2.5%	2.4%	2.1%
Average	2.4%	2.4%	1.3%	2.4%	2.4%	2.1%
Interquartile range	2.0 to 3.0%	2.0 to 3.0%	1.2 to 1.4%	2.0 to 3.0%	2.0 to 3.0%	2.0 to 2.6%
Based on 75 settlements covering 110,685 employees						

Source: IDR Pay Climate, September 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 in December 2017.

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

XpertHR reports that pay awards in the three months to the end of September 2017 remain fixed at 2%. They also published research from 275 private sector firms showing that three out of four are likely to keep awards at the same level as this year.

Sheila Attwood, of XpertHR, said: *“The 2% pay award is all too familiar to employees, with employers ignoring pressures from rising inflation and a tight labour market to keep a lid on pay rises... With only a minority of the workforce having the backing of a trade union to fight for higher pay rises, it looks like a large proportion will, yet again, have to settle for a below-inflation increase.”*

Average pay awards have been worth 2% over consecutive rolling quarters since the three months to the end of December 2016

Source: XpertHR blog, October 2017

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

Agreement	Sector	Start	Description
NEW Ford – Manual grades	Automotive	01/11/17 (subject to ballot)	Two Year Agreement: Guaranteed Above Inflation Pay Increases 4.5% Pay Increase in Year 1 followed by RPI plus 0.5% Pay Increase in Year 2 – At least 2% guaranteed. Plus a Lump Sum Payment of £750 (non-consolidated). Also additional pension changes; the introduction of payment protection for shift changes with less than 4 weeks' notice; alignment of Annual Holiday to calendar year; and a Lump Sum Payment in 2019 with respect to accrued vacation for eligible employees
DHL Liverpool	Transport and logistics	01/04/17	1 year deal – lowest paid (around 3 rd of staff) received a 9% increase an extra 70p an hour or around an extra £1,450 a year. All other staff received 2% plus one off £200 for workers on one contract.
International Automotive Components (IAC) - JLR Halewood	Manufacturing	01/06/16 01/06/17	Second year of a two stage two year agreement with a 3.5% increase to the basic hourly rate from 1 June 2017. This follows a 3% increase in the first stage from 1 June 2016. Also included in the deal, improved paternity pay from statutory to two weeks at 100% basic pay and improved maternity pay
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 sick pay, holiday pay and working time.
C2C Rail	Transport	02/07/17	A 3.7% 'no strings' increase on basic pay and dynamic allowances from 2 July 2017.
Inovyn / Ineos Enterprise / Runcorn MCP / Vynova	Chemicals	01/06/17	A 3.5% increase across all grades from 1 June 2017.
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%
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.
Alstom West Coast Traincare	Transport	01/06/17	A 3% increase on basic pay, London Weighting and Depot Driver Allowance from 1 June 2017.

Source: LRD Pay & Conditions database online, October 2017

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 4.0% in the year to October 2017 (3.9% in September 2017)
CONSUMER PRICE INDEX (CPI) 3.0% in year to October 2017 (3.0% in September 2017)
CONSUMER PRICE INDEX- HOUSING (CPIH) 2.8% in year to October 2017 (2.8% in September 2017)

RPI rises, while CPIH and CPI remain steady

The all-items Retail Prices Index (RPI) was up to 4.0% in the year to October 2017.

The Government's preferred index of inflation, CPIH, remained at 2.8% and CPI at 3.0% in October.

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
October 2016	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
July	3.6	2.6	2.6
August	3.9	2.7	2.7
September	3.9	2.8	3.0
October	4.0	2.8	3.0

Source: ONS November 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 (Volume 79, Issue 46, 16 November 2017) that "Seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 4.0% in October.

The 10.0% rise in the clothing and footwear group included a rise of 13.1% in women's clothing and an 11.4% increase in men's clothing.

The fuel and light group posted an increase of 6.2%, which included an 11.4% rise in electricity prices offset by a 0.1% decrease in gas prices.

The food group's increase of 4.1% included a rises of 5.6% and 19.5% rise in bread and butter prices respectively. Tea prices were up by 7.9%, while coffee and other hot drinks were up by 9.7%. On the other hand, chicken and oils and fats were down by 2.2% and 3.2% respectively.

Foreign holidays were dearer by 5.5%, which pushed the overall rise in leisure services up to 3.7%. UK holidays posted a 3.6% rise.

The 3.3% increase in the fares and other travel costs group included a 13.8% increase in bus and coach fares. The housing group's overall increase of 2.4% included a 2.7% decrease in mortgage interest payments."

RPI components rising faster than inflation (4%)

	% annual increase
Broad Categories	
Personal expenditure	6.3
Travel and leisure	4.9
Consumer durables	7.2
Mortgage interest payments (RPIX)	4.2
Food	4.1
Fuel and light	6.2
Household goods	4.8
Clothing and footwear	10.0
Motoring expenditure	6.0
Leisure goods	5.2
Significant rises	
Bread	5.6
Lamb	7.6
Fish	6.3
Butter	20.3
Potatoes	5.6
Vegetables other than potatoes	5.4
Cheese	4.4
Milk products	10.3
Tea	7.9
Coffee and other hot drinks	9.7
Alcohol off sales	5.2
Cigarettes	5.4
Housing Depreciation (Jan 1995 = 100)	4.5
Dwelling insurance and ground rent	8.3
Electricity	11.4
Oil and other fuels	4.5
Furniture	6.8
Furnishings	4.3
Electrical appliances	5.8
Men's outerwear	11.4
Women's outerwear	13.1
Children's outerwear	9.6
Footwear	4.7
Petrol and oil	4.7
Vehicle tax and insurance	18.1
Bus and coach fares	13.8
Audio-visual equipment	5.8
Books and newspapers	9.3
Foreign holidays (Jan 1993=100)	5.5

Source: ONS November 2017

Inflation forecasts

Inflation forecasts reported by City economists have been revised down now predict RPI will rise over the autumn before peaking in winter, at just below 4%, then slowly come down during 2018.

In their latest Pay Climate bulletin (September 2017), IDR says *“In the short term, the predicted increase in inflation will come from the continued – albeit diminishing – impact of sterling’s earlier depreciation on the prices of imported goods. Household utility bills are set to rise in the autumn and this seasonal aspect will also be an important feature of the coming increase in the cost of living.*

Looking ahead to 2018, analysts believe the fading of the exchange rate effects, along with falling oil prices, are likely to bring inflation down gradually over the course of next year. Some also think that reduced house price inflation could play a role.”

RPI Inflation forecasts – City economists

	CE %	GS %	H %	JPM %	NWM %	SB %	SG %	Rounded average %
August 2017	3.7	3.55	3.6	3.7	3.9	3.91	3.8	3.7
September	3.8	3.48	3.7	3.6	3.9	4.13	3.8	3.8
October	3.9	3.71	3.9	4.0	4.0	4.23	3.9	3.9
November	3.9	3.7	3.8	3.9	4.0	4.04	3.9	3.9
December	3.6	3.61	3.7	3.7	3.9	3.94	4.0	3.8
January 2018	3.6	3.63	3.7	3.7	4.0	4.04	3.9	3.8
February	3.4	3.45	3.4	3.3	3.7	3.67	3.7	3.5
March	3.4	3.44	3.4	3.3	3.8	3.59	3.5	3.5
April	3.4	3.47	3.4	3.5	3.7	3.58	3.4	3.5
May	3.3	3.32	3.2	3.5	3.6	3.33	3.3	3.4
June	3.3	3.49	3.4	3.6	3.6	3.40	3.3	3.5
July	3.4	3.3	3.4	3.3	3.5	3.18	3.3	3.3
August	3.3	3.57	3.4	3.1	3.4	3.04	3.2	3.3
September	3.2	3.56	3.2	3.5	3.4	2.80	3.1	3.3
October	3.1	3.57	3.2	3.4	3.4	2.76	3.0	3.2
November	3.2	3.57	3.2	3.4	3.4	2.74	2.9	3.2
December	3.2	3.53	3.2	3.5	3.4	2.68	2.8	3.2

CE Capital Economics; GS Goldman Sachs; H Heteronomics; JPM JP Morgan; LB Lloyds Banking Group; MS Morgan Stanley; SB Scotia Bank; SG Societe Generale

Source: IDR Pay Climate, September 2017 (due to be updated in December)

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	Nov	4.0%	3.1%
Beacon Economic Forecasting	Nov	4.2%	2.9%
CBI	Nov	3.6%	3.8%
CEBR	Nov	3.6%	3.2%
Economic Perspectives	Nov	3.8%	3.6%
Experian Economics	Nov	3.6%	3.2%
Heteronomics	Nov	4.0%	3.1%
EY ITEM Club	Nov	3.9%	3.0%
Oxford Economics	Nov	4.0%	2.8%
OBR	Mar	4.1%	3.4%

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

Childcare

The **Family and Childcare Trust** Childcare Survey⁴ 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.⁵

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

⁴ <https://www.familyandchildcaretrust.org/childcare-survey-2017>

⁵ <http://www.theweek.co.uk/78675/workers-are-quitting-jobs-over-high-childcare-costs>

Housing

Average rents continue to rise with ONS showing a 1.5% rise nationwide and over 2.9% East Midlands.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change October 2017 Not seasonally adjusted	
Country/region	Percentage change on a year earlier
Great Britain	1.5%
GB excluding London	1.9%
North East	0.2%
North West	1.3%
Yorkshire and The Humber	1.7%
East Midlands	2.9%
West Midlands	1.7%
East of England	2.1%
London	0.8%
South East	2.4%
South West	2.1%
England	1.5%
England excluding London	2.0%
Wales	1.5%
Scotland	0.4%

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

- Average new rents in October were £958 pcm (Great Britain) and £1,690 pcm (London)

Homelet (November 2017)

- Average UK rental value for new rents in October was £909 pcm, (Greater London £1,556 pcm)

House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£243,945	0.6%	5.7%
Northern Ireland (Quarter 3 - 2017)	£132,169	3.0%	6.0%
Scotland	£144,924	-1.3%	3.1%
Wales	£152,661	0.6%	5.3%
East Midlands	£184,399	0.7%	6.4%
East of England	£289,301	0.3%	5.9%
London	£483,568	-0.2%	2.5%
North East	£130,271	0.5%	4.4%
North West	£160,951	2.1%	7.3%
South East	£324,465	0.3%	5.5%
South West	£252,737	0.5%	6.6%
West Midlands	£189,038	0.4%	5.7%
Yorkshire and The Humber	£158,884	1.0%	5.6%

Source: ONS UK House Price Index September 2017, Published November 2017

AVERAGE EARNINGS

Total Pay AWE: rises to 2.6% in September 2017 (2.4% August 2017)
(Including bonuses, % change year on year, single month, seasonally adjusted)
Regular Pay AWE: falls to 2.2% in September 2017 (2.3% August 2017)
(Excluding bonuses, % change year on year, single month, seasonally adjusted)

LRD Fact Service reports (Volume 79, Issue 46, 16 November 2017) that: *"In September, average weekly earnings growth, including bonuses, was provisionally estimated to be 2.6% against the revised rise for August of 2.4%.*

Headline earnings growth (the rolling three-month average) for the whole economy was down to 2.2% in September from the revised rise of 2.3% for August...

...The ONS also produces regular pay figures which strip out bonuses. For the whole economy, growth was down to 2.2% in September from 2.3% in August... The average rise for regular pay in the whole economy for the three-month period ending September was steady at 2.2%."

Average weekly earnings broken down by sector (seasonally adjusted)

	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	2.6	2.2	2.2	2.2
Private sector	2.8	2.4	2.3	2.3
Public sector	1.6	1.7	1.7	1.7
Public Sector excluding financial services	1.6	1.7	1.7	1.7
Services	2.7	2.3	2.2	2.3
Finance and business services	4.3	2.9	2.6	2.7
Manufacturing	1.6	1.8	1.7	1.4
Construction	3.2	2.1	2.8	2.4
Wholesale, retailing, hotels & restaurants	1.9	1.3	1.9	1.4

Source: ONS UK Labour Market Statistical Bulletin, November 2017

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 1.0% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and September 2017 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	555.90
All male	597.40
All female	498.50
Managers	832.30
Professionals	740.40
Associate professionals	611.70
Admin & secretarial	435.90
Skilled/craft	514.90
Services	365.00
Sales	314.10
Operatives	477.20
Other manual jobs	373.30

Source: LRD Fact Service, Volume 79 Issue 46, 16 November 2017

LOW AND HIGH PAY

National Minimum Wage rates:

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

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

NEW Living Wage Foundation rates:

The current Living Wage Foundation rates for the Living Wage (announced 6th November 2017) are:

- **UK rate: £8.75 per hour across the UK (an increase of 3.6%)**
- **London rate: £10.20 per hour (an increase of 4.6%)**

There are over 3500 companies paying the Living Wage UK wide.

The Living Wage Foundation claims that "Over 150,000 employees have received a payrise as a result of the Living Wage campaign and we enjoy cross-party support. We have a broad range of employers accredited with the Foundation including 1/3 of the FTSE 100 and big household names including ITV, GOOGLE, IKEA, Everton FC, Chelsea FC and Oliver Bonas."

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

Explaining the difference between UK wage floor rates:

	National Minimum Wage (NMW)	National Living Wage (Statutory NMW 25+)	Real Living Wage (Living Wage Foundation)
Is it the law?	Statutory	Statutory	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

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 was 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>

IPPR: Universal Credit changes mean more children will end up in poverty

Cuts to Universal Credit (UC) will put 1 million more children into poverty, according to new analysis by Child Poverty Action Group (CPAG) and the Institute for Public Policy Research (IPPR) published today. The research shows that the promise of greater rewards from work made to working families has been broken as a result of cuts to Universal Credit and tax credits, with affected families losing out by hundreds of pounds per year.

Key findings of the work include:

- A lone parent with a 2 and a 5 year old working 16 hours a week for the national living wage and renting in average cost area would be £1,658 worse off in 2020 than if government had retained the policy as originally legislated. They would have to work an 14 extra hours a week – two whole days – just to recoup this difference, almost doubling their hours to 30 a week.
- A couple with two children aged two and five, working for the National Living Wage (one full-time and one at 16 hours per week) and renting privately in an average-cost area would be £1,283 worse off a year in 2020 as a result of the cuts. They would have to work nine additional hours a week to recoup this amount.
- A couple with two children aged two and five, working for the median wage (one full-time and one at 16 hours per week), and renting privately in high price area, would be £1,105 a year worse off as a result of cuts. They would have to work 7 additional hours per week to recoup the difference.
- Increases in free childcare do help families relative to not having childcare support, but for lone parents and many families with a second earner working part-time the free childcare does not outweigh the losses experienced because of cuts.

Read more here: <https://www.ippr.org/news-and-media/press-releases/changes-to-design-of-universal-credit-mean-more-children-will-end-up-in-poverty>

WOMEN CONTINUE TO BE HIT HARDEST BY LOW WAGES IN UK

62% of those earning less than the real Living Wage are women. Nearly 1/3 of all working women in the UK don't earn a wage they can live on, a real Living Wage.

Following recent news that 5.5 million working people in the UK earn less than the Living Wage, further findings reveal women are hit hardest by low pay in the UK, ahead of Equal Pay Day (10th November 2017).

Women make up nearly two thirds (62%) of workers currently struggling to make ends meet on less than the real Living Wage

This amounts to 3.4 million women compared to 2.1 million men

Nearly 1/3 of all UK working women (26%) are still earning less than the Living Wage, compared to just 16% of all working men

This trend has been the case since 2011, when KPMG and the Living Wage Foundation launched its annual Living Wage report.

Further research from the Living Wage Foundation has also found that there are serious consequences for working mothers who earn below the real Living Wage, with four in ten (42%) admitting they have skipped meals for financial reasons.

Read more here: <https://www.livingwage.org.uk/news/news-women-continue-be-hit-hardest-low-wages-uk>

GENDER PAY GAP REPORTING

According to early returns on the government's gender pay gap registry, financial services companies have the highest gender pay gap at 31 per cent.

Data analytics company Staffmetrix has begun to release a monthly progress report using information lodged by companies and public sector organisations on the government's website, with a marked increase since the beginning of October.

The report says that as of 10 October 2017, 114 public and private sector organisations had submitted their gender pay gap reports which amounts to 1% of the 9,000 organisations required to report.

The headlines as at 10 October are:

- 114 public and private sector organisations have submitted their gender pay gap report so far
- This is just over 1% of the 9,000 organisations that have to report
- the overall gender pay gap on a median basis is 10.4%
- financial services and insurance has the biggest pay gap at 31.0%

Sector (top 5 biggest pay gaps)	Mean (%)	Media (%)
1. Financial services and insurance	28.7	31.0
2. Electricity and gas supply	23.6	25.5
3. Construction	20.2	23.1
4. Agriculture	19.4	16.3
5. Professional, scientific and technical	15.4	13.3

The full report can be found here: <https://www.staffmetrix.co.uk/pulse>

BREXIT IN YOUR WORKPLACE

"A wage increase was stopped immediately when the Brexit result was announced "due to uncertainty in the pound", and was told a review would take place in 12 months."

FDA Rep, North West

"Uncertainty' due to Brexit was cited as a reason for not awarding any pay increase last year - not looking good for this year either."

GMP & IT Rep, Yorkshire

"On our current pay negotiations the company is using Brexit as an excuse to only offer us 1.8 percent. Also they are using the takeover of our company by another American company last year to spread uncertainty among the workforce and lower expectations, where pay is concerned."

Aerospace Rep, Northern Ireland

From steel, to logistics, automotive and civil aviation, reps from across our sectors and regions have reported examples of Brexit being used opportunistically by employers during pay negotiations. If you have an example of an employer using Brexit as a smokescreen to hold down pay, 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.Unitebrexitcheck.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

Bargaining Brief compiler: **James Lazou**
james.lazou@unitetheunion.org

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**



www.unitetheunion.org