

Unite bargaining brief



Unite the Union

January 2018

INTRODUCTION

With the latest labour market figures showing real wages falling by 0.5% and in decline for the ninth month in a row, the TUC has highlighted that whilst companies have been reporting healthy profits for the last year, they are not passing on a fair share of profits to their workers.¹

However, there are examples of Unite delivering a pay boost for members including at a Japanese firm based in Wigton² and workers at an engineering company in Bolton.³

Don't forget to check out Unite's new online tool which means that in just a few minutes, union reps can generate a professional pay claim. Further details are on page 12 of this Bargaining Brief.

John Earls, Head of Research

SUMMARY

- **Median settlements at 2.5% (LRD), 2.5% (XpertHR) 2.6% for private sector (IDR)**
- **Inflation rises: RPI 4.1%, CPIH 2.7%, CPI 3.0% (December 2017)**
- **RPI forecast to fall to 3.6% by February but remain around 3.5% throughout 2018**
- **Average weekly earnings are at 2.3% on last year (total pay, including bonuses, single month) and 2.4% (regular pay, excluding bonuses, single month)**
- **Real Living Wage published by the Living Wage Foundation at £8.75 (UK) and £10.20 (London). This continues to be significantly higher than the over 25's rate for the National Minimum Wage (£7.50)**
- **New Unite pay claim tool launched**
- **The average cost of full-time childcare (50 hours) is £222.36 per week UK wide**

¹ <https://www.tuc.org.uk/news/national/workers-must-get-fairer-share-company-profits-their-pay-says-tuc>

² <http://www.unitetheunion.org/news/pay-boost-for-workers-at-a-japanese-owned-firm-based-in-cumbria/>

³ <http://www.unitetheunion.org/news/bolton-based-workers-secure-major-pay-boost/>

PAY SETTLEMENTS

LRD Payline median settlements stay at 2.5% in the three months to November 2017
IDR median settlements at 2.6% (private sector) in the three months to October 2017
XpertHR median settlements rise to 2.5% in the first weeks of January 2018

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

LRD – Median settlements fall back to 2.5% for the three months to November

Labour Research Department reported in December's Workplace Report that *"Pay settlements put on a spurt in November...*

November's median rise of 3.0% on the lowest grade in collectively agreed settlements was up from the revised rise of 2.4% in the three-month period ending October.

If the standard increase is taken — the rise received by most grades or workers — the three-monthly median rise was up to 2.5% in November from the 2.0% rise in the three-month period ending October."

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-Nov
	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	
All agreements	2.0	2.1	2.0	2.2	2.4	2.4	2.4	2.5	2.3	2.0	2.4	3.0	2.5
Private sector	2.1	2.0	2.0	2.0	2.4	2.4	2.4	2.5	2.5	2.5	2.5	3.0	2.9
Public sector	0.0	2.2	2.2	2.2	1.5	1.4	1.3	1.1	1.1	1.1	1.8	3.2	1.8
Manual	2.2	2.2	2.2	2.2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0	2.9
Non-manual	1.8	2.0	2.0	2.2	2.3	2.2	2.2	2.4	2.0	2.0	2.2	2.8	2.4
All industries	1.9	2.0	2.0	2.0	2.4	2.4	2.4	2.5	2.5	2.5	2.7	3.0	2.9
All services	2.1	2.2	2.2	2.2	2.4	2.4	2.4	2.4	2.0	2.0	2.2	2.9	2.4

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

Source: LRD Workplace Report, December 2017

XpertHR – Median awards in 2018 rise to 2.5%

According to XpertHR, the first pay awards of 2018 are worth a median 2.5%. This is half a percentage point higher than the 2% median wage increase seen throughout 2017, and the highest level recorded for almost four years.

Based on a sample of 59 pay awards effective in January 2018, XpertHR found that organisations in both manufacturing and production, and private-sector-services, are being more generous in their pay awards this year. Both sectors have recorded a median 2.5% award, with the middle half of increases worth between 2% and 2.8%.

XpertHR has not recorded pay awards across the economy as high as 2.5% since early 2014, so although only a snapshot of the very first deals to be concluded, the figures are a positive sign that employers are making higher pay awards than over the past year. Based on a matched sample, almost 60% of awards paid more to the affected employees than they received in January 2017 (and less than 20% were given a lower award).

Source: XpertHR, January 2018

IDR – Private sector median settlements at 2.6% (3 months to Oct 17)

Incomes Data Research (IDR) reported in its latest settlements analysis (*Pay Climate* December 2017) “The median pay award across the whole economy was 2% in the three months to October 2017...” IDR’s “headline measure for pay awards has remained at 2% for nine of the previous 10 rolling quarters, suggesting that the rise to 2.4% in July was an anomaly caused by the relatively low number of pay reviews concluding during the summer. In this pay-setting period, lower median awards have been reached in both private services (1.8%) and the public sector (1%), while the median award in manufacturing and production is significantly higher, at 2.7%.”

Settlements three months to October 2017

	Whole economy	Private sector	Public sector	Manufacturing & Production	Private services	Not-for-profit
Median	2.0%	2.6%	1.0%	2.7%	1.8%	2.0%
Average	2.0%	2.5%	1.5%	2.8%	2.0%	2.0%
Interquartile range	1.0 to 2.6%	2.0 to 3.1%	1.0 to 2.0%	2.1 to 3.0%	0.9 to 3.0%	2.0 to 2.0%

Based on 34 settlements covering 1,192,714 employees

Source: IDR *Pay Climate*, December 2017.

2017 Pay Settlements Summary

In January 2018 Incomes Data Research produced a summary of all the 667 pay reviews for 2017 it has monitored, covering over 6,900,000 employees. They concluded: “The median increase for the whole economy remained the same at 2% from the previous year. The private sector however has risen from 2% to 2.2% in 2017. This has been especially noticeable at the lower quartile which showed an increase of 0.5%, whereas the upper quartile fell slightly from 2.78% to 2.75%. Across the whole economy, the lower quartile increased by 0.5% and the upper quartile rose by 0.1%, suggesting modest upwards pressure on pay, which may be due to higher inflation rates across 2017.”

Percentage increases in 2017, by sector

Sector	Median	Average	Upper quartile	Lower quartile
Manufacturing and primary	2.2%	2.2%	2.7%	2.0%
Not-for-profit	2.0%	2.2%	2.7%	1.5%
Private services	2.3%	2.4%	2.8%	2.0%
Public sector	1.0%	1.3%	1.6%	1.0%

Based on 667 pay reviews for 2017, covering over 6,900,000 employees

Source: IDR *Pay blog*

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

Agreement	Sector	Start	Description
Kraft Heinz (Wigan)	Food Manufacturing	01/01/18 01/01/19	First year of a two stage two year agreement with a 4.15% increase from 1 January 2018. Annual bonus scheme of up to 9% linked to performance for site and individual absence rates. In the second year, from 1 January 2019, an increase based on the average RPI for September, October and November 2018, plus 0.25%.
NI Agricultural Wages Board	Agriculture	01/04/18	AWB in Northern Ireland settled at a 3.5% pay rise across Grades 2-6 and accommodation offset will go up to £37 (£3 per week rise)
Rolls Royce	Automotive	01/01/18	Year One: A pay award of a 3.5% increase to basic salary from 1 January 2018, plus an additional day of personal holiday entitlement per calendar year. Year Two: A 3.0% pay award, comprising of a 2.75% increase to basic salary from 1 January 2019, plus a one-off payment of 0.25%, payable in January 2019.
Ford – Manual grades	Automotive	01/11/17	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
Facility Management UK	Services	01/01/18	Second year of a two stage two year agreement with a 4.35% increase in salaries from 1 January 2018. This increase is based on the December 2017 RPI (4.1%) plus 0.25%. This follows a 3.25% increase in the first year, from 1 January 2017, plus a one-off payment in December of £300 (to alleviate the movement of the bonus payment to March).
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.
Essar Oil UK (Stanlow Refinery)	Chemicals	01/01/18	Second year of a two stage two year agreement with a 4.2% increase from 1 January 2018. This increase is based on the October 2017 RPI (4%) plus 0.2%. This follows a 2.4% increase in the first year from 1 January 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	01/11/17	Second year of a two-year deal of 3.5%, plus a £750 bonus in year one; retail price index (RPI) plus 0.5% rise in year two equalling 4.4% from November 2017.

Source: LRD Pay & Conditions database online, January 2018

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 4.1% in the year to December 2017 (3.9% in November 2017)
CONSUMER PRICE INDEX (CPI) 3.0% in year to December 2017 (3.1% in November 2017)
CONSUMER PRICE INDEX- HOUSING (CPIH) 2.7% in year to December 2017 (2.8% in November 2017)

RPI hits six year high, while CPI/CPIH falls

The all-items Retail Prices Index (RPI) rose to 4.1% in the year to December 2017.

The Government's preferred index of inflation, CPIH, fell to 2.7% while CPI fell to 3.0%.

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
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
November	3.9	2.8	3.1
December	4.1	2.7	3.0

Source: ONS January 2018

*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 80, Issue 3, 18 January 2018) that "Eight of the 14 groups that make up the basket of goods used to calculate the RPI increased by 4.1% or more in December.

The 10.1% rise in the clothing and footwear group included a rises of 12.6% and 12.5% in women's clothing and men's clothing respectively. Children's clothing posted an 8.8% rise.

The fuel and light group posted an increase of 6.6%, which included a 14.7% rise in domestic oil and other fuels and an 11.4% increase in electricity prices.

The overall rise in the food group was 4.0%, but included substantial increases of 17.7% for butter and 11.7% for coffee and other hot drinks, while tea was up by 7.7% this month. Bread prices were up by 6.6% and fish prices by 9.6%.

In the leisure services group, a 6.0% rise in the cost of foreign travel on the back of dearer air fares contributed to the group's overall increase of 4.1%.

The 7.6% increase in the fares and other travel costs group included a 10.7% increase in bus and coach fares and a 6.6% increase in "other travel costs". Worse is to come as January's figures will include the hefty increases in rail fares."

RPI components rising faster than inflation (4.1%)

	% annual increase
Broad Categories	
Personal expenditure	6.2
Travel and leisure	5.2
Consumer durables	6.8
Fares and other travel costs	7.6
Fuel and light	6.6
Household goods	4.3
Clothing and footwear	10.1
Motoring expenditure	5.6
Leisure goods	4.2
Significant rises	
Bread	6.6
Biscuits and cakes	4.4
Lamb	7.2
Fish	9.6
Butter	17.7
Cheese	5.4
Milk products	6.5
Coffee and other hot drinks	11.7
Tea	7.7
Beer off sales	5.3
Cigarettes	8.0
Dwelling insurance and ground rent	10.5
Electricity	11.4
Oil and other fuels	14.7
Furniture	5.5
Electrical appliances	7.4
Men's outerwear	12.5
Women's outerwear	12.6
Children's outerwear	8.8
Footwear	5.6
Vehicle tax and insurance	14.7
Bus and coach fares	10.7
Petrol an Oil	5.1
Books and newspapers	8.1
Foreign holidays (Jan 1993=100)	6.0

Source: ONS January 2018

Inflation forecasts

Inflation forecasts reported by City economists predict that RPI will fall to around 3.6% in the year to February 2018. The February figure will be released in mid-March therefore will be an important figure for negotiations results for April 2018. The data shows Inflation remaining around 3.5% throughout 2018.

RPI Inflation forecasts – City economists

	SB %	NWM %	JPM %	H %	CE %	GS %	MS %	Rounded average %
December	4.0	3.9	4.0	3.9	3.9	3.9	4.0	4.0
January 2018	3.9	4.0	4.1	3.8	3.9	3.9	3.9	3.9
February	3.5	3.8	3.6	3.4	3.8	3.7	3.6	3.6
March	3.3	3.9	3.6	3.5	3.7	3.7	3.7	3.6
April	3.3	3.7	3.8	3.4	3.8	3.7	3.8	3.6
May	3.1	3.7	3.8	3.3	3.6	3.6	3.7	3.5
June	3.3	3.8	4.0	3.5	3.7	3.8	3.9	3.6
July	3.0	3.7	3.7	3.4	3.8	3.7	3.8	3.6
August	2.8	3.7	3.4	3.2	3.7	3.7	3.8	3.5
September	2.8	3.6	3.7	3.1	3.8	3.5	3.6	3.5
October	2.7	3.6	3.6	3.0	3.8	3.5	3.5	3.4
November	2.6	3.6	3.6	3.1	3.8	3.5	3.3	3.4
December	2.6	3.6	3.6	3.1	3.7	3.5	3.2	3.3
January 2019	2.7	3.5	3.7	-	3.6	3.5	-	3.4
February	2.7	3.5	3.6	-	3.6	3.5	-	3.4
March	2.7	3.5	3.7	-	3.6	3.5	-	3.4
April	2.6	3.5	3.6	-	3.5	3.5	-	3.3

SB Scotia Bank; NWM NatWest Markets; JPM JP Morgan; H Heteronomics; CE Capital Economics; GS Goldman Sachs; MS Morgan Stanley

Source: IDR Pay Climate, December 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	Jan	3.9%	3.1%
Beacon Economic Forecasting	Jan	3.8%	2.7%
CBI	Dec	3.9%	3.1%
CEBR	Jan	3.9%	3.4%
Economic Perspectives	Jan	3.8%	3.6%
Experian Economics	Jan	3.6%	3.2%
Heteronomics	Jan	3.9%	3.1%
EY ITEM Club	Jan	3.9%	3.0%
Oxford Economics	Jan	4.0%	2.7%
OBR	Nov	4.1%	2.9%

Source: HM Treasury, Forecasts for the UK Economy, January 2018

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

GENDER PAY GAP REPORTING

Over 500 organisations have now published their gender pay gaps on the Government’s official website, in advance of the deadline of 4 April 2018.

Increasing numbers of household names are now publishing and many have significant gender pay gaps, almost all in favour of men, including 5.4%, at Weetabix, 6.3% at Rolls-Royce, to 33.1% at PwC and 51.7% at EasyJet!

Click here to find out if your employer has reported yet and view all the published data:

<https://gender-pay-gap.service.gov.uk/Viewing/search-results>

Besides figures for the gender pay gap in hourly rates, at both the mean (or average) and the median, the official website shows the proportion of men and women in each quartile of each company’s pay distribution, gender pay gaps for bonus payments and the proportion of men and women who received a bonus. The Government website also links to companies’ own websites, where similar details can be found, and the name of the employee responsible – normally the most senior HR manager.

Louise Wither’s from IDR explains more of the significance here on the IDR Blog

<http://www.incomesdataresearch.co.uk/gender-pay-reporting-the-new-rules/>

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 1.2% rise nationwide and over 2.6% East Midlands.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12month price change December 2017 Not seasonally adjusted	
Country/region	Percentage change on a year earlier
Great Britain	1.2%
GB excluding London	1.7%
North East	0.1%
North West	1.3%
Yorkshire and The Humber	1.4%
East Midlands	2.6%
West Midlands	1.8%
East of England	2.2%
London	0.4%
South East	2.0%
South West	2.1%
England	1.3%
England excluding London	1.8%
Wales	1.7%
Scotland	0.4%

Source: ONS Index of Private Housing Rental Prices (IPHRP), published January 2018.

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 (January 2018)

- Average new rents in December were £960 pcm (Great Britain) and £1,706 pcm (Greater London)

Homelet (January 2018)

- Average UK rental value for new rents in December was £907 pcm, (Greater London £1,524 pcm)

House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£243,339	0.1%	5.3%
Northern Ireland (Quarter 3 - 2017)	£132,169	3.0%	6.0%
Scotland	£145,992	1.1%	3.6%
Wales	£152,855	-0.7%	4.5%
East Midlands	£185,047	0.2%	6.4%
East of England	£289,731	-0.2%	6.0%
London	£481,915	-0.9%	2.3%
North East	£127,737	-1.0%	2.3%
North West	£159,066	1.4%	6.2%
South East	£325,270	0.3%	5.7%
South West	£251,923	-0.5%	6.2%
West Midlands Region	£192,119	1.3%	7.2%
Yorkshire and The Humber	£155,778	-0.8%	3.0%

Source: ONS UK House Price Index November 2017, Published January 2018

AVERAGE EARNINGS

Total Pay AWE: remains at 2.3% in November 2017 (2.3% October 2017)
(Including bonuses, % change year on year, single month, seasonally adjusted)
Regular Pay AWE: remains at 2.4% in November 2017 (2.4% October 2017)
(Excluding bonuses, % change year on year, single month, seasonally adjusted)

Average weekly earnings were 2.5 per cent higher than a year ago, including bonuses, and 2.4 per cent higher excluding bonuses averaged over three months. That compares with 2.5 per cent and 2.3 per cent respectively during the previous three month period.

Both the Total Pay and Regular Pay figures for a Single month remained steady from the previous month.

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	2.3	2.5	2.4	2.4
Private sector	2.4	2.6	2.5	2.5
Public sector	1.9	1.9	1.8	1.9
Public Sector excluding financial services	1.9	2.0	1.8	1.9
Services	2.3	2.6	2.4	2.4
Finance and business services	2.4	3.4	2.3	2.6
Manufacturing	3.0	2.6	2.7	2.4
Construction	1.5	1.8	1.7	2.3
Wholesale, retailing, hotels & restaurants	2.0	1.9	1.9	1.8

Source: ONS UK Labour Market Statistical Bulletin, January 2018

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 2017. The original median figures have been “uprated” by the 1.4% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and November 2017 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	558.10
All male	599.80
All female	500.50
Managers	835.60
Professionals	743.40
Associate professionals	614.10
Admin & secretarial	437.60
Skilled/craft	516.90
Services	366.50
Sales	375.60
Operatives	479.10
Other manual jobs	374.80

Source: LRD Fact Service, Volume 80 Issue 4, 25 January 2018

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

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>

REGRESSIVE TAX AND WELFARE CHANGES

In November the **Equalities and Human Rights Commission (EHRC)** published a distributional assessment of the impact of tax and welfare reforms between 2010 and 2017, modelled in 2021/22 tax year. The analysis in the paper is damning. It highlights how regressive the tax and welfare changes have been, with the greatest burden falling on the poorest, ethnic minorities, women, children and the disabled.

- Average net cash losses are greatest for the bottom 40% of households, at around £1,500 per year compared to just £200 for households in the second top decile.
- Households in the lowest decile have seen net incomes fall by 10%. In contrast, households in the second top decile have only seen net incomes fall by 0.4%.
- The average loss for African, Caribbean and Black British households amounting to 5% of net income – more than double the equivalent loss for white households.
- Households with one or more disabled member have seen net incomes fall by £2,500 a year. For households with a disabled child, losses amount to more than £5,500 a year on average. This compares with a reduction of about £1,000 a year for households without any disabled members.
- Lone parents have seen net incomes fall by 15% of net income on average, compared to between 0% to 8% for other family groups. Households with three or more children have been particularly hard hit, with cash losses amounting to £5,400 per year. In contrast, losses for households with no children have only amounted to £500 a year.
- Women have been affected more than men at every income level, with losses averaging £940 compared with £460 for men.
- By age group, the biggest average losses are for those aged 65-74 who have seen net incomes fall by £1,450 per year, primarily due to the increase in the pension age to 66 in 2021. Those in the age range 35-44 are losing £1,250 per year on average.

To read the full report click here: https://www.equalityhumanrights.com/sites/default/files/impact-of-tax-and-welfare-reforms-2010-2017-interim-report_0.pdf

For commentary on Open Democracy click here: <https://www.opendemocracy.net/neweconomics/not-together-distributional-impact-austerity/>

UNITE LAUNCHES NEW ONLINE PAY CLAIM TOOL

As part of the Work, Voice, Pay campaign Unite has launched a new online tool to support union reps in developing their pay claim.

The tool allows union reps to gather company information as well as from the Office for National Statistics and the union's own database containing the details of tens of thousands of pay deals.

The online tool then guides union reps through the potential workplace issues union members might want raised as part of their pay negotiations, and a pay and conditions claim including the information on the company's financial performance, ability to pay, the latest economic indicators and pay deals at comparator companies by sector and postcode.

For more information visit the Work, Voice, Pay website:

<http://www.unitetheunion.org/work-voice-pay/pay-claim-generator/>

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