

Unite bargaining brief



Unite the Union

March 2020

INTRODUCTION

These are extraordinary times and they are changing by the day. Of course the health and safety of our loved ones is paramount. But economic security is important too.

The historic package of measures announced by the Government to direct state money to millions of UK workers to fend off economic collapse was a significant tribute to the work of Unite and other trade unions.¹

But of course more work needs to be done. Which is why Len McCluskey, Unite General Secretary, has appealed to the prime minister to act swiftly to clear up the confusion about who can be at work and how insecure and self-employed workers will be supported economically.²

There is a dedicated **coronavirus COVID-19 advice page**³ on Unite's website which contains health & safety advice (updated daily), legal advice (including details of Unite's employment law advice line), and copies of Unite's 'Here for You' newsletter.

Stay safe.

John Earls, Director of Research

SUMMARY

- Median settlements at 2.8% (LRD, Jan 2020), 2.4% (IDR, Feb 2020), 2.3% (XpertHR, Feb 2020)
- RPI Inflation: RPI 2.5%, CPIH 1.7%, CPI 1.7% (Feb 2020)
- RPI forecast at a median of 2.3% for the fourth quarter 2020
- The single month Average Weekly Earnings growth at 3.2% on the year to Jan 2020 for total pay, including bonuses and 2.8% for regular pay.
- **NEW** Childcare prices have risen 5% over the last year
- National Minimum Wage rate (from April 2019) - £8.21 per hour (over 25s NLW)
- 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 January 2020

IDR median settlements at 2.4% for the three months to February 2020

XpertHR median settlements at 2.3% for the three months to the end of February 2020

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://unitetheunion.org/news-events/news/2020/march/chancellors-measures-historic-bold-and-very-much-necessary-mccluskey/>

² <https://unitetheunion.org/news-events/news/2020/march/covid-19-confusion-for-workers-and-lack-of-financial-support-at-odds-with-national-emergency-mccluskey-tells-pm/>

³ <https://unitetheunion.org/campaigns/coronavirus-covid-19-advice/>

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

LRD Workplace Report in February states that “There was a boost to pay settlements in the New Year.

In January, the median pay increase in collectively agreed settlements from LRD’S Payline database was 2.8% — up from the 2.6% median for December. With RPI inflation only rising by 2.2%, the settlement increase was in real-terms.

The public sector matched the overall increase, but the private sector only saw an increase of 2.7%.

Official figures for average weekly earnings in December for the regular pay (excluding bonuses) in the whole economy showed a 3.2% increase for the fourth consecutive month.”

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:	2019											2020	This pay round, Aug-Jan
	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	
All agreements	2.5	2.7	2.8	2.8	2.8	3.0	2.9	2.8	2.7	2.8	2.6	2.8	2.8
Private sector	2.7	2.8	2.7	2.7	2.8	3.0	3.0	3.0	3.0	3.0	2.9	2.7	2.9
Public sector	1.5	1.5	3.0	3.0	3.0	2.5	2.5	2.6	2.6	2.6	2.6	2.8	2.6
Manual	2.8	2.8	2.8	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	2.6	2.8
Non-manual	2.5	2.5	2.7	2.8	2.7	2.7	2.6	2.7	2.7	2.8	2.6	2.8	2.7
All industries	2.5	2.6	2.7	2.7	2.7	3.0	3.0	3.0	2.9	2.8	2.8	2.6	2.8
All services	2.5	2.7	2.8	2.8	2.8	3.0	2.7	2.7	2.7	2.8	2.6	2.8	2.8

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

IDR – Median pay awards at 2.4%

The latest analysis from Incomes Data Research Viewpoint: “The median pay increase across the economy has risen from 2.3% to 2.4% for the three months to February 2020, according to the latest figures from IDR. Private sector awards are a significant influence on pay across the economy at this time of year with very few increases occurring in the public sector. The number of higher-end awards worth 3% or more in the private sector has remained steady. However, while the proportion has risen in services it is down in manufacturing.

The median in the private sector has ticked up to 2.4%, influenced by an increase in the proportion of awards in private services worth 3% or more – up from around a tenth of all awards to just under a fifth in our latest sample. In contrast the proportion of awards taking place at this level in manufacturing has fallen and this has pushed the median in this area down to 2.5%, having been 2.7% in January.

Many firms are starting to react to the latest advice and restrictions from the Government in light of the coronavirus pandemic. The exponential growth of supermarket purchases versus the closure of some manufacturing plants and other, less vital outlets in the retail sector will change the picture of pay in the coming months. Marks and Spencer,

for example, recently informed workers that all pay rises are suspended for the moment. Other firms, by contrast, have made additional payments to their workers, with Asda paying an extra week's pay and Tesco awarding a bonus worth 10% to shop-floor staff and managers.

April is a key month for pay setting with nearly half of all awards across the economy usually taking place at this time. The imminent rise in the National Living Wage, which increases by 6.2% to £8.72 on 1 April 2020, will also change the backdrop against which employers are making pay decisions.

The latest figures are based on a sample of 65 pay awards effective between 1 December 2019 and 29 February 2020."

Pay awards in the three months to the end of February 2020

	Whole economy	Private sector	Manufacturing and production	Private services
Lower quartile	2.0%	2.0%	2.0%	2.0%
Median	2.3%	2.3%	2.5%	2.2%
Upper quartile	3.0%	3.0%	3.0%	2.9%
Based on 65 pay awards covering 702,595 employees.				

Source: IDR Viewpoint, March 2020

Pay awards in the three months to the end of January 2020

	Whole economy	Private sector	Manufacturing and production	Private services
Median	2.3%	2.3%	2.7%	2.2%
Average	2.3%	2.3%	2.5%	2.2%
Interquartile range	2.0% to 3.0%	2.0% to 3.0%	2.0% to 3.0%	2.0% to 2.5%
Based on 40 pay awards covering 914,838 employees.				

Source: IDR Pay Climate, March 2020

Pay awards 2020

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

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
Lower quartile	2.1%r	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Median	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%r	2.5%	2.1%	2.3%
Upper quartile	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.9%r	2.8%	2.5%	3.0%
Average	2.7%	2.7%r	2.7%r	2.7%r	2.5%	2.5%	2.5%	2.8%r	2.7%	2.5%	2.3%
Total*	168r	332r	319r	316r	82r	81r	79r	43r	37	26	51
*Total number of pay awards recorded in the three-month period, r=revised											

Source: IDR Pay Climate, March 2020

XpertHR: Median awards up to 2.3%

According to XpertHR “At the beginning of 2020 pay rises fell to their lowest level in more than a year, and now employers tell us that they expect settlements to remain subdued through the months ahead...”

Even before the extent of the coronavirus (COVID-19) outbreak was evident, employers were already being cautious about pay rises this year. Surveyed in January and February, employers in the private sector told us that they expect to make a median 2% pay award during 2020.

EXPECTED PAY AWARDS, 2020

Key findings from our research include the following:

- Employers in both the manufacturing and production, and services arms of the private sector foresee 2% as their benchmark pay award this year.
- Overall the middle half of all pay awards are expected to be worth between 2% and 2.8%.
- The most common pay award predictions are 2% (38.3% of forecasts are at this level) and 2.5% (16.5%).
- At the top end of the scale, less than one pay award in 10 is forecast to be worth 4% or more.

Our analysis finds that 72.3% of employee groups can expect to receive a pay rise in the year ahead. Pay freezes are still a reality for others, although only 5.4% are expected to see no increase in their salary at all. The outcome for the remainder is currently uncertain.

Employers continue to balance upward and downward pressures on their pay budgets. Inflation and aligning pay increases with the cost of living is the most commonly cited upward influence. Matching pay levels with others in the same industry, and staff recruitment and retention, are also among the upward pressures near the top of the list. The greatest downward pressures on pay awards over the year ahead include organisations' ability to pay and their ability to increase prices of products and services. Uncertainty due to the impact of Brexit also continues to feature. It is safe to assume that the impact of coronavirus can now be added to this list.

Latest pay award findings

Looking back, in the three months to the end of February 2020 XpertHR has recorded a 2.3% median basic pay award across the economy (a small increase on the (revised) 2.2% median pay award recorded for the three months to the end of January 2020). Based on a sample of 138 basic pay awards effective between 1 December 2019 and 29 February 2020, we find that:

- The median pay award across the whole economy is 2.3%, with the middle half of pay awards (the interquartile range) worth between 2% and 2.9%.
- Of a matched sample of deals, more than four in 10 (41.8%) are lower than the same group received the previous year, compared with just a quarter (26%) that are higher. The remaining 32.2% are the same.
- Within the private sector, a 2.1% figure is recorded for pay awards in manufacturing-and-production firms, while private-sector-services employers report a median 2.5% increase.

Over the 12 months to the end of February 2020, the median pay award in the private sector is 2.5%, with the same figure recorded in the public sector.

Source: XpertHR Press Release, 19 March 2020

New Unite settlements significantly above RPI in the last three months

Agreement	Sector	Start	Description
Home Bargains (TJ Morris) Warehouse	Warehousing and storage	13/02/20 01/04/22	From 13 February 2020, a front-loaded 15% increase to hourly rate of pays over the course of a two year pay agreement. A five-minute toilet break will be paid per full shift. Any toilet breaks over this time are not paid. Lunch breaks are also not paid. For new entrants, bank holiday working will be paid at normal rate of pay. Conditions aligned between Axis, Amesbury, Transport and Stores. For warehouse staff, a shorter working week and changes to shift patterns.
Hovis (Belfast)	Food Manufacturing	01/01/20	A 4% increase across all rates of pay from 1 January 2020. No changes to terms and conditions. Company has agreed to sit down with unions to discuss concerns over consolidated rates of pay, overtime and other issues raised during negotiations.
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.
Allied Bakeries (Belfast)	Food Manufacturing	01/01/20 01/01/21 01/01/22	First year of a two stage two year agreement with a 3% increase from 1 January 2020. In the second year, from 1 January 2021, a further 2.9% increase will be applied.
Urenco UK	Energy	01/01/20	A headline increase of 3% from 1 January 2020. Allowances and shift rates also increase by 3%.
Mahle Engine Systems UK	Manufacturing	01/01/20 01/01/21 01/01/22	First year of a two stage two year agreement with a 2.8% increase from 1 January 2020. In the second year, from 1 January 2021, an increase between 2.8% and 3% dependent on RPI.
Trelleborg Sealing Solutions (Bridgwater)	Manufacturing	01/01/20	A 2.8% increase across all grades 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.

Source: LRD Pay & Conditions database online, March 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 2.5% in the year to February 2020

CONSUMER PRICE INDEX (CPI) 1.7% in the year to February 2020

CONSUMER PRICE INDEX- HOUSING (CPIH) 1.7% in year to February 2020

Inflation falls back all measures

RPI has fallen to 2.5% in for the year to February following a sharp rise to 2.7% in January 2020.

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 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/>

The UK Statistics Authority recommended in 2019 that the publication of the RPI should be stopped at a point in the future and that in the interim, the shortcomings of the RPI should be addressed by introducing CPIH data sources and methods into its production. The Authority and HM Treasury have launched a **consultation** on the Authority's proposal to address the shortcomings of the RPI including on the appropriate timing for the proposed changes to the RPI and how to make its proposed methodological changes to the RPI in a way that follows best statistical practice. The consultation runs until 22 April 2020.

Price inflation

	% increase on a year earlier		
	RPI	CPIH	CPI
February 2019	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
January 2020	2.7	1.8	1.8
February	2.5	1.7	1.7

Source: ONS March 2020

Six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 2.5%.

RPI component groups rising faster than inflation (2.5%)

Broad Categories	% annual increase
Clothing and footwear	6.0
Leisure services	4.3
Household services	4.1
Fuel and light	3.7
Catering	3.4
Personal goods and services	3.4
Motoring expenditure	3.1

Source: ONS March 2020

Individual RPI components rising faster than inflation (2.5%)

	% annual increase
Vehicle tax and insurance	13.8
Women's outerwear	10.4
Electricity	8.5
Children's outerwear	7.5
Books and newspapers	6.3
Foreign holidays (Jan 1993 = 100)	5.3
Soft drinks	5.2
Telephones, telemessages, etc	5.2
Other meat	5.0
processed fish	5.0
Council tax and Rates	4.7
Personal expenditure	4.6
Television licences and rentals	4.4
Dwelling insurance and ground rent	4.1
Coal and solid fuels	4.1
CDs and tapes	4.1
Postage	4.0
Take-away meals and snacks	3.9
Men's outerwear	3.9
All services	3.7
Personal services	3.7
Bus and coach fares	3.7
Fees and subscriptions	3.5
Footwear	3.5
Chemists goods	3.5
Entertainment and other recreation	3.5
Pork	3.3
Domestic services	3.3
Rail fares	3.3
Restaurant meals	3.2
Do-it-yourself materials	3.2
Travel and leisure	3.1
Water and other charges	3.1
Pet care	3.1
Maintenance of motor vehicles	3.1
Alcohol on sales	2.8
Personal articles	2.8
All items excluding food	2.7
Housing	2.7
Canteen meals	2.7
Furnishings	2.7
mortgage interest payments and depreciation	2.6
Bacon	2.6
Gardening products	2.6

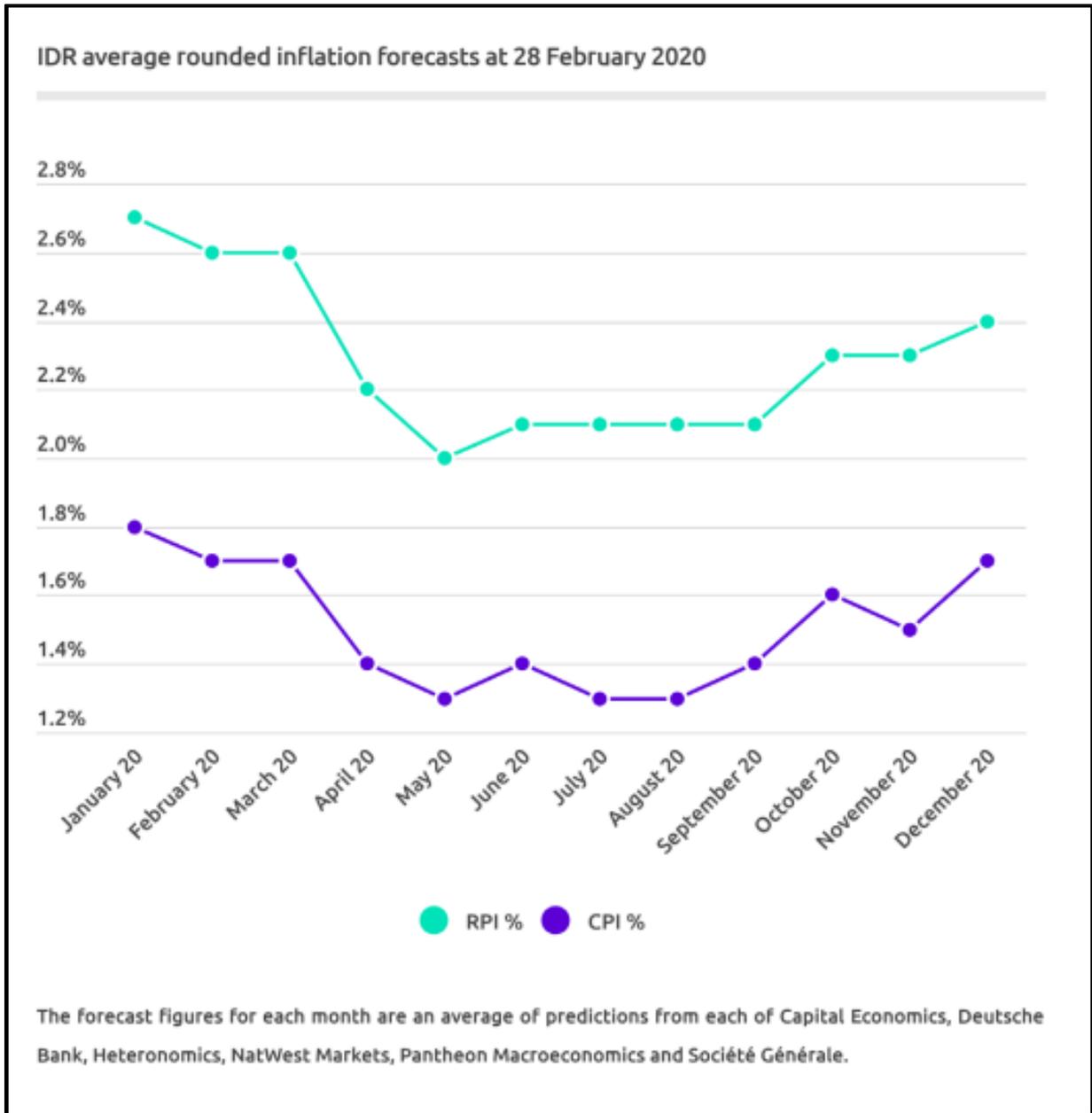
Source: ONS March 2020

Inflation forecasts

IDR reports in its March *Pay Climate* that inflation forecasts are published “against the backdrop of the coronavirus outbreak. The spread of the virus could affect prospects for growth and therefore inflation with the OECD warning that it might halve its predictions for the global economic outlook.

Our forecasts are broadly reflective of this, with all the City institutions contacted by IDR agreeing that both the CPI and RPI measures of inflation are set to fall as we move into the spring and summer. After this there is a small divergence among the forecasters. A minority (two of this quarter’s six-strong panel) consider that inflation is likely to remain low, while the majority think it will pick up slowly towards the end of the year.

The minority view is predicated partly on falling oil prices making for subdued underlying price pressures. Indeed, almost the entire panel is agreed that this, and the effect of the planned reduction in Ofgem’s utilities price cap in April – compared to a rise at the same point last year – is likely to drive inflation to its lowest point for the year, probably in May”.



RPI forecasts

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

	Date Published	Fourth quarter (Q4 on Q4 year ago, %) 2020	Fourth quarter (Q4 on Q4 year ago, %) 2021
City forecasts			
Bank of America - Merrill Lynch	Mar	2.5%	2.4%
Barclays Capital	Mar	2.2%	2.6%
Citigroup	Feb	1.7%	2.1%
Commerzbank	Mar	1.5%	2.4%
Deutsche Bank	Mar	1.9%	2.8%
HSBC	Mar	2.1%	2.5%
Morgan Stanley	Jan	2.8%	-
Natwest Markets	Feb	2.0%	2.1%
Pantheon	Mar	2.2%	3.5%
Santander GBM	Dec	2.4%	-
Schroders Investment Management	Feb	2.0%	2.2%
Societe Generale	Feb	-	-
UBS	Mar	2.2%	2.7%
Independent forecasts			
Beacon Economic Forecasting	Mar	2.0%	3.1%
CBI	Mar	3.0%	4.0%
CEBR	Feb	3.0%	3.0%
Economic Perspectives	Feb	3.2%	3.7%
Experian Economics	Jan	2.5%	-
EIU	Mar	2.3%	2.4%
Heteronomics	Mar	2.2%	2.9%
ITEM Club	Mar	2.2%	3.0%
NIESR	Feb	2.7%	3.3%
Oxford Economics	Feb	2.4%	3.1%
3 months average – City	Mar	2.1%	2.5%
3 months average – Independent	Mar	2.3%	2.8%
Median	Mar	2.2%	2.8%
OBR	Mar	2.1%	3.0%

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

Forecast annual increase in cost of living (RPI)

	2020	2021	2022	2023	2024
OBR	2.2%	2.7%	3.1%	3.0%	2.9%
HM Treasury (new forecasts)	2.3%	2.6%	3.0%	3.0%	3.0%

Source: HM Treasury, *Forecasts for the UK Economy* February 2020 and OBR, *Economic and Fiscal Outlook*, March 2020

Housing

Average rents continue to rise with ONS showing a 1.4% rise nationwide and a rise of 2.3% in the South West.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 months price change February 2020. 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	1.6%
North East	0.7%
North West	1.0%
Yorkshire and The Humber	1.9%
East Midlands	2.2%
West Midlands	1.5%
East of England	1.6%
London	1.1%
South East	1.2%
South West	2.3%
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 March 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 March 2020)

- Average UK new rents in **February 2020** were £955 pcm (Greater London £1,650 pcm, UK excl. London £791 pcm)
- The UK figure was 1.6% higher than in the same month in 2019
- The London figure was 3.2% higher in the same month in 2019

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

House price and percentage change by country and government region

Country/region	Price	Annual change
England	£247,000	1.1%
Northern Ireland (Quarter 4 - 2019)	£140,000	2.5%
Scotland	£152,000	1.6%
Wales	£162,000	2.0%

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

The recent release has changed the format of reporting but now provides data at local authority level:

<https://www.gov.uk/government/publications/uk-house-price-index-england-january-2020/uk-house-price-index-england-january-2020>

NEW Childcare – rises 5%

The **Coram Family and Childcare** Childcare Survey published in March reports that parents now pay an average of £132 per week, or over £6,800 per year, for just a part time nursery place for a child under two. The Childcare Survey 2020 – the 20th annual survey – finds prices have risen by 5 per cent in the last year.

The survey also reveals that parents face a ‘postcode lottery’ with childcare prices and availability varying significantly across the country. The most expensive regions in the UK are London and the South East, where the cost of a part-time nursery place for a child under two is £165.47 and £144.90 per week respectively, compared to the least expensive regions - £116.25 in the West Midlands and £113.76 in Yorkshire and Humberside.

To read the full report click here: <https://www.familyandchildcaretrust.org/childcare-survey-2020>

Average weekly childcare costs

	Nursery weekly					
	25 hours			50 hours		
Child age	< 2 yrs	2 yrs	3 & 4 yrs	< 2 yrs	2 yrs	3 & 4 yrs
Britain	£131.61	£126.74	N/A	£252.07	£240.08	N/A
England	£134.65	£128.96	£50.75	£257.75	£244.91	£99.66
Scotland	£111.26	£107.74	£37.68	£207.44	£209.41	£136.36
Wales	£116.87	£117.11	Free entitlement varies	£224.10	£224.35	£86.25
Inner London	£182.56	£167.93	£73.36	£340.57	£316.02	£154.43
	Childminder weekly					
	25 hours			50 hours		
Child age	< 2 yrs	2 -3 yrs	3 & 4 yrs	< 2 yrs	2 -3 yrs	3 & 4 yrs
Britain	£118.34	£117.23	N/A	£232.71	£230.30	N/A
England	£119.83	£118.64	£47.20	£234.67	£232.63	£92.40
Scotland	£110.86	£109.92	£43.97	£222.13	£220.44	£154.31
Wales	£111.85	£111.84	Free entitlement varies	£225.21	£225.21	£90.44
Inner London	£174.16	£172.92	£68.81	£329.56	£327.93	£130.49
	After School Care weekly					
	Child-minder			After-school Club		
Child age	5 yrs - 11 yrs					
Britain	£73.33			£60.99		
England	£74.04			£61.54		
Scotland	£67.30			£62.35		
Wales	£70.02			£61.16		
Inner London	£114.69			£57.98		
Northern Ireland excluded from analysis as different childcare funding makes comparisons difficult						

Source: Coram Family and Childcare, 2020 Childcare Survey, updated annually, published February 2020

GENDER PAY GAP

The 2020 deadline for gender pay gap reporting is fast approaching (April) meaning that updated information should soon be available on many organisations.

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>

Gender pay gap reporting data 2019 -2018

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

UNITE ONLINE PAY CLAIM TOOL

Don't forget to look at the Unite 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/>

UNITE COLLECTIVE AGREEMENTS DATABASE

Unite shop stewards and reps can now search existing collective agreements covering: union recognition, trade union facilities, parental leave, new technology agreements and much more. These are searchable by Unite region or sector or by keyword.

You can also upload your agreements to the database.

To search the database visit here: <https://workvoicepay.unitetheunion.org/home/searchlocal>

AVERAGE WEEKLY EARNINGS

Total Pay AWE: rises to 3.1% in January 2020 (2.8% in December 2019)
(Including bonuses, % change year on year, single month, seasonally adjusted)

Regular Pay AWE: rises to 2.8% in January 2020 (3.2% in December 2019)
(Excluding bonuses, % change year on year, single month, seasonally adjusted)

In January, average total weekly earnings, including bonuses, were provisionally estimated to have increased by just 3.1% — a 0.3 percentage points increase on the December increase of 2.8%. The figures for regular pay which strips out bonuses increased by 2.8% — a decrease of 0.4 percentage points from December.

Headline earnings growth (the rolling three-month average) for the whole economy in January was 3.1% up from 2.9% and for regular pay the three-month average for the whole economy was down to 3.1% from 3.2% the previous month.

Average weekly earnings broken down by sector (seasonally adjusted)

January 2020	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	3.1	3.1	2.8	3.1
Private sector	3.1	3.1	2.7	3.0
Public sector	2.9	3.2	2.9	3.2
Public Sector excluding financial services	2.9	3.3	3.0	3.3
Services	3.3	3.2	3.0	3.2
Finance and business services	3.1	3.6	2.6	3.5
Manufacturing	1.4	2.2	1.5	2.4
Construction	3.8	3.0	2.7	2.7
Wholesale, retailing, hotels & restaurants	3.8	2.2	2.9	2.0

Source: ONS UK Labour Market Statistical Bulletin, March 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 updated by the 2.4% increase in average weekly earnings, including bonuses, for the whole economy between April 2019 and January 2020 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	598.90
All male	643.50
All female	540.50
Managers	883.10
Professionals	786.80
Associate professionals	638.90
Admin & secretarial	469.20
Skilled/craft	554.40
Services	401.50
Sales	404.30
Operatives	516.10
Other manual jobs	405.10

Source: LRD *Fact Service*, Volume 82, Issue 11, 19 March 2020

LOW AND HIGH PAY

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 2020⁴:

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 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 to 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>

⁴ 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.

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>

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