

## EDITORIAL

Inflation is at a 20-year high. Under the Retail Price Index (RPI), it was up from 5.6% in September from 5.2% the previous month. It is now at its highest level since June 1991.

Higher domestic fuel prices and household services, such as telephone charges along with rising fares were the main factors in the rise.

Unite general secretary Len McCluskey said:

“Inflation is soaring, unemployment is out of control and there are no signs of growth. The coalition government is piling misery upon misery for ordinary families. Now more than ever Britain needs a plan B from this government. David Cameron and George Osborne’s political cowardice means they are presiding over an economic catastrophe. Their refusal to change course is a political decision, not an economic one”.

**Roger Jeary**

Director of Research

### SEPTEMBER INFLATION FIGURES

RETAIL PRICE INDEX (RPI) – 5.6% (up from 5.2% in August)  
 CONSUMER PRICE INDEX (CPI) – 5.2% (up from 4.5% in August)

BREAKDOWN OF KEY RPI STATISTICS	ANNUAL RATE
Housing	1.3%
Petrol & Oil	17.9%
Vehicle tax & Insurance	16.0%
Rail Fares	7%
Food	6.9%
Oil & other fuels	28.2%
Clothing & footwear	11.1%
Motoring costs	8.7%
Household consumable	10%
Source: ONS <a href="http://www.statistics.gov.uk">www.statistics.gov.uk</a>	

INFLATION FORECASTS (RPI)	ANNUAL RATE
Quarter 4 2011	5.3%
Quarter 1 2012	4.0%
Quarter 2 2012	3.8%
Quarter 3 2012	3.6%
Quarter 4 2012	3.2%
Source: IDS Pay Report October 2011	

---

# LRD PAY & CONDITIONS DATABASE ONLINE

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

Settlement date	Agreement	Standard increase
01/08/11	Usborne Publishing	4.50%
01/09/11	Corrugated Packaging Industry	3.10%

## EARNINGS AND PAY

### FULL-TIME AVERAGE WEEKLY EARNINGS BY OCCUPATION

(the table below shows estimates of full-time average weekly earnings by occupation. It is based on the median earnings figures published by the ONS in the Annual Survey of Hours 2010, updated by the 3.3% increase in the average weekly earnings figures between April 2010 and August this year).

All workers	£618.00
All male	£674.90
All female	£530.00
Managers	£905.40
Professionals	£820.10
Associate professionals	£636.80
Administrative and secretarial staff	£433.20
Skilled/craft	£510.30
Services	£366.70
Sales	£341.80
Operatives	£469.30
Other manual jobs	£365.00
Source: <a href="http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77222441">www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77222441</a>	

### PERCENTAGE ANNUAL RISE IN AVERAGE WEEKLY EARNINGS – JULY

Whole Economy	2.8%
Private Sector	3.1%
Public Sector	1.6%
Finance & Business Services	6.3%
Manufacturing	1.7%
Services	2.6%
Source: increases in average weekly earnings across industrial sectors in Great Britain, seasonally adjusted, as monitored by National Statistics provisional	

---

---

# INSTITUTE OF FISCAL STUDIES

## CHILD AND WORKING-AGE POVERTY FROM 2010-2020

A new forecast of income poverty among children and working-age adults in the UK has been published by the IFS, funded by the Joseph Rowntree Foundation. The research forecasts poverty for each year between 2010-11 and 2015-15, and for 2020-21. It accounts for all announced tax and benefit policies, including Universal Credit, and incorporates the latest official economic and demographic forecasts. For the full report go to:

<http://www.ifs.org.uk/publications/5711>

## IDS – THE ECONOMY, INFLATION AND THE LABOUR MARKET

Growth in GDP slowed in the second quarter of 2011 to just 0.2 percent, down from 0.5 percent in the first quarter. While the quarter 3 figures are not released until 1st November, the recent slowdown in manufacturing could intensify this downturn. The Treasury review of independent forecasts records an average figure of 1.3 percent for GDP growth in 2011, but there is every chance that this is over-optimistic. Demand is being affected by the squeeze on households' real incomes and reductions in public spending.

Most economists think that RPI inflation will remain above 5 percent for the duration of 2011, driven mainly by rising utility prices. Thereafter it is expected to fall, especially as the January 2011 VAT rise comes out of the figures from early 2012 onwards. But increases in items like fares could offset this to some extent and as a result the path of inflation in 2012 is proving extremely difficult to predict. As the Bank of England put it in its recent inflation report (August 2011), "the timing and extent of the likely decline in inflation (through 2012) are highly uncertain."

The labour market remains weak, with higher unemployment and lower levels of employment before the recession. While unemployment has not risen to the levels seen in previous slumps, this does not detract from the generally fragile picture. The outlook appears to vary by gender, however, with relative stability in the figures for men, while public sector job cuts are beginning to affect women's employment.

## RPI/CPI UPDATE

This month Unite in conjunction with other unions, have headed to the High Court to challenge the Tory led coalition on its changes to the way that pension payouts are calculated.

Len McCluskey said: "Our legal challenge against the coalition Government is hugely significant for workers both in the public and private sectors. Public sector workers face an opportunistic attack on their pensions by this Government, but many workers in the private sector have also been affected.....We know some private sector employers are already attempting to move to the lower inflation index, citing the Government's example. In reality this Government wants us all to work for longer for less".

For more information please go to the following links:

<http://www.telegraph.co.uk/finance/personalfinance/pensions/8844813/Private-sector-pensioners-could-benefit-from-high-court-showdown.html>

<http://www.independent.co.uk/news/business/news/high-court-action-on-cpi-pensions2374907.html?service=Print>

## 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](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](http://www.lrd.org.uk/payline/index.php?auth_token=6c54e1a919aba7bca4c206fd0201eb03)

or through the LRD website - username: unite and password: opal961

## IMPORTANT CHANGES

All future requests for information relating to company accounts are to be directed to: [alex.ryan@unitetheunion.org](mailto:alex.ryan@unitetheunion.org)

## Contact Details

Editor: Roger Jeary – [roger.jeary@unitetheunion.org](mailto:roger.jeary@unitetheunion.org)  
Bargaining Brief Compiler:  
Angela Forrester – 020 7611 2649 – [angela.forrester@unitetheunion.org](mailto:angela.forrester@unitetheunion.org)

