

Unite bargaining brief



Unite the Union

June 2019

INTRODUCTION

The latest official figures show inflation stabilising, remaining at 3% on the RPI measure. But, as the TUC points out, this means that the government must do more to get wages rising faster and rebuild public services.¹

The Institute for Fiscal Studies finds that median (middle) household income stalled completely in 2017–18. This was only the fourth year in the last 30 years in which household incomes have not grown. The key driver for stalling income overall has been employee earnings growth being lower than inflation in 2017–18.²

Examples of recent inflation-proofed deals secured by Unite include a 5% increase for workers employed by Babcock at RAF Valley on Anglesey³ and a three year pay deal worth a minimum of 10% for Unite members making the iconic MINI at BMW's Cowley plant in Oxford.

John Earls, Director of Research

SUMMARY

- Median settlements at 2.7% (LRD, Apr 2019), 2.5% (IDR, Apr 2019), 2.5% (XpertHR, May 2019)
- Inflation rises: RPI 3%, CPIH 1.9%, CPI 2.0% (May 2019)
- The single month Average Weekly Earnings growth rose to 3.3% on the year to April 2019 for total pay, including bonuses and 3.8% for regular pay
- RPI forecast to fall throughout the second half of 2019 but remain above 2.5%
- 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 2.7% for the three months to April 2019

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

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

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

NEW LRD – Median Payline deals averaging 2.7% (trade union deals)

Labour Research Department reported in May's *Workplace Report* that "the median (midpoint) increase for pay deals on LRD's Payline database for the three months to April is 2.7% — that's the same median as for January, February

¹ <https://www.tuc.org.uk/news/inflation-stable-government-must-get-ending-austerity-says-tuc>

² <https://www.ifs.org.uk/publications/14193>

³ <https://unitetheunion.org/news-events/news/2019/june/pay-soars-for-welsh-workers-maintaining-raf-hawk-jets/>
<https://unitetheunion.org/news-events/news/2019/june/unite-secures-10-per-cent-pay-deal-for-mini-workers/>

and March. In the private sector the median has slipped from 2.8% in the first three months of the year to 2.7% in April.

With RPI inflation running at between 2.4% and 2.5% in the first quarter of the year, the increases in pay deals were in real terms, that is, outstripped inflation. However, the latest 3.0% rise in inflation means pay has lost ground.”

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-Apr
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
All agreements	3.0	3.0	2.9	2.4	2.2	2.2	3.5	3.5	2.7	2.7	2.7	2.7	2.6
Private sector	3.0	3.0	3.0	2.8	2.7	3.0	3.4	3.4	2.8	2.8	2.8	2.7	2.8
Public sector	3.0	3.0	2.1	1.0	1.5	1.5	3.5	3.5	1.5	1.5	1.5	2.8	2.0
Manual	3.0	3.0	3.0	2.8	2.8	3.4	3.5	3.5	2.8	2.8	2.8	2.7	2.8
Non-manual	3.0	3.0	2.5	2.0	2.0	2.0	3.4	3.4	2.5	2.5	2.5	2.6	2.5
All industries	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.6	2.7	2.8	2.7
All services	3.0	3.0	2.8	2.0	2.0	2.0	3.5	3.5	2.9	2.8	2.8	2.6	2.5

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	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
By agreements	2.8	2.9	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.7
By workers covered	5.9	6.0	5.9	6.4	6.6	6.4	6.6	6.7	6.7	6.8	6.7	3.9

The figures show median (midpoint) pay settlements among all the agreements monitored through LRD’s Payline database. The weighted median (by number of workers covered) appears in the 12-monthly table.

Source: LRD Workplace Report, May 2019

NEW XpertHR: Median awards remain at 2.5%

XpertHR reports that “Employers awarded a median 2.5% annual pay rise to staff in the three months to the end of May 2019... This is unchanged since the beginning of the year, and is the same level recorded a year ago.

The current median pay award also continues to be below the level of retail prices index (RPI) inflation – as RPI remained at 3% in May 2019. Analysts predict that RPI may slow in the second half of the year, although pay awards are forecast to remain at their current level. In our current sample, 86.6% of pay awards are worth the same or less than RPI.

Based on a sample of 238 pay awards in the three months to the end of May 2019, XpertHR finds the following:

- The median basic pay award stands at 2.5%. Half of all pay awards fall within half a percentage point of this figure, with an interquartile range - which measures the range of the middle 50% of pay awards - of between 2% (the lower quartile) and 3% (the upper quartile).
- Among a matched sample, lower pay awards dominate, with 43.1% worth less than the same group of employees received in the same period a year ago. Around three in 10 were higher than (29.8%) or at the same level as (27.1%) the previous year.

- Around a quarter (26.1%) of pay awards are worth exactly 2.5%, followed by those at 2% (15.7% of the sample) and 3% (13.5%).
- Public sector pay awards are worth a median 2.5%, with the most common awards being 2.5% and 2%.
- Both the manufacturing and production, and services sectors, recorded a median 2.5% pay award in the latest period.

April marks the start of the public sector pay round each year – although the delay in the publication of the civil service pay remit guidance (until 13 June) means that most public sector pay awards in our sample come from local government. Among local authorities, the median pay increase in the three months to the end of May 2019 is 2.4%. Civil servants are again limited to a “1% average pay award” although organisations have the “flexibility to spend up to a further 1% of pay awards” on their 2019/20 pay award.

Over the 12 months to the end of May 2019, the median pay award in the private sector is 2.5%, compared with 2.3% in the public sector.”

Source: XpertHR Press Release, 20 June 2019

NEW IDR – Median pay awards at 2.5%

Incomes Data Research (IDR) reported in its latest *Viewpoint* (June 2019) that “the median pay award across the economy returned to 2.5% for the three months to the end of April 2019, having risen to 2.65% in March. The interquartile range has widened slightly from between 2.1% and 3.0% to between 2.0% to 3.0% as a result of fewer higher-end awards at or above 3%. This was mainly because comparatively higher awards in manufacturing, effective in January, fell out of the rolling three-month analysis period this month. Currently, awards at this higher-level account for around a quarter (27%) of all deals and over a third of awards within the private services area.

The private sector median is down from 2.7% to 2.5%, influenced by a fall in the median in manufacturing from 2.75% to 2.5%. In the private services area, however, the median increased from 2.5% to 2.6%, reflecting a rise in the number of higher-end awards worth 3% or more in this sector. While January is a more popular month for pay setting in manufacturing, April is a key month for deals in private services.”

Pay award data - three months to end of April 2019

	Whole economy	Private sector	Manufacturing & production	Private services	Not-for-profit	Public sector
Median	2.5%	2.5%	2.5%	2.6%	2.5%	2.0%
Average	2.6%	2.7%	2.1%	3.0%	2.5%	2.0%
Interquartile	2.0 to 3.0%	2.1 to 3.1%	2.0 to 2.6%	2.4 to 3.9%	2.2 to 2.5%	1.9 to 2.2%
Based on 78 pay awards covering 1,917,982 employees						

Source: IDR *Viewpoint*, June 2019

Whole economy pay awards in the three-months ending at each date

	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
Lower quartile	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.0%
Median	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.6%	2.5%
Upper quartile	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%r	3.0%	3.0%	3.0%	3.0%
Average	2.6%	2.5%	2.5%	2.5%	2.5%	2.9%r	2.3%	2.6%	2.7%	2.7%	2.6%
Total*	383	108	107	96	57	46	36	76	77	76	78
*Total number of pay awards recorded in the three-month period, r = revised											

Source: IDR *Pay Climate*, June 2019

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

Agreement	Sector	Start	Description
Rudolph & Hellmann Automotive	Manufacturing	01/06/19	A 4% increase in salaries from 1 June 2019. Overtime rates remain at 1.3 and 1.7 times the basic rate. A one-off consideration bonus payment of up to 12.9% of monthly salary for staff who commenced employment on or before 1 January 2019 and who have remained employed in June 2019 without serving notice.
Mitie Security (Southampton General Hospital)	Health/Security	01/05/19	A 14.5% increase for security officers and 7% for security supervisors from 1 May 2019. A phased-in increase over the next two years to three months full pay followed by three months half pay where members are injured whilst carrying out their duties. All personal protective equipment (PPE) requested will be introduced. A new recognition agreement between Unite and Mitie Security.
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).
Babcock RAF Valley	Repair and maintenance of aircraft and spacecraft	01/04/19	A 5% increase from 1 April 2019.
ICTS Edinburgh Airport	Transport	01/04/19	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.

Source: LRD Pay & Conditions database online, June 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 3.0% in the year to May 2019 (3.0% in the year to April 2019)
CONSUMER PRICE INDEX (CPI) 2.0% in the year to May 2019 (2.1% in April 2019)
CONSUMER PRICE INDEX- HOUSING (CPIH) 1.9% in year to May 2019 (2.0% in April 2019)

Inflation falls across all measures

Officially RPI has remained at 3%, although ONS has admitted that the April figure was miss-calculated and should have been 3.1%. The official policy is not to amend errors in inflation statistics⁴.

Inflation under the Consumer Prices Index Housing (CPIH) fell to 1.9% while inflation under the CPI — which is used by the Bank of England’s Monetary Policy Committee to inform its decisions on interest rates — fell to 2.0%.

Unite argues that negotiators should use the RPI as the basis for negotiations. For a discussion of why see here: <http://touchstoneblog.org.uk/2017/03/controversies-around-inflation-measurement-annual-real-wages-fallen-2100-1200-800/>

Price inflation

	% increase on a year earlier		
	RPI	CPIH	CPI
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
May	3.0	1.9	2.0

Source: ONS June 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:

- 4.1% rise in leisure services due to dearer holiday prices and increases in tv licences and rentals
- 7.2% rise in fares and other travel costs
- 3.8% rise in the clothing and footwear group, included an increase of 7.5% in women’s clothing.
- 4.6% rise in household services including telephones bills
- 10.2% rise in fuel and light costs, particularly electricity 14% and gas 7%
- Tobacco prices rose 5.9%

⁴ <https://www.euronews.com/2019/05/24/uk-statistics-agency-says-it-miscalculated-april-rpi-inflation-data>

RPI components rising faster than inflation (3.0%)

	% annual increase
Broad Categories	
Housing and household expenditure	3.3
Fuel and light	10.2
Tobacco	5.9
Household services	4.6
Clothing and footwear	3.8
Fares and other travel costs	7.2
Leisure services	4.1
Significant rises	
Oil and fats	9.3
Soft drinks	4.1
Vegetables other than potatoes	4.1
of which fresh vegetables	5.4
Take-away meals and snacks	3.4
Cigarettes	5.4
Mortgage interest payments	4.8
Council tax and Rates	4.7
Water and other charges	3.1
Dwelling insurance and ground rent	6.3
Coal and solid fuels	4.7
Electricity	14.0
Gas	7.0
Furniture	4.6
Postage	4.0
Telephones, telemessages, etc	6.3
Domestic services	3.1
Fees and subscriptions	3.6
Men's outerwear	4.2
Women's outerwear	7.5
Children's outerwear	4.9
Personal services	3.2
Maintenance of motor vehicles	3.1
Petrol and oil	3.9
Vehicle tax and insurance	5.0
Rail fares	3.2
Other travel costs	9.4
Books and newspapers	4.9
Television licences and rentals	4.6
Foreign holidays (Jan 1993 = 100)	4.1
UK holidays (Jan 1994=100)	5.7

Source: ONS June 2019

Inflation forecasts

Inflation forecasts reported by in IDR Pay Climate suggest that RPI “is likely to fall slowly throughout the rest of 2019 but then turn up once again as we move into 2020. Brexit means that there is some considerable uncertainty in how prices will change.

RPI forecasts

HM Treasury’s monthly comparison of inflation forecasts report RPI as follows:

	Date Published	Fourth quarter 2019	Fourth quarter 2020
City forecasts			
Bank of America - Merrill Lynch	Jun	2.0%	2.2%
Barclays Capital	Sep	2.8%	-
Capital Economics	Jun	2.8%	3.1%
Citigroup	Jun	2.3%	2.1%
Commerzbank	Jun	2.1%	2.1%
Deutsche Bank	Apr	2.7%	3.2%
Goldman Sachs	Jan	2.8%	-
HSBC	Jun	2.4%	2.5%
Natwest Markets	Jun	2.2%	2.7%
Pantheon	Jun	2.3%	3.0%
Santander GBM	Apr	2.9%	2.5%
Schroders Investment Management	May	2.5%	3.2%
Societe Generale	Jun	2.3%	2.5%
Independent forecasts			
Beacon Economic Forecasting	May	2.5%	2.9%
CBI	Jan	3.1%	-
CEBR	Apr	2.9%	3.1%
Economic Perspectives	Jun	3.4%	4.2%
Experian Economics	Jun	2.5%	3.2%
Heteronomics	Jun	1.9%	3.1%
ITEM Club	Jun	2.5%	3.1%
NIESR	Jun	3.2%	3.7%
Oxford Economics	Jun	2.4%	3.2%
UBS	Jun	2.8%	-
3 months average - City	Jun	2.4%	2.8%
3 months average – Independent	Jun	2.5%	2.9%
Median	Jun	2.5%	3.0%

Source: HM Treasury, *Forecasts for the UK Economy*, June 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 1.3% 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 May 2019. Not seasonally adjusted	
Country/region	Percentage change on a year earlier
United Kingdom	1.3%
Great Britain	1.3%
England	1.3%
Wales	1.1%
Scotland	0.8%
Northern Ireland	2.1%
North East	0.5%
North West	1.3%
Yorkshire and The Humber	1.8%
East Midlands	2.1%
West Midlands	1.4%
East of England	1.2%
London	0.9%
South East	1.5%
South West	2.0%
UK excluding London	1.5%
GB excluding London	1.5%
England excluding London	1.5%

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

- Average UK new rents in May were £934 pcm (Greater London £1,602 pcm, UK excl. London £776 pcm)
- The UK figure was 1.6% higher than in April 2018
- The London figure was 1.0% 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	£245,128	0.7%	1.1%
Northern Ireland (Quarter 1 - 2019)	£134,811	-1.0%	3.5%
Scotland	£150,825	0.7%	1.6%
Wales	£163,902	2.4%	6.7%
East Midlands	£192,682	0.9%	2.9%
East of England	£289,436	0.3%	0.6%
London	£471,504	2.4%	-1.2%
North East	£130,888	5.0%	2.0%
North West	£161,891	0.6%	2.6%
South East	£318,727	-0.1%	-0.8%
South West	£253,410	-0.1%	1.3%
West Midlands	£195,498	-0.2%	2.2%
Yorkshire and The Humber	£161,443	0.3%	2.5%

Source: ONS UK House Price Index April 2019, published June 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.

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 3.3% in April 2019 (2.7% in March 2019)
(including bonuses, % change year on year, single month, seasonally adjusted)

Regular Pay AWE: rises to 3.8% in April 2019 (3.1% in March 2019)
(excluding bonuses, % change year on year, single month, seasonally adjusted)

In April 2019, average total weekly earnings, including bonuses, were estimated to have risen by 3.3% against the revised increase of 2.7% for March.

The figures for regular pay which strips out bonuses increased by 3.8% in April against 3.1% in March for the whole economy.

Headline earnings growth (the rolling three-month average) for the whole economy in April was down to 3.1% from 3.3% and for regular pay the three-month average for the whole economy was up to 3.4% from 3.3% in March.

Average weekly earnings broken down by sector (seasonally adjusted)

April 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	3.3	3.1	3.8	3.4
Private sector	3.7	3.2	3.8	3.5
Public sector	4.2	3.0	4.2	2.8
Public Sector excluding financial services	4.2	2.9	4.2	2.9
Services	3.3	3.2	3.8	3.4
Finance and business services	3.7	3.4	4.0	3.9
Manufacturing	2.0	1.6	2.3	2.2
Construction	4.9	4.4	4.3	4.1
Wholesale, retailing, hotels & restaurants	1.3	1.0	2.7	2.4

Source: ONS UK Labour Market Statistical Bulletin, June 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 3.3% increase in average weekly earnings, including bonuses, for the whole economy between April 2018 and April 2019 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	587.80
All male	629.10
All female	525.90
Managers	862.70
Professionals	769.70
Associate professionals	640.70
Admin & secretarial	461.00
Skilled/craft	541.90
Services	385.80
Sales	396.10
Operatives	506.20
Other manual jobs	397.90

Source: LRD *Fact Service*, Volume 81, Issue 24, 13 June 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 2019⁵:

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.

⁵ 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/>

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. 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