Unite bargaining brief

Unite the Union **January 2020**

INTRODUCTION

As the latest official statistics show nominal pay growth slowing and real wages still lower than before the financial crisis, it is indeed the case that "the government needs a plan to boost workers' pay and living standards".[1]

The government has announced new rates for the National Minimum Wage/National Living Wage that will come into effect in April 2020, and this is reported in more detail on pages 11 of this *Bargaining Brief*. Whilst the increases are significantly higher than inflation, the rates are still below the £10 an hour that Unite has argued is necessary and affordable.[2]

John Earls, Director of Research

SUMMARY

- **Median settlements at 2.8% (LRD, Nov 2019), 2.5% (IDR, Nov 2019), 2.2% (XpertHR, Dec 2019)**
- **RPI Inflation: RPI 2.2%, CPIH 1.4%, CPI 1.3% (Dec 2019)**
- **RPI forecast at a median of 2.5% for the fourth quarter 2019**
- **The single month Average Weekly Earnings growth at 3.3% on the year to Nov 2019 for total pay, including bonuses and 3.3% for regular pay.**
- **Childcare prices have risen 3% over the last year**
- **National Minimum Wage rate (from April 2019) - £8.21 per hour (over 25s NLW)**
- **New NMW and NLW rates announced for April 2020, and the NLW age rate will be reduced to over 23s from 2021.**
- **Real Living Wage (LWF): £9.30 (UK) and £10.75 (London)**

PAY SETTLEMENTS

LRD median settlements at 2.8% for the three months to November 2019
IDR median settlements at 2.5% for the three months to December 2019
XpertHR median settlements at 2.2% for the three months to the end of December 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*.

LRD – Median Payline Settlements rise to 2.8% (trade union deals)

LRD Workplace Report in December states that *"In November, the median pay increase in collectively agreed settlements edged higher to 2.8% from the revised increase of 2.7% for October. Data for 2019 from LRD's Payline database show that in eight out of 10 months the increase was 2.8%.*

[1] https://www.tuc.org.uk/news/government-needs-plan-boost-pay-and-living-standards-says-tuc
[2] https://leftfootforward.org/2018/07/why-the-national-minimum-wage-needs-to-rise-to-10-for-all-workers/

In the private sector, the median increase dipped to 2.9%, while in public sector, the median increase was unchanged at 2.6%.

Official earnings figures showed a sharp drop in October, as Average Weekly Earnings for the whole economy, excluding bonuses, increased by 3.2% against a 3.6% increase in September."

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-Nov
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	
All agreements	3.0	2.8	2.8	2.8	2.8	2.8	2.8	3.0	2.9	2.8	2.7	2.8	2.8
Private sector	3.3	2.8	2.8	2.8	2.7	2.7	2.8	3.0	3.0	3.0	3.0	2.9	3.0
Public sector	1.0	2.0	2.0	2.3	3.0	3.0	3.0	2.5	2.5	2.5	2.6	2.6	2.6
Manual	3.2	2.8	2.8	2.9	2.8	2.8	2.8	3.0	3.0	3.0	2.9	2.9	3.0
Non-manual	3.0	2.8	2.7	2.8	2.7	2.7	2.7	2.8	2.6	2.7	2.7	2.8	2.7
All industries	3.0	2.7	2.7	2.7	2.7	2.7	2.7	3.0	3.0	2.9	2.9	2.9	3.0
All services	3.0	2.9	2.9	2.9	2.8	2.8	2.8	3.0	2.8	2.7	2.7	2.6	2.6

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:	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
By agreements	3.0	3.0	3.0	3.0	2.7	2.7	2.7	2.7	2.9	2.8	2.8	2.8
By workers covered	6.7	6.7	6.8	6.7	3.9	3.9	3.8	3.9	3.9	3.7	3.7	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*, December 2019

IDR – Median pay awards at 2.5% for the three months to November 2019

The latest analysis from Incomes Data Research Viewpoint *"shows the median pay award across the economy returned to 2.5% for the three months to November 2019, having risen to 2.8% in October.*

The private sector median is also down from 2.8% to 2.5%, influenced by a fall in the median in private services from 3% to 2.3%. In manufacturing, however, the median remained at 2.8% due to an increase in the number of higher-end awards with a third of awards in this sector worth 3% or more.

The latest figures are based on a sample of 35 pay awards effective between 1 September and 30 November 2019, covering over 900,000 employees."

Pay awards - three months to end of November 2019

	Whole economy	Private sector	Manufacturing and production	Private services	Public sector
Lower quartile	2.0%	2.0%	2.3%	2.0%	2.2%
Median	2.5%	2.5%	2.8%	2.3%	2.5%
Upper quartile	2.9%	3.0%	3.0%	3.4%	2.7%
Based on 35 pay awards covering 924,189 employees.					

Source: *IDR Viewpoint*, December 2019

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

	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Lower quartile	2.0%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%r	2.0%	2.0%	2.0%
Median	2.5%	2.5%	2.5%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.8%
Upper quartile	2.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%r	3.0%	3.0%	3.0%	3.0%
Average	2.4%	2.6%	2.6%r	2.7%	2.8%	2.8%r	2.8%	2.5r%	2.5%	2.5%	2.9%
Total*	46r	122r	136r	145r	263r	253r	249r	68r	65	66	33
***Total number of pay awards recorded in the three-month period, r=revised**											

Source: *IDR Pay Climate*, December 2019

XpertHR: Median awards rise to 2.2%

According to XpertHR there has been a "*slow start to 2020 pay awards*"

"At the end of 2019 the headline measure of pay awards was 2.2%....

This represents a dip at the end of the year, as throughout 2019 as a whole pay awards stood at 2.5%. But there are indications that the rate of pay growth could slow in the months ahead.

Latest pay award findings

Based on a sample of 23 pay awards for the three months to the end of December 2019, XpertHR found the following:

- *The median pay award across the economy is 2.2%, with the middle half of pay awards (the interquartile range) worth between 2% and 3%.*
- *More than one-third (35%) of deals are higher than the same employee group received in the previous year's review. Similar proportions are at the same level (35%) or lower (30%).*
- *Almost one-third (30.4%) of deals are worth exactly 2%, making it the most common pay award in our three-month sample.*

At this time of year, XpertHR also looks ahead to the first awards of 2020. Early analysis suggests a cautious start from employers. XpertHR has collected details of 48 January 2020 pay awards and analysed this early sample to give an indication of the level of pay rises for the year ahead. Our analysis reveals the following:

- *The median January 2020 pay award stands at 2.3%, 0.2 percentage points lower than the 2.5% recorded over 2019.*
- *The middle half of deals falls between 2% and 2.8% (compared with 2% to 3% during 2019).*
- *A matched sample analysis reveals that 48.8% of awards are worth less than the same group of employees received a year ago."*

Source: *XpertHR* Press Release, 23 January 2020

New Unite settlements significantly above RPI in the last three months

Agreement	Sector	Start	Description
British Airways GCS2014 and HCS2012	Transport	01/01/20 01/04/21 01/01/22	First year of a two-stage two-year agreement with a 3.5% increase to base pay and associated ancillary items, underpinned by a minimum £650, from 1 January 2020 and a 4% further increase from 1 April 2021. Introduction of a new Gain Share productivity-based bonus scheme for all non-management staff from signature of agreement to 31 December 2021. A non-consolidated bonus for 'strategic and transformative programmes' introduced locally, over and above the BA business plan, which achieve measurable savings and benefits. The All Colleague Bonus (ACB) also continues to apply with a potential for up to 4% of base pay in 2019 and 5% in 2020 and 2021. This is set against targets in operating profit.
Legal & General	Finance	01/01/20	A paybill increase of 3.5% from 1 January 2020 covering all staff including management grades and based on a 'successful' performance rating. For those earning less than £30,000, an indicative increase of 4%, for those earning between £30,000 and £70,000, an indicative increase of 3.5%, and for those earning more than £70,000, an indicative increase of 3%.
AGS Glasgow Airport	Transport	01/01/20	A 3% increase to all grades and allowances from 1 January 2020.
Cereal Partners UK (Bromborough)	Food Manufacturing	01/01/20	A 2.75% increase across all pay rates from 1 January 2020.
Kraft Heinz (Wigan)	Food Manufacturing	01/01/20 01/01/21 01/07/21	First stage of a two-stage 18 month agreement with an across the board increase of 2.6% from 1 January 2020. Company has committed to six monthly reviews of manning levels in order to address gaps across core shifts. Up to five days additional annual leave in August 2020 should the site meet satisfactory performance against targets over a sustained period leading up to and including July. If targets are met, the company will advise staff in July and choose the week off in August. A new pay settlement date of 1 July from 2021. In the second stage, from 1 January 2021, an increase based on the average RPI for the months of September, October and November 2020 will be applied. This will be underpinned by a minimum 1% and capped at a maximum of 4%.
GlaxoSmithKline (GSK)	Pharmaceuticals	01/01/20	A 2.5% increase to basic pay and shift allowances from 1 January 2020.
Vector Aerospace (StandardAero)	Manufacturing	01/01/20	A 2.5% across the board increase from 1 January 2020.
Wakefield and District Housing Company (WDH)	Housing	01/01/20	A 2.5% increase from 1 January 2020.
Balfour Beatty Rail Plant	Transport	01/01/20	A 2.4% increase or £750, whichever the greater, from 1 January 2020. This gives an average increase of 3.1% for staff earning between £20,000 and £26,000 and a 3.35% increase for the lowest paid, General Assistant (Workshop).
NIE Networks - Industrial staff	Energy	01/11/19 01/11/20 01/11/21 01/11/22	First year of a four-stage four-year agreement with a 3.3% increase from 1 November 2019. Also the potential for a further 0.6% increase based on KPIs (Key Performance Indicators). Also in year 1, a one day increase in annual leave. In each of the subsequent three years, from 1 November, an increase based on the October RPI for that year minus 1%, plus the potential for a further 0.6% increase based on KPIs. If the RPI is 4% or more in any given year, the potential KPI increase will be not be included.

Source: LRD Pay & Conditions database online, January 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 2.2% in the year to December 2019
CONSUMER PRICE INDEX (CPI) 1.3% in the year to December 2019
CONSUMER PRICE INDEX- HOUSING (CPIH) 1.4% in year to December 2019

RPI Inflation remains steady while CPI and CPIH fall.

RPI has remained steady at 2.2% for the year to December 2019.

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 slightly with CPIH dropping to 1.4% and CPI down to 1.3%.

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**
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
September	2.4	1.7	1.7
October	2.1	1.5	1.5
November	2.2	1.5	1.5
December	2.2	1.4	1.3

Source: ONS January 2020

Despite the overall fall in inflation, six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 2.2%.

RPI component groups rising faster than inflation (2.2%)

Broad Categories	**% annual increase**
Clothing and footwear	4.9
Household services	4.3
Leisure services	4.0
Catering	3.0
Household goods	3.0
Personal goods and services	2.7

Source: ONS January 2020

Individual RPI components rising faster than inflation (2.2%)

	% annual increase
Vehicle tax and insurance	12.8
Women's outerwear	7.3
Children's outerwear	6.8
Soft drinks	6.1
Books and newspapers	6.0
Dwelling insurance and ground rent	5.8
Telephones, telemessages, etc	5.7
Furniture	5.6
potato products	5.4
processed fish	5.2
Men's outerwear	5.2
Foreign holidays (Jan 1993 = 100)	5.2
Gardening products	4.8
Council tax and Rates	4.7
CDs and tapes	4.5
Television licences and rentals	4.3
Coal and solid fuels	4.0
Postage	4.0
Cereals	3.9
Rail fares	3.9
processed fruit	3.7
Take-away meals and snacks	3.7
Fish	3.6
Fees and subscriptions	3.5
Milk products	3.4
Pet care	3.4
imported lamb	3.3
Electricity	3.3
Domestic services	3.2
Entertainment and other recreation	3.2
Other meat	3.1
Potatoes	3.1
Water and other charges	3.1
Chemists goods	3.1
Footwear	3.0
Personal services	3.0
Sweets and chocolates	2.8
Furnishings	2.8
Restaurant meals	2.7
on sales	2.7
Maintenance of motor vehicles	2.7
Pork	2.5
Do-it-yourself materials	2.5
Tobacco	2.4
Lamb	2.3

Source: ONS January 2020

Inflation forecasts

IDR reports in its December *Pay Climate* that the panel of City economists sees *"the all items RPI measure, is set to rise moderately as we approach and move through the turn of the year, before dropping back a little in the spring and summer of next year and then rising again in the autumn of 2020. It should, though, remain below 3% throughout… A majority of the forecasts this time emphasise the prospects for disinflation, especially as most assume that a deal will still be reached over Britain's exit from the EU."*

RPI forecasts

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

	Date Published	Fourth quarter (Q4 on Q4 year ago, %) 2019	Fourth quarter (Q4 on Q4 year ago, %) 2020
City forecasts			
Bank of America - Merrill Lynch	Jan	2.2%	1.9%
Barclays Capital	Jan	2.3%	2.6%
Capital Economics	Jan	2.2%	2.2%
Citigroup	Dec	2.0%	1.8%
Commerzbank	Jan	2.1%	2.1%
Deutsche Bank	Jan	2.2%	2.4%
HSBC	Jan	2.2%	2.2%
Morgan Stanley	Jan	2.3%	2.8%
Natwest Markets	Jan	2.1%	2.3%
Pantheon	Jan	2.1%	2.5%
Santander GBM	Dec	2.1%	2.4%
Schroders Investment Management	Jan	2.2%	1.9%
Societe Generale	Jan	2.1%	2.4%
UBS	Jan	2.3%	2.7%
Independent forecasts			
Beacon Economic Forecasting	Jan	2.2%	2.9%
CBI	Jan	1.9%	3.0%
CEBR	Sep	2.9%	3.1%
Economic Perspectives	Jan	2.2%	3.2%
Experian Economics	Jan	2.2%	2.5%
Heteronomics	Jan	2.2%	2.7%
ITEM Club	Jan	2.2%	2.6%
NIESR	Dec	1.8%	2.2%
Oxford Economics	Jan	2.2%	2.5%
3 months average – City	Jan	2.2%	2.3%
3 months average – Independent	Jan	2.2%	2.4%
Median	Jan	2.2%	2.5%
OBR	Mar	2.9%	2.8%

Source: *HM Treasury, Forecasts for the UK Economy*, January 2020

Housing

Average rents continue to rise with ONS showing a 1.4% rise nationwide and a rise of 2.3% in Northern Ireland.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change December 2019. Not seasonally adjusted	
Country/region	**Percentage change on a year earlier**
United Kingdom	1.4%
Great Britain	1.4%
England	1.4%
Wales	1.2%
Scotland	0.6%
Northern Ireland	2.2%
North East	0.5%
North West	1.2%
Yorkshire and The Humber	1.9%
East Midlands	2.1%
West Midlands	1.3%
East of England	1.5%
London	1.2%
South East	1.4%
South West	2.2%
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 January 2020.

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 January 2020)

- Average UK new rents in **December 2019** were £953 pcm (Greater London £1,630 pcm, UK excl. London £793 pcm)
- The UK figure was 3.5% higher than in the same month in 2018
- The London figure was 2.1% higher in the same month in 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	£251,222	0.3%	1.7%
Northern Ireland (Quarter 3 - 2019)	£139,951	2.3%	4.0%
Scotland	£154,798	0.4%	3.5%
Wales	£172,574	3.5%	7.8%
East Midlands	£197,792	1.1%	2.5%
East of England	£291,281	-0.7%	-0.7%
London	£475,458	-0.5%	0.2%
North East	£130,712	0.7%	1.4%
North West	£169,362	1.1%	3.8%
South East	£326,636	0.4%	1.0%
South West	£259,758	-0.3%	1.1%
West Midlands	£204,238	1.7%	4.0%
Yorkshire and The Humber	£165,642	-1.0%	2.6%

Source: *ONS UK House Price Index* November 2019, published January 2020

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
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 3.3% in November 2019 (2.4% in October 2019)
(Including bonuses, % change year on year, single month, seasonally adjusted)
Regular Pay AWE: rises to 3.3% in November 2019 (3.2% in October 2019)
(Excluding bonuses, % change year on year, single month, seasonally adjusted)

In November, average total weekly earnings, including bonuses, were estimated to have increased by 3.3% against the increase of 2.4% for October. The figures for regular pay which strips out bonuses increased by 3.3% in November up from 3.2% for October for the whole economy.

Inflation under the Retail Prices Index (RPI) rose by 2.2% in November and 2.1% in October so earnings across the whole economy increased in real-terms in both months, that is, outstripped inflation.

Headline earnings growth (the rolling three-month average) for the whole economy in November was unchanged at 3.2% and for regular pay the three-month average for the whole economy down to 3.4% from 3.5% in October.

Average weekly earnings broken down by sector (seasonally adjusted)

November 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	3.3	3.2	3.3	3.4
Private sector	3.4	3.1	3.2	3.4
Public sector	3.3	3.3	3.4	3.4
Public Sector excluding financial services	3.4	3.4	3.4	3.4
Services	3.4	3.2	3.3	3.4
Finance and business services	4.2	4.2	4.4	4.5
Manufacturing	2.8	2.6	2.9	2.7
Construction	3.1	4.4	3.2	4.6
Wholesale, retailing, hotels & restaurants	1.3	1.8	1.5	2.1

Source: *ONS UK Labour Market Statistical Bulletin*, January 2020

Full-time average weekly earnings by occupation

The table below is from last month's LRD *Fact Service*. It is based on the median average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) for April 2019. The original median figures have been uprated by the 1.9% increase in average weekly earnings, including bonuses, for the whole economy between April 2019 and November 2019 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	596.00
All male	640.30
All female	537.80
Managers	878.80
Professionals	783.00
Associate professionals	635.80
Admin & secretarial	466.90
Skilled/craft	551.70
Services	399.50
Sales	402.30
Operatives	513.60
Other manual jobs	403.10

Source: *LRD Fact Service*, Volume 82, Issue 3, 23 January 2020

LOW AND HIGH PAY

NEW National Minimum Wage rates for April 2019 and 2020:

These are the Government's National Living Wage (NLW) and National Minimum Wage (NMW) from 1st April 2019 and 1st April 2020[3]:

Year	25 + (NLW)	21 to 24	18 to 20	Under 18	Apprentice
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90
NEW April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

The latest rise to the 25 + National Living Wage (NLW) will mean an increase by 6.2% to £8.72, taking it to 60% of the median hourly wage for those aged 25 and over in October 2020, based on forecasts of wage growth over the next year – with effect from 1 April.

As IDR Viewpoint (13 Jan 2020) explains "*With this latest development, the NLW has fulfilled the objective initially set at its launch in 2016, which was to reach 60% of median earnings by 2020 (subject to sustained economic growth). While the value has declined from the £9 originally envisaged back in 2016, it is nonetheless 5pph higher than the £8.67 the LPC forecast last year.*"

IDR also noted that "*In 2019, the LPC published a review of NMW 'youth' rates, which recommended that the age threshold for the highest (NLW) rate be reduced to 21 by means of a phased extension. The Government has now agreed this approach, and in line with this the LPC's recommendations for the 2021 rate will include an NMW rate for 21 and 22-year-olds and an NLW for workers aged 23 and over. The next target for the NLW looks likely to be based on a goal of two-thirds of median earnings by 2024.*"

Living Wage Foundation rates:

The Living Wage Foundation has released new rates for the Living Wage in November 2019.
The November 2019 rates are:

- **UK rate: £9.30 per hour across the UK (increase of 3.3%)**
- **London rate: £10.75 per hour (increase of 1.9%)**

According the Living Wage Foundation, there are now nearly 6000 employers, covering over 210,000 people, have signed up to pay the Living Wage Foundation rate.

Details on the Living Wage Foundation website: **https://www.livingwage.org.uk/**

KPMG research estimates that less than one-fifth (19%) of UK jobs pay below the real Living Wage. Part-time workers are three times more likely to be paid below the real Living Wage, while around 24% of women face in-work poverty compared to 15% of men. Female in-work poverty is highest in the East Midlands and lowest in Scotland.

The total number of jobs paid less than the real Living Wage now stands at an estimated 5.19 million, down from a peak of 5.75 million in 2018

More details here: **https://home.kpmg/uk/en/home/media/press-releases/2019/11/jobs-paying-less-than-real-living-wage-drops-to-seven-year-low.html**

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

[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

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: https://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

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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**

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