

EDITORIAL

Inflation

The inflation rate for July continues to show prices increasing at a rate of 5% and significantly this is the figure that Train Operating Companies will use as a basis for fare increases next January with an added 3% on top courtesy of the government's budget last March. Interestingly the government decided to keep the RPI measurement for this purpose whilst switching to CPI to measure increases in pensions for public servants.

CPI/RPI Update

The High Court has set a date to hear an application for judicial review of the Government's decision to uprate public sector pension payments by the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). The legal challenge has been made jointly by unions including UNITE, NASUWT, UNISON and PCS and will be heard on 25th October 2011. Separately, organisations including Prospect, the Police Federation and the Civil Service Pensioners' Alliance began an action against the Government over the CPI in the High Court in April, also with the aim of blocking the change.

Roger Jeary

Director of Research

JULY INFLATION FIGURES

RETAIL PRICE INDEX (RPI) – 5.0% (no change from June)

CONSUMER PRICE INDEX (CPI) – 4.4% (up from 4.2% in June)

BREAKDOWN OF KEY RPI STATISTICS	ANNUAL RATE
Housing	1.5%
Petrol & Oil	14.5%
Vehicle tax & Insurance	21.4%
Rail Fares	9.7%
Food	6.4%
Oil & other fuels	28.5%
Clothing & footwear	12.2%
Motoring costs	8.2%
Household consumable	6.3%
Source: ONS www.statistics.gov.uk	

INFLATION FORECASTS (RPI)	ANNUAL RATE
Quarter 3 2011	5.4%
Quarter 4 2011	5.4%
Quarter 1 2012	4.2%
Quarter 2 2012	3.8%
Quarter 3 2012	4.1%
Quarter 4 2012	3.9%
Source: IDS Pay Report June 2011	

RECENT UNITE SETTLEMENTS AS REPORTED TO THE PAY & CONDITIONS DATABASE ONLINE

Settlement date	Agreement	Standard increase
01/07/11	PREMIER FOODS (WISBECH)	5.40%
01/08/11	OLD BUSHMILLS DISTILLERY (DIAGEO)	5.20%
01/04/11	NORTHERN RAIL	5.00%
01/08/11	EAST MIDLANDS AIRPORT	5.00%
01/07/11	PORTASILO OF YORK	3.50%
01/07/11	UNILEVER BEST FOODS – BURTON ON TRENT	3.30%
20/07/11	DEMOLITION CONTRACTING	3.00%

Earnings and Pay

Full-time average weekly earnings by occupation

All workers	£615.70
All male	£672.20
All female	£528.00
Managers	£901.90
Professionals	£816.90
Associate professionals	£634.40
Administrative and secretarial staff	£431.60
Skilled/Craft	£508.30
Services	£365.30
Sales	£340.50
Operatives	£467.50
Other manual jobs	£363.50
www.statistics.gov.uk/pdfdir/lmsuk0711.pdf	

Percentage Annual rise in average weekly earnings May 2011

Whole Economy	2.3%
Private Sector	2.2%
Public Sector	2.1%
Manufacturing	1.1%
Services	2.7%
Source: increases in average weekly earnings across industrial sectors in Great Britain, seasonally adjusted, as monitored by National Statistics provisional	

Gap between private and public sector pay awards widens

Summary of key settlements data

(for the three months to end of June 2011, based on 136 settlements covering 3,942,431 employees in total)

Whole Economy	
Median	2.5%
Average	2.3%
Weighted average (by employee numbers)	0.3%
Interquartile range	1.5 – 3.0%
Median by Sector	
Private Sector	2.9%
Manufacturing and Production	3.0%
Private Services	2.5%
Not-for-profit and related services	1.3%
Public Sector	0.0%
Source: IDSPay.co.uk	

High Pay Commission Report – Independent Inquiry into top pay in the private sector

Following the recent publication on top pay in the private sector, the Chair of the High Pay Commission, Deborah Hargreaves said:

“Companies have been busy cutting costs in recent years by slashing the pension provision for employees across the board. This has seen much of the private sector workforce shut out from the best final-salary related schemes, but the boardroom has shown no such restraint. As directors’ pay has risen exponentially, packages have become ever more complex and a part of these pay awards is an extremely generous pensions allowance. The average FTSE 100 director has accumulated a pension worth £3.6 million – a sum that can only be dreamt of by an ordinary worker. Many directors have now filled up their pension pots so that they are not eligible to further tax relief on contributions. Instead, they are increasingly being awarded cash payments in lieu of pensions at an average of £160,817 a year in the FTSE 100. These startling new statistics revealed in this report on executive pensions for the High Pay Commission, were compiled by Incomes Data Services using latest available data from the ONS and NAPF. The report shows that only a third of private sector employees are enrolled in a pension scheme but almost all FSTE 350 companies provide a retirement scheme for their directors. As ever with pay at the top, it is one rule for the workforce as it is exhorted to put up with poor retirement pay so that companies can stay competitive, and another one for the boardroom where generosity remains unchecked.”

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ACCESSING DATA

The data contained in this brief can all be obtained by using online facilities available to Unite members and general websites.

Unite has provided a workplace representative’s guide to the web and this is available at http://www.unitetheunion.org/pdf/Reps_guide_to_web.pdf

In addition all Unite members can access the pay and conditions database maintained by LRD at: http://www.lrd.org.uk/payline/index.php?auth_token=6c54e1a919aba7bca4c206fd0201eb03 or through the LRD website - username: unite and password: opal961

High Pay Commission Report
http://highpaycommission.co.uk/wp-content/uploads/2011/05/HPC_interim_report2011.pdf

TUC ToUChstone pamphlet – Britain’s Livelihood Crisis www.tuc.org.uk/tucfiles/28/Britain's_LivelihoodCrisis.pdf

IMPORTANT CHANGES

All future requests for information relating to company accounts are to be directed to: alex.ryan@unitetheunion.org



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