

Unite bargaining brief



Unite the Union

May 2019

INTRODUCTION

Inflation has risen steeply – up to 3% on the RPI measure – in the year to March eating into people’s spending power. And whilst official unemployment figures report a 44-year low, the Resolution Foundation reports that the UK’s medium term outlook for pay growth is subdued.¹ This is a concern, notes the Foundation, given that real pay is still £8 a week *lower* than it was before the financial crisis.

However, Unite is still making a difference, such as the inflation beating pay increase secured at Anglian Water². To quote a Unite regional officer involved: *“At a time of economic uncertainty it pays to have a trade union in the workplace negotiating pay.”*

John Earls, Director of Research

SUMMARY

- Median settlements at 2.8% (LRD, Mar 2019), 2.7% for the private sector (IDR, Mar 2019), 2.5% (XpertHR, Apr 2019)
- Inflation rises: RPI 3%, CPIH 2%, CPI 2.1% (April 2019)
- The single month Average Weekly Earnings growth fell to 2.3% on the year to March 2019 for total pay, including bonuses and 2.9% for regular pay
- RPI forecast to remain above 2.7% for the next 12 months
- Childcare prices have risen 3% over the last year
- National Minimum Wage rates rise. £8.21 on 1st April (over 25s NLW)
- Real Living Wage (LWF) is significantly higher at £9.00 (UK) and £10.55 (London)

PAY SETTLEMENTS

LRD median settlements stay at 2.8% for the three months to March 2019

IDR median private sector settlements at 2.7% for the three months to March 2019

XpertHR median settlements at 2.5% for the three months to the end of April 2019

Pay data analysis includes data published in Labour Research Department’s *Workplace Report*, *XpertHR Pay Awards* and Incomes Data Research’s *Pay blog* and *Pay Climate*.

¹ <https://www.resolutionfoundation.org/media/press-releases/unemployment-falls-to-44-year-low-as-the-working-week-gets-longer/>

² <https://unitetheunion.org/news-events/news/2019/may/workers-at-anglian-water-beat-inflation/>

NEW LRD – Median settlements remain 2.8% in March (trade union deals)

Labour Research Department reported in April's *Workplace Report* that "It is 2.8% yet again for deals

Settlements have maintained their level in the first three months of the year. The median (midpoint) increase for pay deals on LRD's Payline database for the three months to March is 2.8% — the same increase as for January and February.

In the public sector, however, the median has slipped from 3.0% at the start of the year to 2.7% in March, but in the pay round so far the median is 3.5%.

With RPI inflation running at between 2.4% and 2.5% in the first quarter of the year, the increases in pay deals have been in real terms, that is, outstripped inflation."

LRD only collects agreements from trade union negotiators and reps, so this figure reflects the significantly higher rises delivered by collective bargaining when compared to IDR and XpertHR.

LRD's Payline Database increases on lowest basic rates

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:	2018									2019			This pay round, Aug-Mar
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
All agreements	3.0	3.0	3.0	3.0	2.8	2.8	3.3	3.5	3.5	2.8	2.8	2.8	3.0
Private sector	3.0	3.0	3.0	3.0	2.8	2.8	3.0	3.4	3.5	2.8	2.8	2.8	2.8
Public sector	3.0	3.0	3.0	2.2	2.2	3.0	3.5	3.5	3.5	3.0	2.9	2.7	3.5
Manual	3.0	3.0	3.0	3.0	2.8	2.8	3.4	3.5	3.5	2.8	2.8	2.8	3.0
Non-manual	3.0	3.0	3.0	2.6	2.5	2.8	3.4	3.5	3.5	2.8	2.8	2.8	3.0
All industries	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0	2.8	2.7	2.6	2.7	2.8
All services	3.1	3.2	3.1	2.9	2.8	2.8	3.5	3.5	3.5	3.0	2.9	2.9	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:	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
By agreements	2.8	2.8	2.9	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
By workers covered	4.4	5.9	6.0	5.9	6.4	6.6	6.4	6.6	6.7	6.7	6.8	6.7

Source: LRD *Workplace Report*, April 2019

NEW IDR – Median pay awards rise to 2.7% in the private sector

Incomes Data Research (IDR) reported in its latest *Pay Blog* (April 2019) that “The median pay award across the economy rose in the first three months of 2019, according to the latest figures from IDR. The elevated median is a change from our observations in 2018, when the overall median was 2.5%. However, analysis of the first crop of April awards indicates a drop back in the median to the previous trend.

The median pay award in the private sector increased from 2.5% to 2.7%. This came about as a result of a rise in the proportion of higher-end pay deals across the sector. Higher-end awards worth 3% or more account for nearly two-fifths of pay settlements in manufacturing and production and around a third in private services. Some organisations in retail catering increased rates for their hourly-paid workers ahead of the rise in the National Living Wage on 1st April 2019, which increased by 4.9% from £7.83 to £8.21 for workers aged 25 and over.

The latest figures are based on a sample of 74 pay awards effective between 1 January 2019 and 31 March 2019, covering 245,546 employees in total...”

“...An early look at April awards shows that the median across the economy in the three months ending April is back to 2.5%, based on the 59 awards monitored by IDR so far. The median is partly influenced by deals in the public sector where the median pay rise is 2.0%, but the private sector median is back to 2.5%, mainly as a result of fewer higher-end awards in the private sector overall, with manufacturing – where January awards were higher – making up a lower proportion of the total number of pay deals.”

Pay award data - three months to end of March 2019

	Whole economy	Private sector	Manufacturing & production	Private services	Not for profit
Lower quartile	2.1%	2.25%	2.5%	2.0%	2.0%
Median	2.65%	2.7%	2.75%	2.5%	2.0%
Upper quartile	3.0%	3.0%	3.0%	3.0%	2.9%

Based on 74 pay awards covering 245,546 employees

Source: IDR Pay blog, April 2019

NEW XpertHR: Median awards are at 2.5%

XpertHR reports that “Pay awards in the three months to the end of April 2019 are worth a median 2.5%... This marks the fourth consecutive rolling quarter at this level, showing a period of stability over the year so far.

The lowest-paid employees received an additional boost to their pay following the April 2019 increases in the national minimum wage and national living wage. There are a handful of organisations among the current sample that recorded a rise of 4.85% for employees on the lowest-paid adult grade (the increase that is included on the XpertHR databank) in line with the uplift to the national living wage. These increases are among the highest in the sample.

In the first quarter of this year, pay awards and inflation were roughly on a par. However, the jump in retail prices index inflation to 3% in April 2019 means that pay awards are falling shy of the increase in prices by half a percentage point – the largest negative gap since the end of 2018.

Based on a sample of 203 pay awards in the three months to the end of April 2019, XpertHR found the following:

- The median basic pay award stands at 2.5%. Pay awards are fairly tightly bunched around this central figure. The interquartile range - which measures the range of the middle 50% of pay awards - stands at just 0.8 percentage points, between 2% (the lower quartile) and 2.8% (the upper quartile).
- Among a matched sample of pay awards, 45.9% of groups have received a lower award than in their previous review. Three in 10 (29.6%) have received a higher award, with the remaining quarter (24.5%) seeing awards at the same level.
- The most common pay award remains 2.5%, and few organisations have frozen pay rates.

Over the 12 months to the end of April 2019, the median pay award in the private sector is 2.5%, compared with 2% in the public sector.”

Source: XpertHR Press Release, 22 May 2019

Unite settlements above RPI over the last three months reported by LRD

Agreement	Sector	Start	Description
Nordam Europe	Manufacturing	01/05/19	A 3% increase to basic pay and shift allowances from 1 May 2019. Death in Service and PHI extended to cover up to 66 years of age (in line with future statutory pension age increase). Two days' annual leave may be carried over into the following leave year (but must be used within that year).
ICTS Edinburgh Airport	Transport	01/04/19 01/04/20	First year of a two-stage two-year agreement with a 3.5% increase to all rates of pay from 1 April 2019. In the second year, from 1 April 2020, a further 2.5% increase will be applied.
Thomas Cook (Cabin Crew)	Transport	01/04/19 01/04/20	First year of a two-stage two-year agreement with a 3% increase to base pay from 1 April 2019. Also the introduction of training pay for all mandatory training. In the second year, from 1 April 2020, an increase of 2.5% or the equivalent of February 2020 RPI (published in March), whichever greater, capped at 3%.
Young's Seafood (Grimsby)	Food processing	01/04/19	A 3.5% increase from 1 April 2019. Minimum rate of pay £8.86ph; rising up to £13.21ph. A move to unpaid breaks with no loss of pay. Sunday/ Bank Holiday overtime reduced from double time to time and a half. All other terms and conditions remain unchanged.
Calsonic Kansei UK	Manufacturing	01/04/19	A 3% increase to basic pay from 1 April 2019.
Samaritans	Not for Profit	01/04/19	An across the board increase of 3% from 1 April 2019.
Scottish Galvanizers Ltd (Wedge Group)	Metals	01/04/19	A 3% increase to basic pay, shift allowances and all overtime rates from 1 April 2019. All 33 days annual leave paid at new rate and protected. Also a 3% increase to all bonuses.
Affinity Water	Utilities	01/04/19	A 2.7% increase to base pay and allowances from 1 April 2019.
Co-operative Group Funeral care	Services	01/04/19	A 2.5% increase for all hourly paid staff from 1 April 2019. Standby allowance also increases by 2.5%. London allowances remain unchanged. Any staff paid below the new hourly rates will be uplifted to the new rates. Any staff paid above the new hourly rates will remain on their current hourly rate until subsequent pay increases reach that rate.
First Milk Lake District Creamery	Food processing	01/04/19	A 2.5% increase to all basic rates of pay and allowances from 1 April 2019.
Morson Wynnwith	Engineering	01/04/19 01/04/20	First year of a two-stage two-year agreement with a 3% increase from 1 April 2019. In the second year, from 1 April 2020, a further 3% will be applied.
HSBC (Clerical)	Finance	01/03/19	Performance related pay with an average rise of 3.04% From 1 March 2019, a 2.8% increase for all Good, Strong and Top-rated staff. In addition, for those below the midpoint of their pay scale, an extra £125 if below 90%, £75 if between 90% and 95%, and £50 if between 95% and 100%. This takes the average pay increase to 3.04%. Band B pay scale midpoint increases by 2.3%; all other pay scales midpoints increase by 2%. No increase for staff rated Inconsistent.
Mondelez (Cadbury)	Food manufacturing	01/03/19 01/03/20 01/03/21	First year of a three-stage three-year agreement with a 2.7% increase from 1 March 2019. In each of the second and third years, from 1 March 2020 and 1 March 2021, an RPI based increase will be applied.

Source: LRD Pay & Conditions database online, May 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 3.0% in the year to April 2019 (2.4% in the year to March 2019)

CONSUMER PRICE INDEX (CPI) 2.1% in the year to April 2019 (1.9% in March 2019)

CONSUMER PRICE INDEX- HOUSING (CPIH) 2.0% in year to March 2019 (1.8% in March 2019)

RPI rises steeply

RPI has risen to 3% due to steep rises in energy bills prompted by Ofgem's price cap on gas and electricity that came into effect in April.

Inflation under the Consumer Prices Index Housing (CPIH) also rose to 2.0% while inflation under the CPI — which is used by the Bank of England's Monetary Policy Committee to inform its decisions on interest rates — rose to 2.1%.

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
April	3.4	2.2	2.4
May	3.3	2.3	2.4
June	3.4	2.3	2.4
July	3.2	2.3	2.5
August	3.5	2.4	2.7
September	3.3	2.2	2.4
October	3.3	2.2	2.4
November	3.2	2.2	2.3
December	2.7	2.0	2.1
January 2019	2.5	1.8	1.8
February	2.5	1.8	1.9
March	2.4	1.8	1.9
April	3.0	2.0	2.1

Source: ONS May 2019

When broken down, six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 3%.

These included:

- 4.4% rise in leisure services due to dearer holiday prices and increases in tv licences and rentals
- 16% rise in fares and other travel costs
- 3.6% rise in the clothing and footwear group, included an increase of 7.5% in women's clothing.
- 4.1% rise in household services including telephones bills
- 10.2% rise in fuel and light costs, particularly electricity 14.1% and gas 7.1%
- Tobacco prices rose 7.3% and several food prices also rose e.g. potatoes and vegetables.

RPI components rising faster than inflation (3.0%)

	% annual increase
Broad Categories	
Travel and leisure	4.2
Catering	2.9
Fuel and light	10.2
Tobacco	7.3
Household services	4.1
Clothing and footwear	3.6
Fares and other travel costs	16.0
Leisure services	4.4
Significant rises	
Biscuits and cakes	6.3
Oil and fats	4.0
Potatoes	5.8
potato products	7.5
Vegetables other than potatoes	3.8
of which fresh vegetables	4.7
Take-away meals and snacks	3.3
Alcohol – on sales	3.0
Cigarettes	6.6
Tobacco	10.6
Mortgage interest payments	4.1
Council tax and Rates	4.7
Water and other charges	3.1
Dwelling insurance and ground rent	5.9
Electricity	14.1
Gas	7.1
Postage	4.1
Telephones, telemessages, etc	4.5
Men's outerwear	3.5
Women's outerwear	7.5
Children's outerwear	4.1
Maintenance of motor vehicles	3.1
Petrol and oil	3.6
Rail fares	6.6
Bus and coach fares	8.9
Other travel costs	20.9
Books and newspapers	6.1
Television licences and rentals	4.6
Foreign holidays (Jan 1993 = 100)	4.9
UK holidays (Jan 1994=100)	4.8

Source: ONS May 2019

Inflation forecasts

Inflation forecasts reported by City economists predict that RPI will be above 2.7% for the rest of 2019 and above 3% into 2020. Brexit means that there is some considerable uncertainty in how prices will change.

Forecasts for inflation at 25 February 2019 - City economists

	Feb 19	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 20	Feb	Mar	Apr	May	Jun	Jul
CPI	1.9	2.0	2.3	2.2	2.1	2.1	1.9	1.9	1.9	1.9	2.0	2.2	2.2	2.2	1.9	2.0	1.9	1.9
RPI	2.6	2.8	3.1	3.0	2.9	2.9	2.7	2.8	2.7	2.8	3.0	3.4	3.4	3.4	3.1	3.1	3.2	3.2

Note: the forecast figures for each month are an average of predictions from each of Capital Economic, Deutsche Bank, Heteronomics, JP Morgan, NatWest Markets, Pantheon Macroeconomics.

Source: IDR Pay Climate, March 2019

RPI forecasts – Independent forecasters

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

	Date Published	Fourth quarter 2019	Fourth quarter 2020
Median	May	2.5%	2.8%
Beacon Economic Forecasting	May	2.4%	2.8%
CBI	Jan	3.1%	-
CEBR	Apr	2.9%	3.1%
Economic Perspectives	May	3.4%	4.2%
Experian Economics	May	2.5%	3.2%
Heteronomics	May	2.2%	3.2%
ITEM Club	May	2.6%	3.2%
NIESR	May	3.2%	3.7%
Oxford Economics	May	2.7%	3.2%
UBS	Apr	2.5%	-
OBR	Mar	2.9%	2.8%

Source: HM Treasury, Forecasts for the UK Economy, May 2019

Inflation is higher for people on low incomes

Inflation affects everyone in the UK, but changing prices have different effects on the inflation rates faced by people on low and high incomes because of variations in the goods and services they buy. For instance, people living in poverty spend a much higher proportion of their income on food, energy and housing.

The cost of different types of goods and services has changed in different ways, particularly since 2003, with the cost of electricity, gas and fuels rising much faster than overall inflation. This has contributed to the poorest fifth of the population experiencing a higher rate of inflation than the rest of the country in most of the last two decades.

For ONS analysis from 2014 click here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/compendium/variationintheinflationexperienceofukhouseholds/2014-12-15/bexecutivesummary>

Housing

Average rents continue to rise with ONS showing a 1.2% rise nationwide and a rise of 2.1% in the East Midlands.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change April 2019. Not seasonally adjusted	
Country/region	Percentage change on a year earlier
United Kingdom	1.2%
Great Britain	1.2%
England	1.2%
Wales	1.1%
Scotland	0.7%
Northern Ireland	2.0%
North East	0.4%
North West	1.3%
Yorkshire and The Humber	1.8%
East Midlands	2.1%
West Midlands	1.6%
East of England	1.4%
London	0.5%
South East	1.6%
South West	1.7%
UK excluding London	1.5%
GB excluding London	1.5%
England excluding London	1.6%

Source: ONS Index of Private Housing Rental Prices (IPHRP), published May 2019.

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.

Homelet (Published May 2019)

- Average UK new rents in April were £936 pcm (Greater London £1,617 pcm, UK excl. London £775 pcm)
- The UK figure was 2.0% higher than in April 2018
- The London figure was 1.8% higher than in April 2018

Source: <https://homelet.co.uk/homelet-rental-index>

House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£243,128	-0.5%	1.1%
Northern Ireland (Quarter 1 - 2019)	£134,811	-1.0%	3.5%
Scotland	£149,461	1.9%	3.3%
Wales	£158,696	0.0%	3.0%
East Midlands	£190,171	-0.4%	2.9%
East of England	£286,611	-1.1%	0.0%
London	£463,283	-0.4%	-1.9%
North East	£123,046	-1.1%	-0.8%
North West	£159,471	-1.7%	2.5%
South East	£318,491	-0.6%	-0.4%
South West	£253,752	-0.3%	1.3%
West Midlands	£196,571	-0.5%	3.4%
Yorkshire and The Humber	£162,129	1.8%	3.6%

Source: ONS UK House Price Index March 2019, published May 2019

Childcare

The **Coram Family and Childcare** Childcare Survey published in March reports that parents now pay an average of £127 per week, or over £6,600 per year, for just a part time nursery place. The Childcare Survey 2019 – the 19th annual survey – finds prices have risen by 3 per cent in the last year.

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 £175 per week, or £9,100 per year, compared to an average £108 per week in Yorkshire and Humberside, or £5,600 per year.

To read the full report click here: <https://www.familyandchildcaretrust.org/childcare-survey-2019>

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	
Britain	£127.12	£124.04	£242.35	£236.85	£113.31	£112.02	£220.95	£218.79	£65.70	£57.36
England	£128.98	£125.77	£245.95	£240.06	£114.37	£112.92	£222.99	£220.57	£65.64	£58.17
Scotland	£111.08	£107.86	£213.25	£208.53	£104.54	£103.46	£208.51	£206.28	£68.44	£54.17
Wales	£117.36	£116.19	£222.34	£221.16	£105.70	£105.70	£221.16	£202.09	£63.14	£48.77
Inner London	£174.54	£163.01	£329.54	£313.24	£159.46	£156.91	£302.99	£299.05	£110.49	£57.75
Northern Ireland excluded from analysis as different childcare funding makes comparisons difficult										

Source: *Coram Family and Childcare, 2019 Childcare Survey*, updated annually, published March 2019

GENDER PAY GAP

Employers publish gender pay gaps

The headline gender pay gap for organisations of over 250 employees has worsened over the last year. This is true for both the difference between the median hourly rate and the percentage of women paid less within organisations.

Gender pay gap Measure	2017-18	2018-19	change on year
Difference in median hourly percent (HEADLINE GENDER PAY GAP)	9.2	9.6	0.4
Difference in mean hourly percent	13.4	13.1	-0.3

Whether paid women more or less than men	2017-18	2018-19	change on year
Paid women less	77.10%	77.79%	0.69%
Paid women the same as men (0% gender pay gap)	8.80%	8.58%	
Paid women more	14.10%	13.63%	

Source: *CIPD Blog*

Any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women.

Employers must both:

- publish their gender pay gap data and a written statement on their public-facing website
- report their data to government online - using the gender pay gap reporting service.

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.

Click here to find out your employer's information and view all the published data: <https://gender-pay-gap.service.gov.uk/Viewing/search-results>

AVERAGE WEEKLY EARNINGS

Total Pay AWE: rises to 2.3% in March 2019 (3.3% in February 2019)
(including bonuses, % change year on year, single month, seasonally adjusted)

Regular Pay AWE: rises to 2.9% in March 2019 (3.2% in February 2019)
(excluding bonuses, % change year on year, single month, seasonally adjusted)

In March 2019, average total weekly earnings were estimated to have risen by 2.3%, against the revised increase of 3.3% for February 2019.

The figures for regular pay which strips out bonuses increased by 2.9% in the whole economy against a 3.2% rise for February.

Headline earnings growth (the rolling three-month average) for the whole economy in March decreased to 3.2% from 3.6% in February and for regular pay the three-month average in the whole economy was down on the previous months at 3.3% from 3.4% in February.

Average weekly earnings broken down by sector (seasonally adjusted)

Mar 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	2.3	3.2	2.9	3.3
Private sector	1.7	3.1	3.2	3.5
Public sector	2.6	2.5	2.1	2.3
Public Sector excluding financial services	2.3	2.4	2.1	2.4
Services	2.5	3.3	3.1	3.4
Finance and business services	1.8	3.3	3.7	3.9
Manufacturing	0.6	1.6	2.2	2.2
Construction	2.1	3.7	3.0	3.9
Wholesale, retailing, hotels & restaurants	-0.3	1.6	2.3	2.6

Source: ONS UK Labour Market Statistical Bulletin, May 2019

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 2018. The original median figures have been updated by the 2.5% increase in average weekly earnings, including bonuses, for the whole economy between April 2018 and March 2019 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	583.20
All male	624.20
All female	521.80
Managers	856.00
Professionals	763.70
Associate professionals	635.70
Admin & secretarial	457.50
Skilled/craft	537.70
Services	382.80
Sales	393.00
Operatives	502.30
Other manual jobs	394.80

Source: LRD *Fact Service*, Volume 81, Issue 20, 16 May 2019

LOW AND HIGH PAY

National Minimum Wage rates for April:

These are the Government's National Living Wage (NLW) and National Minimum Wage (NMW) from 1st April 2019³:

Year	25 + (NLW)	21 to 24	18 to 20	Under 18	Apprentice
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

Living Wage Foundation rates:

The Living Wage Foundation released new rates for the Living Wage in November 2018. They are:

- **UK rate: £9.00 per hour across the UK (an increase of 2.8%)**
- **London rate: £10.55 per hour (an increase of 3.4%)**

According to the Living Wage Foundation, "some 4,700 employers across the UK are signed up to the agreement, including large companies including IKEA, Aviva, Nationwide Building Society and Google. They have to pay the real living wage not just to their staff, but to any sub-contractors as well. About 180,000 employees will qualify for the pay rise."

KPMG research estimates that 22% of jobs now pay less than the real living wage - up from 21% in 2017. This equates to 5.75 million workers, up from 4.87 million five years ago.

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

Joseph Rowntree Foundation Minimum Income Standard (MIS)

The National Living Wage still leaves workers short of the JRF Minimum Income Standard (MIS) which is an annual study of incomes based on what the public think they need for a decent minimum living standard.

	Single, working age	Couple with two children, primary and pre-school age, supported by tax credits	Couple with two children, pre-school and primary age, supported by Universal Credit	Lone parent with one child preschool age, supported by tax credits	Lone parent with one child preschool age, supported by Universal Credit
MIS weekly budget including rent, childcare and Council Tax	£304.71	£772.61	£772.61	£523.77	£523.77
MIS budget after rent, Council Tax and childcare	£197.08	£453.89	£453.89	£299.31	£299.31
Annual earnings requirement to reach MIS per adult	£18,390	£19,996	£17,307	£28,474	£26,205
Hourly earnings requirement to reach MIS per adult	£9.40	£10.23	£8.85	£14.56	£13.40

JRF has also launched an online MIS calculator tool: <https://www.minimumincome.org.uk/>

Full details: <https://www.jrf.org.uk/report/minimum-income-standard-uk-2018>. This was updated in July 2018.

³ Further information on National Minimum Wage including eligibility and calculation is available at: <https://www.gov.uk/government/publications/calculating-the-minimum-wage/calculating-the-minimum-wage#overview>

Explaining the difference between UK wage floor rates:

	National Minimum Wage (NMW)	National Living Wage (Statutory NMW 25+)	Real Living Wages (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 on the cost of living, based on a basket of household goods and services
When do they apply?	April	April	November

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

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. The Unite website is currently going through an upgrade but the guides will be available again online soon. The website will provide a new Unite policy portal to bring all our policy and research information into a one-stop digital shop and an enhanced Campaigns Tools Library to ensure that union materials can be stored, viewed and ordered.

If you need a specific guide that is currently not available please contact the Unite research department on research.enquiries@unitetheunion.org

Contact details

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

Company accounts

Requests for information relating to company accounts should be sent to:
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