

Unite bargaining brief



Unite the Union

September 2019

INTRODUCTION

The latest figures show inflation falling on both the CPI and RPI measures. And whilst it may provide some relief from rising prices it also indicates weaker growth.

On the issue of inflation, the UK Statistics Authority has called for the publication of the RPI “*be stopped at a point in future*”¹, a move that has been condemned by the TUC.² Trade unions, including Unite, have opposed discarding the RPI since the attacks began in 2012. The TUC sets out the position in its submission to the Economic Affairs Committee of the House of Lords³ who in its report said that the UKSA had basically failed in its “*statutory duty to promote and safeguard the quality of official statistics*” and that with improvements the RPI “*would be a viable candidate for the single general measure of inflation*”.

Unite has vowed to take action to prevent a new wages crisis following the government's decision to scrap the Retail Prices Index and is looking at formulating a Unite Bargaining Index.⁴

John Earls, Director of Research

SUMMARY

- Median settlements at 2.8% (LRD, June 2019), 2.5% (IDR, July 2019), 2.5% (XpertHR, Aug 2019)
- Inflation falls: RPI 2.6%, CPIH 1.7%, CPI 1.7% (Aug 2019)
- RPI forecast to fall throughout the second half of 2019 with a median forecast of 2.6% for the fourth quarter
- Childcare prices have risen 3% over the last year
- The single month Average Weekly Earnings growth rose to 4.3% on the year to June 2019 for total pay, including bonuses and 3.7% for regular pay
- National Minimum Wage rate (from April 2019) - £8.21 per hour (over 25s NLW)
- Real Living Wage (LWF) is significantly higher at £9.00 (UK) and £10.55 (London)
- Minimum Income Standard publish by JRF

PAY SETTLEMENTS

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

IDR median settlements at 2.5% for the three months to July 2019

XpertHR median settlements at 2.5% for the three months to the end of August 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*.

¹ <https://www.statisticsauthority.gov.uk/news/uk-statistics-authority-statement-on-the-future-of-the-rpi/>

² <https://www.tuc.org.uk/blogs/statistical-authorities-abandon-their-duty-protect-rpi>

³ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/economic-affairs-committee/the-use-of-rpi/written/86883.html>

⁴ <https://unitetheunion.org/news-events/news/2019/september/unite-vows-to-fight-government-plans-to-scrap-rpi-and-stop-employers-cutting-pay-and-pensions/>

LRD – Median Payline deals continue averaging 2.8% (trade union deals)

LRD Workplace report in July states that *“It’s as you were with collectively agreed pay settlements. The median (midpoint) increase for pay deals on LRD’S Payline database for the three months to June was 2.8% — the same increase as for the other months of 2019.*

Increases in pay settlements has been lagging behind inflation as the RPI rate has been running at 2.9% in June, 3.0% in May and April.

However, in the latest available two months, official data on average weekly earnings, excluding bonuses, show growth has outstripped inflation by 0.8 percentage points in May and 1.0 percentage points in April.”

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 XperHR.

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-May
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
All agreements	2.7	2.0	2.1	2.0	3.4	3.5	2.8	2.8	2.8	2.8	2.8	2.8	2.7
Private sector	2.8	2.7	2.7	3.0	3.4	3.4	2.8	2.8	2.8	2.7	2.8	2.8	2.8
Public sector	2.2	1.0	1.5	1.5	3.5	3.5	2.3	2.5	2.5	3.0	3.0	3.0	2.0
Manual	2.8	2.8	2.8	3.3	3.5	3.5	2.9	2.9	2.9	2.7	2.8	2.8	2.9
Non-manual	2.5	1.8	2.0	2.0	3.3	3.3	2.8	2.8	2.8	2.7	2.7	2.7	2.5
All industries	3.0	3.0	3.0	3.0	3.0	2.8	2.7	2.6	2.7	2.8	2.9	2.8	2.8
All services	2.6	1.8	2.0	2.0	3.5	3.5	3.0	3.0	3.0	2.8	2.8	2.8	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:	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
By agreements	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.7	2.7	2.7
By workers covered	5.9	6.4	6.6	6.4	6.6	6.7	6.7	6.8	6.7	3.9	3.9	3.8

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, July 2019 (Workplace report is not published in August)

IDR – Pay awards for 2019 at 2.6%

Incomes Data Research has released the results of its annual pay survey⁵.

The survey reports that *“The median pay award for 2019 survey respondents is 2.6% with an interquartile range between 2 and 3%. This is based on pay review outcomes for ‘all employees’ or staff groups representing the largest proportion of the organisation. Just over half of organisations awarded pay increases between 2% and 2.99% in 2019 (52%), while just over a quarter applied pay awards between 3% and 3.99% (28%). On either side of these ranges, a tenth of organisations awarded increases below 2% and just over a tenth (11%) of organisations have paid increases worth more than 4%.*

⁵ <https://www.incomesdataresearch.co.uk/resources/viewpoint/pay-planning-for-2020-addressing-skills-shortages-rises-up-reward-agendas>

Compared to 2018, a majority (55%) applied the same pay increase this year, with just over a quarter of organisations (27%) applying higher pay awards this year than last.

Most companies anticipate awarding the same level of increase in 2020 as they did this year (72%) but just under a fifth (17%) of respondents indicated that they may apply lower increases in 2020. Of the companies expecting to award lower increases in 2020 compared to 2019, the main reason cited was an increase in cost pressures or worsening trade conditions.”

The survey also looks at the varied pay pressures on employers with the public sector still suffering from budget cuts, while transport, storage, distribution, hospitality and services are facing upward pressures from skills and labour shortages, unions and the living wage.

Median pay awards at 2.5% for the three months to June

Incomes Data Research (IDR) reported in its September *Pay Climate* (September 2019) that “The median pay award across the whole economy was 2.5% in the three months to July 2019... The interquartile range has narrowed slightly from between 2.0% and 3.0% to between 2.1% and 3.0% as a result of a rising floor and more higher-end awards at or above 3%. In fact the most common award in this period is 3% or more, compared to less than a third (31.5%) in the three months to June.

The figures are based on a sample of 49 pay settlements covering 560,000 employees.”

Pay award data - three months to end of July 2019

	Whole economy	Private sector	Manufacturing	Private services	Not-for-profit
Median	2.5%	2.5%	2.9%	2.5%	2.5%
Average	2.6%	2.5%	2.6%	2.5%	2.8%
Interquartile range	2.1 to 3.0%	2.1 to 3.0%	2.3 to 3.0%	2.0 to 3.0%	2.2 to 3.5%

Source: IDR *Pay Climate*, September 2019

XpertHR: Median awards at 2.5%

XpertHR reports that “the median pay award is unchanged at 2.5% in the three months to the end of August 2019... This marks the longest period of stability in pay awards since the end of 2017.

At 2.6% in August, retail price index (RPI) inflation is still ahead of the current median pay award. Pay awards have been worth less than RPI inflation since September 2016.

Latest pay award findings

Based on a sample of 127 pay awards from across the economy effective between 1 June and 31 August 2019, XpertHR find that:

- The median basic pay award in the three months to the end of August 2019 is 2.5%, unchanged since the beginning of the year.
- Pay awards remain tightly bunched around the median figure, with the middle half of awards falling within one percentage point between 2% and 3%.
- Among a matched sample for which we have details of the most recent and previous pay review, 36.5% of settlements were worth the same in both years. Slightly fewer (34.9%) were lower this year, while just 28.6% were higher compared with a year ago.
- Pay awards in the manufacturing and services sectors have both centred on a 2.5% median in the first half of 2019, but in the latest data awards in the manufacturing sector have moved up to a 2.8% median, while in the services sector 2.5% remains the benchmark award.
- Pay award levels in the private sector mirror those across the whole economy, sitting at 2.5% in every rolling quarter so far this year.

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

Agreement	Sector	Start	Description
Mitie (Sellafield)	Cleaning services	01/08/19	A 55pph increase up to the Living Wage Foundation living wage of £9.00ph for all staff from 1 August 2019. This equates to a 6.5% increase.
Martin Baker Aircraft	Manufacturing	01/08/19	A 3% increase to basic pay from 1 August 2019. Plus a 3% of basic pay bonus paid to all staff in December 2019. Improvements in maternity pay from statutory to full pay for 6 weeks, followed by half pay for 12 weeks, with the remainder of leave at statutory rates. Improvements in paternity pay from statutory to one week at full pay, second week at statutory rate. Staff can now buy one week's extra holiday with costs spread over either 6 or 12 months. Buying periods in January and July.
Incentive FM (Addleshaw Goddard)	Cleaning services	01/09/19	A 5% increase from 1 September 2019 with staff earning a minimum of the London Living Wage. Workers continue to campaign for a commitment to London Living Wage increases each year along with equal sick pay and annual leave entitlements for all cleaners.
Caterers Offshore Trade Association (COTA)	Food and catering services	01/09/19	A 3% increase to annual salaries and adhoc day rates from 1 September 2019. Weather delays (crew delay inbound) will now be paid at the Premium Offshore Overtime Daily Rate (equates to 0.5%). Accommodation will now be provided for nightshift demobilising if requested (equates to 0.3%). A £5 per band increase in travel allowance (equates to 0.18%) and an increase in mileage allowance from 25ppm to 30ppm (equates to 0.01%).
Martin Baker Aircraft	Manufacturing	01/08/19	A 3% increase to basic pay from 1 August 2019. Plus a 3% of basic pay bonus paid to all staff in December 2019. Improvements in maternity pay from statutory to full pay for 6 weeks, followed by half pay for 12 weeks, with the remainder of leave at statutory rates. Improvements in paternity pay from statutory to one week at full pay, second week at statutory rate. Staff can now buy one week's extra holiday with costs spread over either 6 or 12 months. Buying periods in January and July.
GKN Aerospace (Kings Norton)	Manufacturing	01/07/19 01/07/20	First year of a two-stage two-year agreement with a 3% increase from 1 July 2019. In the second year, from 1 July 2020, a further 3%.
Lineside Logistics (Ford, Dagenham)	Road Transport	01/07/19	A 3% increase in pay from 1 July 2019. Additional financial improvements to terms and conditions including a new attendance bonus scheme (with up to £500 for 100% annual attendance) and an extra £25 per week for First Aiders.
Tesco Distribution (Antrim)	Road Transport	04/07/19	From 4 July 2019, a 3% increase to all hourly rates of pay including premiums and deputising. Company has committed to undertake a review of the Support Clerk role.
Tesco Distribution Teesport (Middlesbrough)	Road Transport	01/07/19	A 29.3pph increase to all hourly rates of pay from 1 July 2019. This equates to a 3% increase for New Starters (on completion of training), Warehouse Operatives and Clerks, and Payroll/Personnel Clerks
Baxterstorey - ExxonMobil refinery Fawley	Chemicals	01/07/19	A 3% increase from 1 July 2019.

Source: LRD Pay & Conditions database online, September 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 2.6% in the year to August 2019

CONSUMER PRICE INDEX (CPI) 1.7% in the year to August 2019

CONSUMER PRICE INDEX- HOUSING (CPIH) 1.7% in year to August 2019

RPI inflation falls slightly while CPI and CPIH rise

RPI has fallen to 2.6% in August, from 2.8% in July.

Inflation under the Consumer Prices Index Housing (CPIH) and the CPI — which is used by the Bank of England's Monetary Policy Committee to inform its decisions on interest rates — both fell to 1.7%.

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
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
June	2.9	1.9	2.0
July	2.8	2.0	2.1
August	2.6	1.7	1.7

Source: ONS September 2019

When broken down, seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 2.6%.

These included:

- A 7.7% rise in air fares and other travel costs as part of a 6.4% increase in the fares group overall
- 6.1% rise in the fuel and light group included a 9.6% increase in electricity prices, offset slightly by a 0.5% fall in oil and other fuels.
- Leisure services' rose by 3.4% including a 5.0% increase in the cost of UK holidays.
- Catering increased by 3.1% and a 3.3% increase in take-away meals and snacks.
- The overall rise in clothing and footwear was 4.9% but included increases of 8.8% for women's clothing, 5.9% for men's and 5.55 for children's clothing.

RPI components rising faster than inflation (2.6%)

	% annual increase
Broad Categories	
Fuel and light	6.1
Tobacco	5.7
Household services	3.7
Clothing and footwear	4.9
Catering	3.1
Fares and other travel costs	6.4
Leisure services	5.0
Significant rises	
Cereals	4.9
Biscuits and cakes	3.2
Oil and fats	17.5
Soft drinks	4.2
Potatoes	3.9
Vegetables other than potatoes	5.9
of which fresh vegetables	6.3
Restaurant meals	2.9
Take-away meals and snacks	3.5
Cigarettes	5.1
Council tax and Rates	4.7
Water and other charges	3.1
Do-it-yourself materials	2.9
Dwelling insurance and ground rent	6.4
Coal and solid fuels	3.9
Electricity	9.6
Gas	3.2
Pet care	2.8
Postage	4.0
Telephones, telemessages, etc	4.4
Domestic services	3.0
Fees and subscriptions	3.5
Men's outerwear	5.9
Women's outerwear	8.8
Children's outerwear	5.5
Vehicle tax and insurance	5.6
Books and newspapers	7.1
Television licences and rentals	4.6
Foreign holidays (Jan 1993 = 100)	3.6
UK holidays (Jan 1994=100)	5.0
Rail fares	3.5

Source: ONS August 2019

Inflation forecasts

IDR reports in its September *Pay Climate* that its panel of City economists sees “RPI falling in the near period...then picking up at the end of the year and rising to a peak of 3% on average in March 2020. They think it will moderate slightly in the medium term before rising again in the second half of 2020 to similar levels”.

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	Sep	2.2%	2.5%
Barclays Capital	Sep	2.8%	2.9%
Capital Economics	Sep	2.7%	3.0%
Citigroup	Aug	2.7%	2.3%
Commerzbank	Sep	2.8%	2.2%
Deutsche Bank	Aug	2.3%	3.0%
Goldman Sachs	Jan	2.8%	-
HSBC	Sep	2.4%	2.6%
Morgan Stanley	Aug	2.4%	2.6%
Natwest Markets	Aug	2.3%	2.5%
Pantheon	Jun	2.3%	3.0%
Santander GBM	Apr	2.9%	2.5%
Schroders Investment Management	Aug	2.7%	2.4%
Societe Generale	Sep	2.6%	2.5%
Independent forecasts			
Beacon Economic Forecasting	Sep	2.5%	3.5%
CBI	Sep	2.2%	2.6%
CEBR	Sep	2.9%	3.1%
Economic Perspectives	Sep	3.4%	4.2%
Experian Economics	Jul	2.5%	3.2%
Heteronomics	Sep	2.6%	3.1%
ITEM Club	Sep	2.7%	2.9%
NIESR	Sep	2.7%	3.9%
Oxford Economics	Sep	2.3%	3.1%
3 months average - City	Sep	2.6%	3.0%
3 months average – Independent	Sep	2.6%	2.9%
Median	Sep	2.6%	2.9%
OBR	Mar	2.9%	2.8%

Source: HM Treasury, *Forecasts for the UK Economy*, September 2019

Inflation is higher for people on low incomes

ONS analysis in 2014 showed how 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. This highlighted that people living in poverty spend a much higher proportion of their income on food, energy and housing and therefore 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% in the South West.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change August 2019. Not seasonally adjusted	
Country/region	Percentage change on a year earlier
United Kingdom	1.3%
Great Britain	1.3%
England	1.3%
Wales	1.2%
Scotland	0.9%
Northern Ireland	1.9%
North East	0.6%
North West	1.3%
Yorkshire and The Humber	1.6%
East Midlands	1.9%
West Midlands	1.5%
East of England	1.3%
London	0.8%
South East	1.6%
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 September 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 August 2019)

- Average UK new rents in July were £959 pcm (Greater London £1,665 pcm, UK excl. London £794 pcm)
- The UK figure was 2.3% higher than in July 2018
- The London figure was 3.1% higher than in July 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	£248,837	0.5%	0.3%
Northern Ireland (Quarter 2 - 2019)	£136,767	0.8%	3.5%
Scotland	£153,968	0.7%	1.4%
Wales	£165,303	1.0%	4.2%
East Midlands	£194,798	0.3%	1.9%
East of England	£292,444	0.1%	-0.5%
London	£477,813	1.0%	-1.4%
North East	£127,466	-2.1%	-2.9%
North West	£166,022	1.0%	2.3%
South East	£320,454	-0.7%	-2.0%
South West	£258,602	1.2%	0.7%
West Midlands	£199,802	1.2%	1.8%
Yorkshire and The Humber	£167,181	1.9%	3.2%

Source: ONS UK House Price Index July 2019, published September 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

	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*: https://www.cipd.co.uk/Community/blogs/b/policy_at_work/posts/gender-pay-gap-reporting-analysis-of-data-after-the-deadline-of-midnight-4-4-2019

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 4.3% in July 2019 (3.9% in June 2019)
(including bonuses, % change year on year, single month, seasonally adjusted)

Regular Pay AWE: rises to 3.7% in July 2019 (4.0% in June 2019)
(excluding bonuses, % change year on year, single month, seasonally adjusted)

In July 2019, average total weekly earnings, including bonuses, were estimated to have increased by 4.2% against the revised increase of 3.9% for June.

The figures for regular pay which strips out bonuses increased by 3.7% in July against 4.0% in June for the whole economy.

Headline earnings growth (the rolling three-month average) for the whole economy in July was up to 4.0% from 3.8% and for regular pay the three-month average for the whole economy was up to 3.8% from 3.9% in June.

Average weekly earnings broken down by sector (seasonally adjusted)

July 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	4.2	4.0	3.7	3.8
Private sector	4.2	4.1	3.8	3.9
Public sector	3.7	3.7	3.2	3.5
Public Sector excluding financial services	3.7	3.7	3.3	3.5
Services	4.4	4.2	3.8	4.0
Finance and business services	5.3	5.3	4.4	4.6
Manufacturing	2.0	2.4	2.3	2.4
Construction	7.0	6.2	5.5	5.3
Wholesale, retailing, hotels & restaurants	2.9	2.8	3.1	3.2

Source: ONS UK Labour Market Statistical Bulletin, September 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 5.2% increase in average weekly earnings, including bonuses, for the whole economy between April 2018 and July 2019 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	598.60
All male	640.70
All female	535.60
Managers	878.50
Professionals	783.80
Associate professionals	649.50
Admin & secretarial	469.50
Skilled/craft	551.90
Services	392.90
Sales	403.30
Operatives	515.50
Other manual jobs	405.20

Source: LRD *Fact Service*, Volume 81, Issue 37, 12 September 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 2019⁶:

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>

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

⁶ 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>

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 supported by Universal Credit	Lone parent with two children, supported by tax credits	Lone parent with two children, supported by Universal Credit
MIS weekly budget including rent, childcare and Council Tax	£313.68	£788.99	£788.99	£696.43	£696.43
MIS budget after rent, Council Tax and childcare	£203.90	£463.74	£463.74	£377.90	£377.90
Annual earnings requirement to reach MIS per adult	£18,800	£20,600	£17,000	£36,500	£28,700
Hourly earnings requirement to reach MIS per adult	£9.61	£10.54	£8.69	£18.76	£14.68

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-2019>. This was updated in July 2019.

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**
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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