

PAY SETTLEMENT ANALYSIS

In the 3 months to the end of July 2009, the median² pay settlement has fallen to 1.0% as the proportion of pay freezes increases in this quiet period for pay setting. The average pay settlement is 1.4%. (Incomes Data Services, September 09).

- While the median pay settlement level for May, June and July 2009 has fallen to 1%, from 2% in the last analysis, this figure disguises the range of increases still being recorded. The median has dropped to this low level as a result of the key bargaining month of April now dropping out of the analysis. Far fewer new settlements have been reached and so the proportion of pay freezes has risen.
- Throughout much of 2009 pay awards have been balanced by freezes at one end and increases around 2% at the other with not much in between.
- This is still the case and in fact very few pay awards are actually at the median figure of 1 per cent.

LRD'S LATEST PAY DEALS

2.0% is the overall mid point for pay deals in the 3 months up to and including August 09 according to LRD. 2.5% in the manufacturing sector, 2.3% in the private sector, 2.0% in the public sector and 2.0% in the service sector.

AVERAGE EARNINGS³

Manufacturing average earnings (excluding bonus, not seasonally adjusted) rose 0.8% in the year to July 2009. Similar earnings rose by 1.6% in the whole economy, by 1.3% in the private sector and 2.8% in the public sector. Average earnings in services rose by 2.0%, and earnings in private sector services rose by 1.7%.

Manufacturing average earnings (including bonus, not seasonally adjusted) rose 0.3% in the year to July 2009. Similar earnings for the whole economy rose 0.9%, private sector earnings rose 0.5%, public sector earnings rose 2.4%. Average earnings rose 1.0% in services and private sector services earnings rose 0.4%.

Places for People Group

2,500 workers
2.5% increase, effective date 1st July 09

Youth and Community Workers JNC

15,000 workers
2.75% increase, effective date 1st Sept 09

Cranfield Aerospace

50 workers
2.5% increase, effective date 1st Oct 09

Waterstone's

5,800 workers
2.0% increase, effective date 1st July 09

Demolition Contracting

18,000 workers
4.27% increase, effective date 20th July 09
Details: 3rd stage of a 3 year agreement

Tesco Retail

250,000 workers
2.5% increase, effective date 5th July 09

BBC (Staff)

20,000 workers
3.25% increase, effective date 1st August 09
Details: A consolidated flat rate increase of £450 per annum, = a 3.25% increase on lowest basic pay.

¹ Latest data to August 2009.

² The median is the level at which half of the settlements are above and half below.

³ Next publication date October 2009. Two indices are available from National Statistics. One is seasonally adjusted and the other is unadjusted.

Full-time average weekly earnings by occupation

	£ a week		£ a week
All workers	591.00	Admin & secretarial	409.20
All male	649.40	Skilled/craft	496.40
All female	499.60	Services	350.80
Managers	877.40	Operatives	459.20
Professionals	791.20	Other manual jobs	356.30
Associate professionals	610.70	Sales	324.60

Source: www.statistics.gov.uk/pdfdir/lmsuk0909.pdf

INFLATION⁴: -1.3% decrease in the Retail Price Index (RPI)

In the year to August 2009 the all items retail price index (RPI) fell by -1.3%, compared with a fall of -1.4% in the year to July.

The prices of many essentials have been rising at a far higher rate than RPI inflation:

- Fuel and light up 3.3%
 - Coal & solid fuels up 19.1%
 - Gas up 10.3%
 - Electricity up 2.4%
- Dwelling insurance and ground-rent up 3.8%
- Water and other charges up 4.7%
- Bus and coach fares 5.3%
- Rail Fares 5.5%
- Household consumables up 5.4%
- Food up 2.2%, with
 - tea up 15%
 - coffee & other hot drinks 5.9%
 - eggs up 3.2%
 - pork up 2.0%
 - beef up 2.9%
 - milk up 6.4%
 - lamb up 14.6%
 - sugar up 12.0%
 - fruit up 7.0%
 - vegetables up 9.1%
 - cereals up 3.5%
 - fish up 11.3%
- And if there's any money left, the cost of a foreign holiday has gone up by 7.0%

For the complete breakdown of how prices have been rising go to the following link:

www.statistics.gov.uk/pdfdir/cpi0909.pdf

Retail Prices Index (Jan 1987=100)

Date	All items index	% Annual rise
2008 January	209.8	4.1%
February	211.4	4.1%
March	212.1	3.8%
April	214.0	4.2%
May	215.1	4.3%
June	216.8	4.6%
July	216.5	5.0%
August	217.2	4.8%
September	218.4	5.0%
October	217.7	4.2%
November	216.0	3.0%
December	212.9	0.9%
2009 January	210.1	0.1%
February	211.4	0.0%
March	211.3	-0.4%
April	211.5	-1.2%
May	212.8	-1.1%
June	213.4	-1.6%
July	213.4	-1.4%
August	214.4	-1.3%

In these difficult times for negotiators it is important to look beyond the headline rate of inflation and look at the figures behind the headline rate (opposite).

Unite is monitoring any reference by employers to the new target measure, the CPI rather than the RPI. Please let Steve Martin know. A briefing on the CPI is available.

The CPI rose by 1.6% in the year to August, down from 1.8% on the year to July. RPIX rose by 1.4% in the year to August, up from 1.2% in the year to July.

Inflation rises but is still a negative figure

Inflation edged up but was still in negative territory, according to the latest official figures. Under the Retail Prices Index (RPI), inflation was minus 1.3% in August — against minus 1.4% the previous month. It is the sixth month in a row that the RPI has shown negative growth.

The main contribution to the change came from higher motoring expenditure as petrol and oil prices as well as cars were dearer, according to the Office for National Statistics. On the downward side, food prices fell this year between July and August but rose a year ago.

Under the government's preferred measure, the Consumer Prices Index (CPI), inflation fell to 1.6% in August and is under the Bank of England Monetary Policy Committee's 2% target.

The CPI rise was last 1.6% in January 2005 and last lower in November 2004 (1.5%).

Twelve of the 14 groups that make up the RPI rose by more than the average minus 1.3% figure.

The 3.3% rise in the fuel and light group included a 19.1% rise in coal and solid fuel prices and gas prices were 10.3% higher. Offsetting these increases was a 27.0% fall in oil and other fuels.

The 2.2% rise in food prices included a 14.6% rise in processed fish prices. Tea and "sugar and preserve" prices were 15.0% and 12.0% higher respectively.

The housing group posted an 11.2% fall, including a 45.5% cut in mortgage interest payments.

The fares and other travel costs group showed an overall rise of 2.0% with rail fares up by 5.5% and bus and coach fares by 5.3%.

New pay deals on Payline

Long-term staged deals continued to deliver some of the best pay rises recorded on LRD's Payline database this summer.

These included Building and Civil Engineering (Northern Ireland) offering 6% in the third of three stages, and Stagecoach Lancashire paying 5.62% to drivers in the fourth stage of a four-year deal. Wales and West Utilities paid 4% in the second of two stages, and Scottish Water Authority paid 3.75% in the final stage of its three-year deal. British Bakeries (Erith) paid 3% in stage two of a five-year deal setting pay between 3% and 5% annually.

In the public sector, the Home Office paid a maximum of 4.67% in the final stage of a three-year deal on lowest basic pay (with lower grades getting the highest increases). Ordnance Survey paid 2% in the final stage of a three-year deal, while the Scottish Executive paid 4.5% in the second stage of a three-year agreement. The Learning and Skills Council agreed a deal of 2% with an underpin of £825 in the second stage of a three-year deal.

New deals fared less well, with almost one-third pay freezes. Private sector deals included Tesco retail, paying 2.5%, Fulcrum Group Holdings paying 2%, retail Co-ops paying 2%

and Hyde Housing Association paying 1.5% with an underpin of £300. The leather industry agreed a deal of 1.3% with increases in sick pay, paternity pay and death in service benefit.

In the public sector, The Environment Agency paid 2%, and Guildford College paid 3%.

Wage freezes included: HGV drivers at transport company 3663, Becker Industrial Coatings, British Gypsum, Southern Daily Echo (Newsquest) and Solaglas Contracting. James Walker & Co, the gasket and fluid sealing firm, agreed a two-year pay freeze for staff, with unions and employers meeting bi-monthly to reassess.

Payline pay and conditions service

What can it do for me?

The pay and conditions service holds details of 2,300 agreements covering pay, hours, holidays and other conditions of employment, such as maternity arrangement, London weighting and paternity leave, plus short comments on key trends in individual settlements. You can use it to compare pay increases and pay rates in your own industry/region, or you can spread the net wider, perhaps to check on new developments like parental leave. Both the private and public sectors are covered.

The Labour Research Department

The pay and conditions service is provided by the Labour Research Department (LRD) Payline. Now in its 91st year, LRD remains dedicated to supporting the trade union movement through its extensive research and information facilities. LRD Payline has developed over the past ten years and is used to analyse collective bargaining trends and provide comparative pay and conditions information by trade unionists.

Please click on the link below to view a guide on how to use the Payline service

<http://www.unitetheunion.com/pdf/HowToUsePaylineBriefUNITE.pdf>

Workplace representatives guide to the web

As increasing numbers of Unite workplace representatives gain access to the internet, either at work or at home, so the benefits of this facility can be used to enhance the support and knowledge of representatives. Whether it is preparing a pay claim, checking out health and safety issues, understanding new issues in the workplace or checking basic employment rights, the internet can provide a useful first stop for information.

None of this can replace the professionalism and experience which representatives will obtain from the union's full time officer force or support departments but it does provide an additional access to information.

The union's research department has produced a guide which contains links to a wide range of sites which have been found to be useful in meeting the needs of workplace representatives.

Please click on the link below to view the Workplace representatives guide to the web

http://www.unitetheunion.com/PDF/Reps_guide_to_web2009.pdf

MULTI SITE EMPLOYERS

If you negotiate with a local employer, which may be part of a multi site company, please contact your sector Research Officer direct for further information on pay & conditions in other sites.

BARGAINING BRIEF:

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Winning in the workplace is key to organising. Remember to let Bargaining Brief know your successes, particularly in rebuffing attacks on pension schemes. **Please send details of best in class deals – better pay, pensions, shorter working time, family friendly, Union Learning reps agreements etc to Steve Martin:**

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