

# Unite bargaining brief



Unite the Union

June 2018

## INTRODUCTION

Happy birthday to the TUC which celebrated its 150<sup>th</sup> birthday this month. But you have to go back even further than the founding of the TUC (around 200 years) to find a dip in wages as prolonged as the one we're experiencing now<sup>1</sup>. The latest labour market statistics show that nominal wage growth has slowed down to 2.8%, while real wage growth has stayed static at 0.4%.

TUC General Secretary described wage growth as being “*stuck in the slow lane*” and called for an extension of collective bargaining that “*would boost living standards and help workers get a fairer share of the wealth they create*”<sup>2</sup>. This was echoed in a recent report from the IPPR’s Commission on Economic Justice which called for a “*renaissance in collective bargaining at sector and firm level*” and for trade unions to be “*social partners in industrial strategy and in managing automation to build a more productive economy that works for all*”<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 2.3%, CPI 2.4% (May 2018)
- RPI forecast to remain above 3% into 2019
- The single month Average Weekly Earnings are at 2.5% on last year for total pay, including bonuses and 2.5% for regular pay
- The average price of childcare rose 7%
- National Minimum Wage rates for over 25s (NLW) is £7.83
- Real Living Wage (LWF) is significantly higher at £8.75 (UK) and £10.20 (London).
- Generational pay gap is 22% for the under 30s compared to over 30s
- Disability pay gap is now 15%

## PAY SETTLEMENTS

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

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

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

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

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

Incomes Data Research (IDR) reported in its latest *Pay Climate* (June 2018) that “*The median pay increase across the economy remains at 2.5% in the three months to the end of April 2018, according to the latest monitored figures from IDR. The proportion of higher awards at or above 3% has increased with these awards accounting for almost a third of all the awards monitored in this period. This compares to just under a quarter of awards recorded at this level in our look at the figures in the three months to the end of January.*”

<sup>1</sup> <https://www.tuc.org.uk/blogs/17-year-wage-squeeze-worst-two-hundred-years>

<sup>2</sup> <https://www.tuc.org.uk/news/wage-growth-stuck-slow-lane-says-tuc>

<sup>3</sup> <https://www.ippr.org/research/publications/power-to-the-people>

## Settlements three months to end of April 2018

	Whole economy	Private sector	Manufacturing & production	Private services	Not for profit
Median	2.5%	2.7%	2.6%	2.8%	2.0%
Average	2.6%	2.7%	2.6%	2.8%	2.2%
Interquartile	2.0 to 3.0%	2.0 to 3.0%	2.1 to 3.0%	2.2 to 3.3%	2.0 to 2.7%
Based on 96 pay settlements covering 1,537,038 employees					

Source: IDR Pay Climate, June 2018

## XpertHR: Median pay awards at 2.5%

XpertHR headline measure of pay awards has not been higher than 2.5% since December 2008 with the most common pay award in their sample at 2% (awarded in 19.2% of cases) followed by 3% (12.3%). This was based on a sample of 219 pay awards from across the economy effective between 1 March and 31 May 2018.

Only a handful of deals saw employee pay frozen, while at the other end of the scale a number of organisations' deals reflect either the 4.4% increase in the national living wage, or the 3.5% increase in the living wage outside of London as used by the Living Wage Foundation.

Pay awards continued to compare favourably against last year, with 60.1% of a matched sample of awards worth more than employees received this time last year.

Source: XpertHR press release 21 June 2018

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

Labour Research Department reported in May's *Workplace Report* that "Settlements appear to have plateaued for the time being. The three-monthly median — midpoint — for collectively agreed deals from LRD's Payline database is 3% for the fourth consecutive month. The median by workers covered is 4.4% in the three months to April. The midpoint in the 2017-18 pay round so far is 2.9% in the period up to April.

## 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-Apr
	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
All agreements	2.3	2.4	2.4	2.1	2.0	2.4	3.0	3.2	3.0	3.0	3.0	3.0	2.9
Private sector	2.4	2.4	2.5	2.5	2.4	2.9	3.0	3.2	2.8	2.8	2.8	3.0	3.0
Public sector	1.6	1.5	1.0	1.0	1.0	1.1	1.9	3.9	3.9	3.9	3.9	4.1	2.2
Manual	2.4	2.4	2.5	2.5	2.3	2.5	3.0	3.5	3.0	3.0	3.0	3.1	3.0
Non-manual	2.0	2.0	2.2	2.0	2.0	2.0	2.6	3.2	3.0	2.9	3.0	3.0	2.8
All industries	2.3	2.4	2.5	2.5	2.5	2.6	2.9	3.0	2.7	2.5	2.7	3.0	2.8
All services	2.2	2.4	2.3	2.0	2.0	2.2	3.0	3.4	3.0	3.3	3.1	3.5	3.0

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:	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
By agreements	2.0	2.0	2.0	2.2	2.2	2.2	2.2	2.3	2.5	2.5	2.5	2.8
By workers covered	2.5	2.4	2.4	2.2	2.3	2.3	2.5	2.5	2.4	2.3	2.4	4.4

Source: LRD Workplace Report, May 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). 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>Castle Cement (Drivers)</b>	Construction	01/01/18 01/01/19	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.</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>Cobalt Housing</b>	Housing	01/04/18	A 3% increase from 1 April 2018.

<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>Futamura</b>	Manufacturing	01/01/18	A 3.9% increase from 1 January 2018. Equating to £1000 for each worker.
<b>CIJC Agreement</b>	Construction	25/06/18	Year one 3.2% taking the national minimum Craft Rate to £12.31 per hour. Year two 2.9% taking the national minimum Craft Rate to £12.67 per hour (effective 24th June 2019). The pay rate for first year apprentices in year one of the agreement to increase by 7% to £5.50. In the subsequent year the rate will increase in line with the agreement (2.9%). The agreement also included increases in the lodging allowance, death benefit, Industry Sick Pay (ISP) and the non-taxed fare allowance.
<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 C.S.)</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% increase from 1 April 2018 – including some performance pay where certain staff receive part of their rise as a non-consolidated payment. The 3% increase flows through to all pay related allowances. Second year: 3% applied from 1 April 2019, including flow through.
<b>Monarch Engineering</b>	Manufacturing	01/04/18	A 5% increase to basic pay and all allowances from 1 April 2018.
<b>CF Fertilisers</b>	Manufacturing	01/05/18	3.6% increase from 1 May 2018
<b>Knauf Insulation</b>	Manufacturing	01/04/18	3.6% increase from 1 April 2018

Source: LRD Pay & Conditions database online, June 2018

# INFLATION AND PRICES

**RETAIL PRICE INDEX (RPI) 3.3% in the year to May 2018 (3.4% in April 2018)**

**CONSUMER PRICE INDEX (CPI) 2.3% in year to May 2018 (2.4% in April 2018)**

**CONSUMER PRICE INDEX- HOUSING (CPIH) 2.3% in year to May 2018 (2.2% in April 2018)**

## RPI falls while CPIH rises

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

The Government's preferred index of inflation, CPIH, rose to 2.3% and CPI stayed level at 2.4%.

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
May 2018	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
April	3.4	2.2	2.4
May	3.3	2.3	2.4

**Source:** ONS June 2018

Six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 3.3% in May.

The 7.4% increase in the clothing and footwear group included a rise of 9.2% and 8.3% in men's and women's clothing respectively.

The fuel and light group posted an increase of 4.0% against 6.0% the previous month, but the latest increase included a 30.7% hike in the cost of domestic oil.

Motoring costs were up, with an overall increase of 5.0% against 3.6% the previous month as petrol and oil prices increased by 8.0%.

The overall rise in the food group was down to 2.2% from 2.6% in April and included a 1.1% decrease in cereals and 1.4% cut in beef prices. However, there were substantial increases of 18.6% in butter and 12.4% in lamb.

A 6.2% rise in the cost of flights pushed the overall increase for the fares and other travel costs group from negative territory to 4.7%.

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

	% annual increase
<b>Broad Categories</b>	
Personal expenditure	4.5
Travel and Leisure	4.5
Consumer durables	4.3
Fuel and light	4.0
Tobacco	7.2
Clothing and footwear	7.4
Motoring expenditure	5.0
Fares and other travel costs	4.7
Leisure services	4.5
<b>Significant rises</b>	
Bread	4.2
Lamb	12.4
Fish	4.7
processed fish	6.6
Butter	18.6
Milk, fresh	3.5
Coffee and other hot drinks	4.8
Soft drinks	5.0
Fresh Fruit	3.8
Tobacco	7.7
Council tax and Rates	4.9
Dwelling insurance and ground rent	10.3
Electricity	4.4
Oil and other fuels	30.7
Electrical appliances	9.1
Men's outerwear	9.2
Women's outerwear	8.3
Children's outerwear	5.6
Footwear	6.4
Vehicle tax and insurance	4.7
Petrol and oil	8.0
Books and newspapers	6.4
Entertainment and other recreation	3.4
Foreign holidays (Jan 1993 = 100)	6.0

Source: ONS June 2018

## Inflation forecasts

Inflation forecasts reported by City economists predict that RPI will remain around 3% throughout 2018 and continue above 3% in 2019. This is largely based on expectations from city forecasters of higher pay rises in the coming year feeding into price rises.

### All-items RPI Inflation forecasts – City economists at 16 May 2018

	CE %	DB%	H %	JPM %	LB %	SB %	Average %
April 2018	3.4	3.34	3.41	3.6	3.3	3.33	3.4
May	3.3	3.39	3.22	3.6	3.2	3.37	3.3
June	3.4	3.55	3.30	3.8	3.4	3.47	3.5
July	3.3	3.42	3.25	3.6	3.3	3.24	3.4
August	3.3	3.3	3.21	3.3	3.1	3.02	3.2
September	3.3	3.34	3.21	3.3	3.0	3.15	3.2
October	3.4	3.35	3.26	3.5	3.0	3.07	3.3
November	3.3	3.28	3.24	3.5	2.9	2.99	3.2
December	3.2	3.04	2.90	3.2	2.8	2.75	3.0
January 2019	3.3	3.14	3.00	3.4	2.8	2.88	3.1
February	3.4	3.07	3.21	3.2	2.8	2.81	3.1
March	3.5	3.24	3.36	3.6	2.9	2.93	3.3
April	3.3	3.35	3.21	3.5	2.8	2.96	3.2
May	3.3	3.23	3.21	3.4	2.7	2.73	3.1
June	3.3	3.01	3.18	3.3	2.7	2.68	3.0
Jul	3.4	2.96	3.16	3.2	2.8	2.70	3.0
Aug	3.3	2.96	3.11	3.1	2.8	2.73	3.0
Sep	3.2	3.03	3.06	3.5	2.9	2.69	3.1
Oct	3.0	-	3.05	3.5	2.8	2.75	3.0
Nov	3.0	-	3.00	-	-	2.79	2.9
Dec	3.0	-	3.00	-	-	2.90	3.0

CE Capital Economics; DB Deutsche Bank; H Heteronomics; JPM JP Morgan; LB Lloyds Banking Group SB Scotia Bank

Source: IDR Pay Climate, June 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	Jun	3.1%	2.9%
Beacon Economic Forecasting	Jun	3.0%	2.8%
CBI	Jun	3.0%	2.5%
CEBR	Jun	3.5%	3.1%
Economic Perspectives	Jun	3.6%	4.2%
Experian Economics	Jun	2.9%	3.0%
Heteronomics	Jun	3.0%	3.2%
EY ITEM Club	Jun	3.4%	3.0%
NIESR	May	4.0%	3.7%
Oxford Economics	Jun	3.5%	2.6%
UBS	Feb	3.1%	3.0%
OBR	Mar	3.4%	2.9%

Source: HM Treasury, Forecasts for the UK Economy, June 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 roll-out 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

**Northern Ireland** 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 1.0% rise nationwide and over 2.9% East Midlands.

### Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12month price change May 2018 Not seasonally adjusted	
Country/region	Percentage change on a year earlier
Great Britain	1.0%
GB excluding London	1.6%
North East	0.1%
North West	1.1%
Yorkshire and The Humber	1.3%
East Midlands	2.9%
West Midlands	1.7%
East of England	2.0%
London	-0.2%
South East	1.6%
South West	2.0%
England	1.0%
England excluding London	1.7%
Wales	1.2%
Scotland	0.6%

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

- Average UK rental value for new rents in May was £919 pcm, (Greater London £1,586 pcm)

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

Country/region	Price	Monthly change	Annual change
England	£243,639	1.1%	3.7%
Northern Ireland (Quarter 1 - 2018)	£130,026	0.3%	4.2%
Scotland	£148,952	2.5%	5.6%
Wales	£156,495	1.6%	4.4%
East Midlands	£186,480	1.3%	4.8%
East of England	£286,447	-0.8%	2.5%
London	£484,584	2.4%	1.0%
North East	£130,489	4.2%	4.5%
North West	£155,868	0.0%	2.4%
South East	£324,530	0.9%	3.5%
South West	£255,207	1.8%	6.1%
West Midlands Region	£192,090	0.8%	5.9%
Yorkshire and The Humber	£158,545	1.4%	3.5%

Source: ONS UK House Price Index April 2018, Published June 2018

# AVERAGE EARNINGS

**Total Pay AWE: rises to 2.5% in April 2018 (2.5% March 2018)**  
**(Including bonuses, % change year on year, single month, seasonally adjusted)**  
**Regular Pay AWE: rises to 2.5% in April 2018 (3.0% March 2018)**  
**(Excluding bonuses, % change year on year, single month, seasonally adjusted)**

The erosion of average weekly earnings continues when compared to Retail Price Index inflation.

In April 2018, average weekly earnings growth, including bonuses, were provisionally estimated to have risen by 2.5%, unchanged on the revised increase for March. As retail price inflation rose by 3.4% in April and 3.3% in March there was a real-terms cut in earnings of 0.9 percentage points and 0.8% respectively for the two months.

The ONS also produces regular pay figures which strip out bonuses. In April, earnings growth for the whole economy was cut to 2.5% from 3.0%.

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

April 2018	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	2.5	2.5	2.5	2.8
Private sector	2.5	2.6	2.5	2.9
Public sector	2.4	2.4	2.4	2.5
Public Sector excluding financial services	2.5	2.5	2.5	2.5
Services	2.4	2.4	2.5	2.7
Finance and business services	2.4	2.1	2.2	2.8
Manufacturing	2.3	2.5	2.6	2.7
Construction	6.1	5.0	5.3	5.1
Wholesale, retailing, hotels & restaurants	2.2	2.4	2.0	2.3

Source: ONS UK Labour Market Statistical Bulletin, June 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 2.4% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and April 2018 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	563.60
All male	605.70
All female	505.40
Managers	843.90
Professionals	750.70
Associate professionals	620.10
Admin & secretarial	442.00
Skilled/craft	522.00
Services	370.10
Sales	379.30
Operatives	483.80
Other manual jobs	378.50

Source: LRD *Fact Service*, Volume 80 Issue 24, 14 June 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 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>

# PAY GAPS

- **Gender pay gap:**

The current gender pay gap for full-time and part-time employees stands at 18.4%. This pay gap means that women effectively work for free for the first 67 days of the year, until they begin to get paid.

The TUC has produced analysis from government statistics (ASHE) that provides a break down by industry: <https://www.tuc.org.uk/news/gender-pay-gap-means-women-work-free-more-two-months-year-says-tuc>

**Gender pay gap reporting:** Following the statutory requirement to publish gender pay gaps for all employers with more than 250 employees, 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) with an average pay gap of 9.8%. This is based on the median hourly pay – of those that had reported eight out of 10 had a gender 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>

**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/>

- **Generation pay gap:**

The TUC has launched a new report on the 'generational pay gap' (June 18) – the gap between the average earnings of 21-30 year-olds and 31-64 year-olds working an average 40-hour week - has increased in real terms from £3,140 in 1998 to £5,884 in 2017. The pay gap between under-30s and over-30s is now 21.9% (£2.81 an hour), compared to 14.5% in 1998 (£1.51 an hour in 2017 prices). That's a total increase of £2,744 over the last two decades.

While the rise in the cost of living has outstripped wages for most people, young workers have been hit by a triple whammy of insecure work, low pay and limited opportunities to progress. Young workers are struggling to access the skills they need to progress into higher rates of pay and are found in greater numbers in lower pay sectors.

**Download the full report, [Stuck at the start - young workers' impressions of pay and progression](#)**

- **Disability pay gap:**

The TUC have also published a report (May 2018) that shows that the disability pay gap now stands at 15 per cent – a shocking £2,730 a year for someone working 35 hours a week. That's the highest since the government began publishing comparable data in 2012-13.

The combined effect of the gender and disability pay gaps means that disabled women earned 22.1 per cent (or £3.40 an hour) less on average than their non-disabled male peers in the latest figures.

Disabled people are significantly less likely to be in work than non-disabled workers, with analysis showing that the number of disabled people in work has increased by almost 600,000 since 2013, but their unemployment rate is still over 50 per cent higher than it is for non-disabled peers.

**Download the full report, [Disability, Employment and pay gaps 2018](#)**

## 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.

**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)