

# Unite bargaining brief



Unite the Union

April 2018

## INTRODUCTION

Official figures show wages rising above (the CPI measure of) inflation for the first time in a year. But as the Resolution Foundation point out, whilst this is welcome, whether or not the pay squeeze has ended depends on where you look. Pay growth is much stronger in the private than the public sector, and remains unusually low given the apparent tightness of the labour market.<sup>1</sup>

Frances O'Grady, TUC General Secretary, said: "Wages are still worth less than before the financial crisis, leaving many working people struggling to get by...It's time for a new deal for working people that makes wage growth a much higher priority."<sup>2</sup>

Unite will be joining the **TUC's march and rally for a new deal for working people in London on Saturday 12 May**. We're marching for decent jobs and better pay. For stronger rights and a voice at work. For a growing economy that works for all. And for fully-funded, free at the point of use public services. Come and join us. Further details on the Unite website.<sup>3</sup>

John Earls, Director of Research

## SUMMARY

- Median settlements at 3% (LRD), 2.5% (XpertHR) 2.5% (IDR)
- Inflation rises: RPI 3.3%, CPIH 2.2%, CPI 2.5% (March 2018)
- RPI forecast to remain above 3% throughout 2018
- The average price of childcare rises 7%
- The single month Average Weekly Earnings are at 2.3% on last year for total pay, including bonuses and 2.9% for regular pay
- **NEW** National Minimum Wage rates come into force with the over 25 rate (NLW) reaching £7.83
- Real Living Wage published by the Living Wage Foundation are still significantly higher at £8.75 (UK) and £10.20 (London).
- **NEW** Gender Pay Gap reporting results found eight out of 10 had a gender pay gap with the average gap of 9.8% in favour of male staff. The construction sector, followed by finance and insurance and education all over 20%

## PAY SETTLEMENTS

**LRD median settlements rise 3% for the three months to February 2018**

**IDR median settlements at 2.5% in the three months to March 2018**

**XpertHR median settlements rise to 2.5% in the three months to February 2018**

Pay data analysis includes data published in Labour Research Department's Workplace Report (March), XpertHR 2018 Pay Awards and the Incomes Data Research's *Pay Climate* (March) and blog (April).

<sup>1</sup> <https://www.resolutionfoundation.org/media/blog/two-steps-forwards-one-step-back/>

<sup>2</sup> <https://www.tuc.org.uk/news/inflation-fall-shows-bank-should-hold-interest-rate-rise-says-tuc>

<sup>3</sup> <http://www.unitetheunion.org/campaigning/events/tuc-march-and-rally---a-new-deal-for-working-people/>

## LRD – Median settlements rise at 3% in February

Labour Research Department reported in March's Workplace Report that "Settlements hit the 3.0% level for the third month in a row, LRD Payline data shows.

In February, the three-monthly median rise on lowest basic rates for the whole economy was once again 3.0%. The standard increase for February — the rise received by most grades — was also 3.0%."

## 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:	2017										2018		This pay round, Aug-Feb
	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	
All agreements	2.2	2.4	2.4	2.4	2.4	2.2	2.0	2.3	2.6	3.0	3.0	3.0	2.5
Private sector	2.2	2.4	2.4	2.4	2.5	2.5	2.5	2.5	3.0	3.0	2.9	3.0	2.8
Public sector	1.8	2.0	2.0	2.0	1.0	1.0	1.0	1.5	2.0	3.9	3.9	3.9	1.1
Manual	2.3	2.4	2.5	2.4	2.5	2.5	2.4	2.5	3.0	3.0	3.0	3.0	3.0
Non-manual	2.2	2.2	2.2	2.1	2.3	2.0	2.0	2.0	2.5	3.0	3.0	3.0	2.5
All industries	2.2	2.4	2.4	2.4	2.5	2.5	2.6	2.5	3.0	2.5	2.8	2.7	2.8
All services	2.2	2.4	2.4	2.4	2.2	2.0	2.0	2.1	2.5	3.2	3.1	3.5	2.8

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

Source: LRD Workplace Report, March 2018

## IDR – Private sector median settlements at 2.5% (3 months to March 2018)

Incomes Data Research (IDR) reported in its latest pay settlements blog (10 April 2018) that "the whole-economy median holding steady at 2.5%, but an initial look at April awards shows a small rise in the interquartile range, and an increased average compared to previously, with more deals worth 3% than before."

Pay awards for 3 months to March and April 2018		
	3 months to end March	3 months to end April
Lower quartile	2.0	2.0
Median	2.5	2.5
Average	2.1	2.6
Upper quartile	2.9	3.0
Count	56	39

Note: figures for April are provisional and will be revised as more settlements come in for the month.

The median for the three months to the end of March is 2.5%, based on 56 awards for this period. This is the third consecutive rolling period in which the median has been 2.5%, having risen from 2.3% at the start of the year.

Below is the most recent sectoral breakdown of IDR data covering the three months to the end of February 2018:

## Settlements three months to end of February 2018

	Whole economy	Private sector	Manufacturing & primary	Private services	Not for profit
Lower quartile	2.0%	2.0%	2.2%	2.0%	1.25%
Median	2.5%	2.5%	2.7%	2.5%	2.0%
Upper quartile	2.8%	2.8%	3.0%	2.8%	2.25%
Based on 57 pay settlements covering 109,810 employees					

Source: IDR Blog, 28 March 2018.

## XpertHR: 2018 PAY AWARDS FORECAST AT 2.5%

Employers are predicting that pay awards in 2018 will be at their highest level in almost four years, according to data from pay analysts XpertHR.

Survey results show that private-sector employers expect to give employees a 2.5% pay rise over the coming year. This compares with the 2% median increase given over the past 12 months, and is more optimistic than employers were predicting six months ago.

Key findings include the following:

- Employers in both the manufacturing and production, and services arms of the private sector foresee 2.5% as their benchmark pay award this year.
- Overall the middle half of all pay awards are expected to be worth between 2% and 3%.
- The most common pay award prediction remains 2%, with almost three in 10 (28.9%) forecasts at this level.
- At the top end of the scale, more than one pay award in 10 is forecast to be worth 4% or more.

Further evidence of an upturn in fortunes for employees is that one-third (32.5%) are expected to receive a higher pay award that they did last year – the highest proportion recorded by XpertHR since 2011.

## Latest pay award findings

Looking back, in the three months to the end of February 2018 XpertHR has recorded a 2.5% median basic pay award across the economy. Based on a sample of 169 basic pay awards effective between 1 December 2017 and 28 February 2018, they found that:

- The median pay award across the whole economy is 2%, with the middle half of pay awards (the interquartile range) worth between 2% and 3%.
- While only a quarter (26%) of pay awards were the same as the award received by the same group of employees last year, the majority (57.3%) were higher. Just 16.8% of awards were lower than the employee's previous increase.
- Within the private sector, the 2.5% figure is also recorded for pay awards in private-sector services firms, while manufacturers reported a median 2.6% increase.

Over the 12 months to the end of February 2018, the median pay award in the private sector is 2%, compared with 1% in the public sector.

Source: XpertHR Press release 22 March 2018

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

Agreement	Sector	Start	Description
<b>Scottish Agricultural Wages Board</b>	Agriculture	01/04/18	<p>From 1 April 2018, a minimum hourly rate of £7.83 for all workers, regardless of age. This equates to a 4.4% increase on the previous rate.</p> <p>For Agricultural Apprentices undertaking an SCQF Level 4 or 5 or equivalent in Agriculture/Horticulture, a minimum hourly rate of £5.00. This is a 20.8% increase on the previous rate.</p> <p>The additional sum paid to workers with appropriate qualifications increases to £1.20ph (a 5.3% increase). The overtime minimum increases to £11.75ph for all workers.</p> <p>Dog allowance increases to £6.00 per week for each dog up to a maximum of four. Daily rate of accommodation offset for accommodation other than a house increases to £7.00</p>
<b>NI Agricultural Wages Board</b>	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)
<b>Rolls Royce</b>	Automotive	01/01/18	<p>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 year.</p> <p>Year Two: 3.0% pay award, comprising of a 2.75% increase to basic salary from 1 Jan 2019, plus a one-off payment of 0.25%, payable in Jan 2019.</p>
<b>Ford – Manual grades</b>	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
<b>Hoyer Petrolog (BP Oil Drivers - Greenfleet)</b>	Chemicals	01/01/18	<p>A 3.5% increase to all elements of pay from 1 January 2018.</p> <p>One extra day's holiday to be taken in January 2018.</p>
<b>Essar Oil UK (Stanlow Refinery)</b>	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.
<b>Castle Cement (Drivers)</b>	Construction	01/01/18 01/01/19	After the threat of strike action, a two stage two year deal agreed. In the first year, from 1 January 2018, a 3.7% increase for all drivers. From 1 January 2019 an increase ranging from between 3.4% to 4.4%
<b>Western Power Distribution</b>	Energy	01/04/18 01/04/19	<p>First year of a two stage two year agreement with a 4.2% increase from 1 April 2018.</p> <p>In the second year, an increase based on RPI, plus 0.5%, underpinned by a minimum 3%, from 1 April 2019.</p>
<b>SSE Joint Agreement</b>	Energy	01/04/18	<p>3% increase for all staff from 1 April 2018. Staff in pay zones A and B receive an additional 0.6%, giving a 3.6% increase to the lower paid. The minima and maxima of all salary ranges increased by 3%.</p> <p>3% increase to Standby, Shift Allowance, London Allowance, London Supplement, Extension of the Working Day Standard Allowance and Overnight Allowance.</p> <p>The previous performance-related pay scheme has been scrapped. A joint JNCC working party to agree a fairer system for rewarding progression.</p>

<b>Legal &amp; General</b>	Finance	01/01/18	4% increase from 1 January 2018 for all staff covered by the collective bargaining unit. Management grades not covered received 3%
<b>Kraft Heinz (Wigan)</b>	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%.
<b>Cobalt Housing</b>	Housing	01/04/18	A 3% increase from 1 April 2018.
<b>Futamura</b>	Manufacturing	01/01/18	A 3.9% increase from 1 January 2018. Equating to £1000 for each worker.
<b>Walki Ltd</b>	Manufacturing	01/02/18	A 3% increase from 1 February 2018.
<b>Vector Aerospace (StandardAero)</b>	Manufacturing	01/01/18	A 3% increase in pay from 1 January 2018.
<b>Fujifilm Speciality Ink Systems</b>	Print Manufacturing	01/04/18	A 3% increase for all members from 1 April 2018.
<b>Facility Management UK</b>	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).
<b>Forth Ports (Grangemouth) – Dockgate</b>	Services	01/01/18	A 3% increase in pay from 1 January 2018. Responsibility payment also increases by 3%. Shift allowances remains at 18% of basic pay and responsibility payment
<b>First West of England (Drivers &amp; Canteen staff)</b>	Transport	01/04/18	A 3.6% increase to hourly rates of pay Monday-Saturday from 1 April 2018. Sunday rate remains unchanged.
<b>British Airways (Heathrow Customer Service)</b>	Transport	01/01/18	A 4.1% increase in pay from 1 January 2018.
<b>Anglian Water Services</b>	Utilities	01/04/18 01/04/19	First year of a two stage two year pay agreement with a 3% increase from 1 April 2018. In the second year, a further 3% from 1 April 2019.
<b>United Utilities</b>	Utilities	01/04/18 01/04/19	First year: 3% headline increase from 1 April 2018. Spot rates and pay ranges increase by the 3%; staff at or below a 15% buffer above the increased spot rate or range midpoints receive the 3% consolidated; those above the 15% buffer receive 1.5% consolidated and 1.5% as a lump sum non-consolidated payment. The 3% increase flows through to all base pay related allowances including shift premiums, standby retainers, call-out payments, advisory call payments, bank holiday premiums and Christmas Day premium. Second year: 3% applied from 1 April 2019, including flow through.

Source: LRD Pay & Conditions database online, April 2018

# INFLATION AND PRICES

**RETAIL PRICE INDEX (RPI) 3.3% in the year to March 2018 (3.6% in February 2018)**  
**CONSUMER PRICE INDEX (CPI) 2.5% in year to March 2018 (2.7% in February 2018)**  
**CONSUMER PRICE INDEX- HOUSING (CPIH) 2.2% in year to March 2018 (2.5% in February 2018)**

## Inflation falls to its lowest rate in a year, but RPI remains higher than pay rises

The all-items Retail Prices Index (RPI) fell significantly to 3.3% in the year to March 2018.

The Government's preferred index of inflation, CPIH, fell to 2.2% and CPI to 2.5%.

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
March 2018	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
January 2019	4.0	2.7	3.0
February	3.6	2.5	2.7
March	3.3	2.3	2.5

**Source:** ONS April 2018

Pay specialists LRD commented in their Fact Service bulletin (Volume 80, Issue 16, 19 April 2018) that "just six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 3.3% in March.

The 8.8% increase in the clothing and footwear group included a rises of 11.8% and 9.6% in men's and women's clothing respectively.

The fuel and light group posted an increase of 6.4% which included a 10.4% increase in electricity prices and a 19.8% rise in the cost of domestic oil.

In the leisure services group, only foreign holidays with a 6.9% increase was above the overall increase of 4.8%.

Motoring costs were down, with the overall increase down to 3.2% from 3.9%. Petrol and oil fell by 0.3%, offset by a 9.8% increase in vehicle tax and insurance.

The overall rise in the food group was up to 2.7% and included substantial increases of 15.5% for butter and 9.1% for lamb.

The housing group's increase was steady at 2.5%, but included a 3.8% increase in council tax and rates."

## RPI components rising faster than inflation (3.3%)

	% annual increase
<b>Broad Categories</b>	
Personal expenditure	5.0
Travel and leisure	3.9
Consumer durables	5.5
Fares and other travel costs	5.5
Fuel and light	6.4
Household goods	3.4
Clothing and footwear	8.8
Leisure services	4.8
<b>Significant rises</b>	
Bread	4.9
Lamb	9.1
Bacon	4.7
Fish	4.3
processed fish	6.9
Butter	15.5
Oil and fats	4.1
Milk products	7.3
Coffee and other hot drinks	4.4
Sweets and chocolates	3.8
Fresh Fruit	5.3
Tobacco	7.2
Council tax and Rates	3.8
Dwelling insurance and ground rent	10.2
Electricity	10.4
Oil and other fuels	19.8
Electrical appliances	8.4
Men's outerwear	11.8
Women's outerwear	9.6
Children's outerwear	8.6
Footwear	5.9
Maintenance of motor vehicles	4.0
Vehicle tax and insurance	9.8
Books and newspapers	6.6
Foreign holidays (Jan 1993 = 100)	6.9

Source: ONS April 2018

## Inflation forecasts

Inflation forecasts reported by City economists predict that RPI will remain around 3.5% throughout 2018 and continue above 3% in 2019.

### RPI Inflation forecasts – City economists

	CE	H	JPM	NWM	SB	Average
March 2018	4.0	3.58	3.6	3.8	3.30	3.6
April	3.9	3.37	3.7	3.6	3.39	3.6
May	3.8	3.28	3.6	3.6	3.20	3.5
June	3.9	3.24	3.9	3.6	3.26	3.6
July	3.9	3.26	3.8	3.6	3.01	3.5
August	3.9	3.08	3.6	3.6	2.80	3.4
September	3.9	3.09	3.6	3.5	2.78	3.4
October	4.0	3.15	3.7	3.5	2.74	3.4
November	3.8	3.28	3.7	3.5	2.63	3.4
December	3.7	2.95	3.5	3.4	2.54	3.2
January 2019	3.9	3.07	3.6	3.5	2.58	3.3
February	3.8	2.75	3.5	3.4	2.54	3.2
March	3.7	2.74	-	3.4	2.65	3.1
April	3.6	2.93	-	3.5	2.55	3.1
May	3.5	2.96	-	3.4	2.60	3.1
June	3.5	3.02	-	3.4	2.76	3.2
Jul	3.4	2.98	-	3.3	2.77	3.1
Aug	3.3	2.94	-	3.2	2.81	3.1
Sep	3.2	2.92	-	3.2	2.85	3.0
Oct	3.1	2.92	-	3.1	2.87	3.0
Nov	3.1	2.91	-	3.1	2.87	3.0
Dec	3.1	2.92	-	3.0	2.75	2.9

CE Capital Economics; H Heteronomics; JPM JP Morgan; SB Scotia Bank; NWM NatWest Markets

Source: IDR Pay Climate, March 2018

### RPI forecasts – Independent forecasters

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

	Date Published	Fourth quarter 2018	Fourth quarter 2019
Median	Apr	3.3%	3.1%
Beacon Economic Forecasting	Apr	3.0%	2.8%
CBI	Dec	3.1%	-
CEBR	Feb	3.5%	3.1%
Economic Perspectives	Apr	3.6%	4.2%
Experian Economics	Feb	2.9%	3.0%
Heteronomics	Apr	3.2%	3.1%
EY ITEM Club	Apr	3.5%	2.5%
NIESR	Feb	4.5%	3.8%
Oxford Economics	Apr	3.4%	3.0%
OBR	Mar	3.4%	2.9%

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



## Childcare – prices rise by 7% in a year

The **Family and Childcare Trust** Childcare Survey<sup>4</sup> published in March reports that a seven percent price hike is hitting parents' pockets this year – bringing the average price for a part time nursery place for a child under two to a whopping £122 per week, or over £6,300 per year – and calls into question whether the Government's new investments will live up to parents' expectations.

Following the rollout of new government support schemes in 2017, most parents are now entitled to some help with childcare costs – but the confusing hotchpotch of seven different types of support means parents are at risk of missing out on the help they need. Many working parents using the new tax free childcare and the 30 hours free childcare offer for three and four year olds will be spending less on childcare this year, but savings could dry up quickly if prices continue to rise at the same rate.

Worryingly, families with lower incomes and younger children are the ones who are most likely to be squeezed by the price surge. The highest prices for childcare are for the youngest children between the end of paid parental leave and the child turning three – and that's when the least financial support is available to parents. Parents with children under three on lower incomes will not be receiving additional support this year through tax free childcare and so are likely to see their childcare costs rise.

Lower income families also risk being worse off working more hours. They can get help with childcare costs through the benefits system, but the average cost of a full time nursery place significantly outstrips the maximum support available by £60 each week.

Prices also vary significantly across the country. In Inner London – the most expensive region in the UK – the price of a part time nursery place for a child under two is £184 per week, or £9,500 per year, compared to an average £102 per week in the North West, or £5,300 per year.

Even families that are eligible for the 30 hours offer for three and four year olds may struggle to get the support they were expecting: the Childcare Survey 2018 reveals that just half of local authorities in England report having enough childcare places for working parents to access their free 30 hours place.

To read the full report click here: <https://www.familyandchildcaretrust.org/childcare-survey-2018>

## Average weekly childcare costs 2018

	Nursery				Childminder				After School Care weekly	
	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	
<b>Britain</b>	£122.46	£119.47	£232.84	£229.33	£107.41	£109.44	£217.30	£216.10	£62.25	£56.38
<b>England</b>	£124.73	£120.66	£236.19	£231.75	£110.61	£109.95	£218.22	£217.06	£62.95	£56.82
<b>Scotland</b>	£109.68	£108.60	£205.18	£200.66	£114.33	£112.75	£228.00	£224.85	£61.92	£56.74
<b>Wales</b>	£116.18	£116.02	£218.73	£220.77	£100.22	£100.38	£202.61	£203.10	£54.47	£50.64
<b>Inner London</b>	£183.56	£174.47	£342.78	£323.40	£155.14	£154.11	£307.77	£305.58	£88.04	£71.75
<b>Northern Ireland</b> is excluded from the analysis because childcare funding is different difficult to make comparisons										

Source: *Family and Childcare Trust, 2018 Childcare Survey*, updated annually published March 2018

<sup>4</sup><https://www.familyandchildcaretrust.org/childcare-survey-2018>

## Housing

Average rents continue to rise with ONS showing a 1.1% rise nationwide and over 2.7% East Midlands.

### Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12month price change March 2018 Not seasonally adjusted	
Country/region	Percentage change on a year earlier
Great Britain	1.1%
GB excluding London	1.6%
North East	0.2%
North West	1.2%
Yorkshire and The Humber	1.4%
East Midlands	2.7%
West Midlands	1.8%
East of England	1.9%
London	0.1%
South East	1.7%
South West	2.1%
England	1.1%
England excluding London	1.7%
Wales	1.2%
Scotland	0.7%

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

- Average new rents in March were £951 pcm (Great Britain) and £1,675 pcm (Greater London)

#### Homelet (April 2018)

- Average UK rental value for new rents in March was £912 pcm, (Greater London £1,569 pcm)

### House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£242,176	0.2%	4.1%
Northern Ireland (Quarter 4 - 2017)	£130,482	1.0%	4.3%
Scotland	£144,377	-2.7%	6.2%
Wales	£152,891	-0.4%	4.8%
East Midlands	£186,071	0.5%	6.3%
East of England	£288,468	-0.4%	4.0%
London	£471,986	-2.1%	-1.0%
North East	£128,218	3.1%	3.3%
North West	£158,152	1.6%	4.8%
South East	£322,489	-0.1%	4.0%
South West	£250,816	-1.1%	4.9%
West Midlands Region	£192,648	2.2%	7.3%
Yorkshire and The Humber	£155,385	-0.1%	3.1%

Source: ONS UK House Price Index February 2017, Published April 2018

# AVERAGE EARNINGS

**Total Pay AWE: rises to 2.3% in February 2018 (2.8% January 2017)**  
**(Including bonuses, % change year on year, single month, seasonally adjusted)**  
**Regular Pay AWE: rises to 2.9% in February 2018 (2.6% January 2017)**  
**(Excluding bonuses, % change year on year, single month, seasonally adjusted)**

The erosion of average weekly earnings has continued in the second month of the New Year.

In February 2018, average weekly earnings growth, including bonuses, were provisionally estimated to have risen by 2.3% against the 2.8% increase in January.

The ONS also produces regular pay figures which strip out bonuses. In February, earnings growth for the whole economy for the three-month period was up to 2.8% from 2.6% in January.

## Average weekly earnings broken down by sector (seasonally adjusted)

December 2017	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	2.3	2.8	2.9	2.8
Private sector	2.3	2.9	3.0	2.9
Public sector	2.5	2.3	2.5	2.3
Public Sector excluding financial services	2.6	2.3	2.6	2.3
Services	2.4	2.8	2.9	2.7
Finance and business services	2.8	3.4	3.2	2.6
Manufacturing	2.3	2.8	2.8	2.9
Construction	3.0	3.5	4.0	4.2
Wholesale, retailing, hotels & restaurants	1.7	2.0	2.7	2.4

Source: ONS UK Labour Market Statistical Bulletin, April 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 updated by the 1.8% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and February 2018 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	560.30
All male	602.10
All female	502.50
Managers	838.90
Professionals	746.30
Associate professionals	616.50
Admin & secretarial	439.40
Skilled/craft	519.00
Services	367.90
Sales	377.10
Operatives	481.00
Other manual jobs	376.30

Source: LRD Fact Service, Volume 80 Issue 16, 19 April 2018

# LOW AND HIGH PAY

## NEW National Minimum Wage rates:

These are the Government's National Living Wage (NLW) and National Minimum Wage (NMW) from 1st April 2018:

Year	25 + (NLW)	21 to 24	18 to 20	Under 18	Apprentice
April 2017	£7.83	£7.38	£5.90	£4.20	£3.70

## Living Wage Foundation rates:

The current Living Wage Foundation rates for the Living Wage (announced 6<sup>th</sup> 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 pay rise 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>

# RESULTS - GENDER PAY GAP AVERAGES AT 9.8%

The figures reveal men are paid more than women in 7,795 out of 10,016 companies and public bodies in Britain (reported 5<sup>th</sup> April 2018), based on the median hourly pay – of those that had reported eight out of 10 had a gender pay gap. While the figures do not reflect equal pay for equal work, they do raise questions about structural inequalities in the workforce and may hold the answer to closing the gap.

## Key overview:

- Average pay gap of 9.8%
- 7,853 employers report a lower median salary for women (78%)
- 1,400 employers report a higher median salary for women (14%)
- 856 employers report no difference in median pay between men and women (8%)
- Women are underrepresented in top-paid jobs in 82% of companies when compared to the business as a whole

## Broken down by industry:

- No sector pays women better than men on average.
- The construction sector reported the worst average median gender pay gap at 25%.
- This was followed by finance and insurance at 22%.
- Education also fared badly averaging a median pay gap is 20%. This is largely due to sizable gaps across multi-academy trusts.
- The lowest gap is in accommodation and food services sector, which have a 1% pay gap.

**Click here to find out your employers information 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 website also links to companies' own websites, where similar details can be found.

**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/>

## HOW IS BREXIT IMPACTING YOUR WORKPLACE?

Unite continues to monitor the industrial impact of the Brexit process. Where employers are using Brexit as a smokescreen to lower pay and attack conditions Unite continues to fight back and win.

### Tell us about what is going on in your workplace

Unite researchers are calling for volunteers who are prepared to give short phone-interviews about Brexit in the workplace. Has your employer used Brexit at the bargaining table? Is Brexit being discussed at the shop floor?

If you are willing to take part please contact **Ben Norman** at [Ben.norman@unitetheunion.org](mailto:Ben.norman@unitetheunion.org)

For the latest Brexit updates visit: [www.uniteBrexitcheck.org](http://www.uniteBrexitcheck.org)

## UNITE'S ONLINE PAY CLAIM TOOL

Don't forget to look at the Work, Voice, Pay 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](mailto:james.lazou@unitetheunion.org)

## Company accounts

Requests for information relating to company accounts should be sent to:  
[ben.norman@unitetheunion.org](mailto:ben.norman@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](http://www.unitetheunion.org)