

briefingpages

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IN THIS ISSUE: EQUALITY AND DIVERSITY p.i ■ INFORMATION AND CONSULTATION p.ii ■
■ LEGAL p.iii ■ NEGOTIATING INFORMATION p.x ■ PAY REVIEW UPDATE p.xi

■ EQUALITY AND DIVERSITY

DISABILITY DISCRIMINATION LAW CHANGES: NEW OPPORTUNITIES AND RESPONSIBILITIES

On 1 October 2004 the Disability Discrimination Act 1995 (DDA) will be extended to cover all workplaces (regardless of number of employees), and place new duties on trade unions.

OPPORTUNITIES

These changes will give important rights to 'reasonable adjustments' to thousands of disabled people who work for small employers, which had previously been exempted from DDA duties.

Activists will be aware that disability is judged on whether a person would suffer a substantial effect on their day to day activities if they were not taking any relevant medication or using relevant equipment (with the exception of glasses), so many members might have a significant, although hidden disability (e.g. heart/thyroid, diabetes and epilepsy problems etc.).

Reasonable adjustments range from new equipment (which might also receive part funding through the Access to Work scheme), to varied working hours, etc. If you have a member with a health problem it is often helpful to seek advice on appropriate adjustments from a charity that specialises in that problem (e.g. Diabetes UK, or the Dyslexia Society), as well as discussing it with your Full Time Officer who can draw on resources at Head Office. The TUC also has helpful guidance on the changes at <http://www.tuc.org.uk/equality/tuc-8096-f0.cfm> .

RESPONSIBILITIES

Access and adjustments

The 1 October changes place new duties on trade unions to ensure that they do not discriminate, including inadvertently, e.g. by failing to remove a barrier to access to the trade union service. What is important is that you should know of any problems that could arise well in advance of a meeting in order to make adjustments. Therefore, if you are organising a meeting or assisting a member in a disciplinary hearing, etc., it is strongly advisable to ask (in writing wherever possible) whether the person has any special requirements in order for them to attend and fully participate in any meeting. This covers both physical access (e.g. wheelchair) and communication access (e.g. a signer for a deaf person). [The TUC weblink includes an accessibility checklist, which you may find useful.] You should give a deadline for reply which it is reasonable to expect them to comply with, but which also gives you time to sort out the adjustments. If the adjustment is costly, or you cannot access the weblink above, speak to your FTO for guidance.

Protection of legal rights

If a member wishes to take a claim against their employer to an Employment Tribunal they should now take a grievance first. A failure to do so will completely prevent them being able to take a claim, so it is important that you advise to initiate a grievance at an appropriate point. Once it is started do not lose sight of the Tribunal deadline of bringing a DDA claim within 3 months of the discrimination complained of. For more on both of these points please see the article on Disciplinary and Grievance procedure changes, also in this issue of The Activist.

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■ INFORMATION AND CONSULTATION

ARE YOU READY?

The countdown for the Information and Consultation Regulations has now begun – as of 6 April 2005 you will have new rights – rights to be informed and/or consulted about: business developments, employment trends and changes in work organisation or contractual relations, including redundancies and business transfers.

These new laws will affect businesses at different times, depending on their size – undertakings with 150 or more employees will be the first to be affected. Essentially the new laws will enable 10% of an undertaking's employees or management itself, to trigger negotiations on an information and consultation agreement. Negotiations must then take place according to strict legal procedures.

Maybe your employer has approached you already about these new regulations. Will you be ready if they do?

Amicus is campaigning for all new recognition agreements where they refer to information and consultation to contain at least the minimum 'standard provisions'. We believe that real consultation allows proper discussions, genuine employee involvement and for the workforce to be part of the decision-making process.

But beware – companies introducing information and consultation structures ahead of the April deadline are able to avoid implementing the full minimum standards under the guise of a voluntary 'pre-existing' agreement. Amicus has seen an increase in companies opting for this route, which is why we are advising members to be on their guard.

At the same time, Amicus will be campaigning to maintain our existing collective agreements and we will also be using the new regulations as a recruitment tool. A guide for shop stewards has already been produced on the new regulations. It includes information on the so-called 'standard provisions', the pitfalls of voluntary agreements, and how to trigger negotiations for an information and consultation agreement. You can request your copy from the Despatch Department at Hayes Court.

Finally, do contact your regional office for help and advice before negotiating or signing any new agreement. Officers have a wealth of guidance and resources at their fingertips and together we can ensure members aren't short-changed when it comes to these new rights.

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NEW REGULATIONS RE DISCIPLINARY AND GRIEVANCE PROCEDURES AND RIGHTS AT EMPLOYMENT TRIBUNAL

On 1 October Regulations come into force which will have a major impact on the ability of members to take claims to Employment Tribunal (ET), and on the damages they will receive as a result.

The Employment Act 2002 (Dispute Resolution) Regulations 2004 seek to reduce the number of ET claims by encouraging employers to use fairer procedures before sacking people, and by forcing employees to use internal grievance procedures before they can take claims for discrimination or constructive dismissal. It also gives a right for all employees to have disciplinary procedures as part of their statement of terms and conditions (regardless of size of company).

The Regulations set out statutory procedures which apply in different situations as set out below. The new procedures will apply where dismissal/other relevant disciplinary action is first contemplated on or after 1 October 2004, or where an event occurs on or after 1 October 2004 in respect of which an employee can bring a grievance.

Look out for courses run by our education department; use the guidance here and on the TUC (www.tuc.org.uk) and DTI (<http://www.dti.gov.uk/er/resolvingdisputes.htm>) websites, and contact an officer for advice and help if you are in any doubt.

ARE THE CHANGES GOOD OR BAD?

THE PLUSES

- All employees now have a right to have any applicable disciplinary procedure either contained within, or referred to in, their statement of terms and conditions¹, and they must be informed in writing of any changes which have been made to their disciplinary procedures, and of the identity of the person with whom they must raise a grievance. They should receive written notice of the disciplinary procedure by the end of October 2004 if there is not already a compliant procedure in place.
- Although there will not be an implied contractual term from 1 October 2004, in the future, it is anticipated that in absence of a written procedure, compliance with the statutory procedures will eventually be an implied contractual term.
- Dismissal where there was a failure to comply with the statutory procedures, and the failure is wholly or mainly the fault of the employer, is automatically unfair. (However, the 1 year continuous employment rule still applies).
- In such cases the employee's damages can generally be increased by 10 – 50%.
- An employer is not guaranteed a finding of fair dismissal simply because they followed the statutory or modified procedure. The existing law on fairness and consultation is still relevant. For further details see the ACAS Code of Practice on Disciplinary and Grievance procedures. (The draft Code is currently accessible on the DTI website. By October the final Code should be on the ACAS website at www.acas.gov.uk.)

THE MINUSES

- Employees damages can be reduced by at least 10% where the employee is seen to be to blame for the procedure not having been fully followed.
- Employees lose the right to take a claim to ET at all (e.g., deductions from wages, constructive dismissal and discrimination claims) where they have not first sent a written statement to the employer about their grievance and waited at least 28 days before filing an ET claim.
- In cases of a major breach of trust and confidence by the employer which may justify a constructive dismissal claim, advice from the officer should be sought as a matter of

urgency as there is a potential conflict between the grievance duty above and the contract law doctrine re 'waiving a breach' if the individual stays in office. (We await test cases to fully clarify this kind of situation.)

- There is a risk of increase in litigation against the union and reps where inadequate advice has harmed an individual's right to take a claim or gain full damages.

KEY POINTS FOR ACTION BY WORKPLACE REPS² RE THEIR MEMBERS:

- If a member feels that they are being discriminated against, or have some other problem which might cause them to leave their job, they should be **advised to lodge a written statement** about it in accordance with the statutory or modified grievance procedure, and that if they fail to do so they will not be allowed to take a claim to an ET. (In exceptional cases they can still take a claim, however expert advice should be taken before relying on the exceptions.)
- Reps should keep a **written log of advice** to members, including time, date and summary of advice, for future reference. They should write to the member to confirm their advice if they are unsure that the member has got the message. A copy of any letter should be kept for future reference.
- Reps should **look at their employer's grievance and disciplinary procedures** to see whether they at least comply with the statutory procedures. In most cases where we have recognition agreements the disciplinary and grievance procedures will give more protection to the employee. Where this is the case the procedures can and should stay as they are. If you are in any doubt about your procedure's compliance, or if your employer does not have contractual disciplinary and grievance procedures, you should seek advice from your officer.
- An employee who has been dismissed should be advised to **appeal** if they wish to avoid a reduction in their damages if they succeed at a later ET. They are not required to submit a grievance after being dismissed unless they are complaining that the decision to dismiss was unlawfully discriminatory or was taken for a reason other than that asserted by the employer.
- Any **breach** of the statutory or contractual disciplinary and grievance **procedure** should be documented, mentioned in any appeal, and clearly described on the union's form for application to an ET, if an ET claim is to be submitted.
- If your existing procedures are better than the statutory ones and the employer wants to **level down** to the statutory procedures involve your officer in vigorously opposing any such changes.
- Campaigning for the procedures is an **organising opportunity**, and support resources will be available from the Communications Department and the Organising Team, and can be accessed via your officer.
- The Regulations require that the meeting is conducted in such a way that the employee can explain his/her case. The rep should check well in advance of the meeting whether the employee has any **language/disability/reading³ difficulties** which might affect their ability to fully understand and participate in the proceedings. If they have, the employer should be asked to provide an interpreter/other assistance to facilitate full participation. Reading difficulties should be dealt with tactfully, but still ensuring that the employee fully understands any written statement or evidence given in the hearing. The rep should also ensure that there are adequate facilities for a private consultation between the rep and the member.
- Where an employee complains that they have suffered detrimental treatment at work, advice on whether to **lodge a grievance** should always be given. However if the unfair treatment does not potentially create any legal rights then a grievance should only be raised where a positive response from the employer is a realistic option. Seek advice from your officer at an early stage if you are unsure whether there are any **relevant legal rights**.
- Employees should be advised to cooperate with the procedures, and **attend meetings** under the procedure, and that they have the **right to be accompanied** by their TU rep.
- Do not rely on the **time limit** exemptions if at all possible. Seek urgent advice where time limits are a difficulty.

KEY LEGAL ASPECTS OF THE STATUTORY AND MODIFIED PROCEDURES

1 The Statutory Dismissal and Disciplinary Procedures ('DDPs')

There are two forms of DDP, the Standard Procedure, which will apply in the vast majority of situations, and the Modified Procedure, to be used in some cases of serious gross misconduct.

a) The Standard DDP

The Standard DDP will apply when the employer is contemplating dismissal (including dismissal on grounds of capability, conduct, redundancy and non-renewal of a fixed term contract). It will also apply where an employer is contemplating certain disciplinary actions short of dismissal in relation to an employee, **wholly or mainly by reason of the employee's conduct or capability**, including demotion, suspension without pay, and suspension on reduced pay. However, neither the Standard Procedure nor the Modified Procedure will apply where an employer is contemplating issuing an oral or written warning or contemplating suspension on full pay.

The Standard DDP is made up of the following 3 steps:

Step 1: The employer must send the employee a written statement setting out the employee's alleged conduct/characteristics/other circumstances which are causing the employer to contemplate dismissal/disciplinary action. The employer must invite the employee to a meeting to discuss the matter.

Step 2: Before the meeting, the employer must inform the employee what the basis was for including in the written statement the grounds given in it, and the employee must have had a reasonable opportunity to consider their response to that information. The employee must take all reasonable steps to attend the meeting, and no action (except suspension) may be taken until the meeting has occurred. After the meeting, the employer must inform the employee of their decision and notify the employee of the right to appeal.

Step 3: If the employee informs the employer of their wish to appeal, the employer must invite them to attend a further meeting, which the employee must take reasonable steps to attend. After the appeal meeting, the employer must inform the employee of their final decision.

b) The Modified DDP

The Modified DDP only applies to dismissals where the employer dismissed the employee without notice on the basis of their conduct, the dismissal took place at the time the employer became aware of the gross misconduct (or immediately after), the employer was entitled, in the circumstances, to dismiss for gross misconduct without notice or payment in lieu of notice; and it was reasonable for the employer to dismiss the employee before enquiring into the circumstances in which the conduct took place. This last point means that even in many cases of gross misconduct it will not be sufficient for the employer to use the modified procedure.

Neither the Modified Procedure nor the Standard Procedure will apply, however, if in relation to such a dismissal, the employee submits a claim to an employment tribunal before the employer has written to the employee under step 1 (see below).

The Modified DDP is made up of the following 2 steps:

Step 1: The employer must send the employee a written statement detailing the employee's alleged misconduct which has led to the dismissal, and must detail the basis for the employer thinking that the employee was guilty of the alleged misconduct. The statement must also detail the employee's right to appeal.

Step 2: If the employee informs the employer of their wish to appeal, the employer must invite them to attend a meeting, which the employee must take all reasonable steps to attend. After the appeal meeting, the employer must inform the employee of their final decision.

c) Dismissals where the DDPs do not apply

The DDPs will not apply to dismissals where the statutory collective redundancy consultation requirements apply (ie where it is proposed to make 20 or more employees redundant within a 90-day period), where an employer seeks to change the terms and conditions of a group of its employees by dismissing them (provided that offers of re-engagement are made to all such employees), where a business suddenly ceases to function and all employees are dismissed, nor where an employee is dismissed because continued employment of the employee would breach a legal duty or restriction. In addition, the DDPs will not apply in constructive dismissal situations (although the statutory grievance procedures will apply – see later), and they will also not apply in many cases when employees are dismissed when taking industrial action. It should be remembered, however, that the normal unfair dismissal rules will in principle continue to apply in the above circumstances. The additional remedies (e.g. increased compensation) will not apply in such cases.

d) Parties treated as complying with the DDPs

Where the DDP steps, up to appeal, have been followed in full, the DDP appeal stage will be treated as complied with where

- there is an application for interim relief under the Employment Rights Act 1996 S128, or
- where a disciplinary procedure has been agreed by two or more employers, or an employers' association and at least one independent trade union, which provides the right for employees to appeal to an external panel in cases of dismissal or other disciplinary action, and the employee uses that right.

2. The Statutory Grievance Procedures ('GPs')

A grievance is defined as 'a complaint by an employee about action which [their] employer has taken or is contemplating taking in relation to [them]'. There are two forms of GP, the Standard Procedure, which will apply in the vast majority of situations and the Modified Procedure, which is a shorter procedure.

a) The Standard GP

The Standard GP will apply where an employee's grievance relates to an action taken by the employer in relation to the employee, eg oral and written warnings, suspensions on full pay and actions giving rise to constructive dismissal/unlawful discrimination claims. The Standard GP will apply in nearly all cases where the employee is still in the employer's employment. It will also apply in the majority of cases where the employee is no longer in the employer's employment.

The Standard GP is made up of the following 3 steps:

Step 1: The employee must send a written statement setting out the grievance to the employer.

Step 2: The employer must invite the employee to attend a meeting to discuss the grievance. The meeting must not take place until the employee has informed the employer of the basis of the grievance; and the employer has had a reasonable opportunity to consider their response to that information. The employee must take all reasonable steps to attend the meeting. After the meeting, the employer must inform the employee of their decision and notify the employee of the right to appeal.

Step 3: If the employee informs the employer of their wish to appeal, the employer must invite them to attend a further meeting, which the employee must take all reasonable steps to attend. The employer must inform the employee of their final decision. (The appeal hearing need not take place before the dismissal or disciplinary action takes effect, unless by some agreement beyond these Regulations.)

b) The Modified GP

The Modified GP will apply where the employee's employment has ended and either the employer was not aware of the grievance before the employment ended, or, if the employer was aware of the grievance, the Standard GP had not started or had not been completed by the time the employment ended; and the parties have agreed in writing that the Modified GP shall apply.

The Modified GP is made up of the following 2 steps:

Step 1: The employee must send the employer a written statement setting out the grievance and its basis.

Step 2: The employer must send the employee their response in writing.

c) Grievances where the GPs do not apply

The GPs will not apply to grievances where the grievance is that the employer has dismissed or is contemplating dismissing the employee or where the grievance is that the employer has taken or contemplates taking other disciplinary action. These cases will instead normally be covered by the DDPs. However, an employee will generally need to initiate the GP if they wish to complain about disciplinary action that is purportedly being taken on conduct/capability grounds, but which they believe is unlawfully discriminatory, or being taken for a reason other than that being asserted by the employer (eg a personality clash).

d) Grievances where the parties are deemed to have complied with the GPs

The parties will be deemed to have complied with the GPs in the following situations:

- Where the grievance is about relevant disciplinary action (not dismissal) which the employee alleges is unlawfully discriminatory or is being taken for a reason other than that asserted by the employer, and it is raised in writing before the appeal meeting takes place under a DDP. If the grievance is raised before the appeal hearing, this will enable the parties to address the grievance at the DDP appeal hearing. If, however, the employee raises the grievance only **after** the disciplinary appeal hearing, then it will be necessary for the applicable GP to be completed in full.
- The standard grievance procedure has begun, employment has ended and the employee has sent their written grievance letter to the employer, but is not completed because it is not reasonably practicable to do so.
- The grievance has been raised collectively by a union official or by another type of employee representative.
- An alternative, collectively agreed dispute resolution procedure exists (which must comply with certain requirements), and the employee has raised their grievance using that procedure. This would apply to existing industry-level procedures.

Where the parties are deemed to have complied with the statutory procedures, a subsequent tribunal claim by the employee may benefit from an extension to the normal time limit for submitting a claim (see later).

3. General requirements applicable to all the statutory dispute resolution procedures

The following requirements apply to all the statutory dispute resolution procedures. Each step and action of the procedures must be taken without unreasonable delay, and the timing and location of meetings must be reasonable. Also, meetings must allow both the employer and the employee to explain their cases. In appeal meetings, the employer should, as far as reasonably practicable, be represented by a more senior manager than attended the first meeting.

An employee will usually be entitled to be accompanied to a Step 2 meeting and/or a Step 3 meeting by either their union representative or by any work colleague. If the employer, the employee or the employee's companion cannot reasonably attend a Step 2 or Step 3 meeting for a reason that was not foreseeable at the time the meeting was arranged, the meeting must be rearranged. The employer is only obliged to rearrange the meeting once. If the meeting falls through a second time for unforeseeable reasons, both parties will be deemed to have complied with the applicable statutory dispute resolution procedure.

4. Exemptions which apply to all the statutory dispute resolution procedures

None of the statutory dispute resolution procedures will apply (or, if either has already been started, they will be treated as having been completed) where one party has reasonable grounds to believe that following the procedure would result in a significant threat to any person, or to their property, where one party has been subjected to harassment and reasonably believes that following the procedure would result in them being subjected to further harassment or where it is not practicable for a party to follow the procedure within a reasonable period, e.g. where the employee is hospitalised for a long period of time.

If it is the other party's behaviour that resulted in one of the above situations (e.g. the employer has harassed the employee who as a result reasonably believes that following the procedure will result in further harassment), that other party is treated as being in breach of the relevant procedure.

5. Time limits

a) Grievance Procedure

If an employee wishes to submit an employment tribunal claim based on a grievance covered by one of the statutory grievance procedures, they **must** write the Step 1 letter and then wait 28 days before submitting their employment tribunal claim. If the employee does not comply with these requirements, they will be prevented from bringing most employment tribunal claims (including discrimination and constructive dismissal claims). There is no such equivalent waiting provision included in the DDPs.

b) Employment tribunal time limit extensions

Where the DDPs apply, the normal time limit will be extended by 3 months where the employee has **reasonable grounds** for believing that a disciplinary procedure is still ongoing (eg because an employer is still investigating) on the date when the normal time limit expires.

Obtain written confirmation from the employer, or other evidence, that the disciplinary procedure is still ongoing, before relying on an extension of the ET time limit.

In relation to the GPs, the normal employment tribunal time limit will be extended by 3 months in **either** of the following 2 situations:

- i) If an employee tries to submit a tribunal claim arising from a grievance within the normal time limit for the claim, but they have not written the Step 1 letter under the GP and then waited 28 days, the tribunal will refuse to register the claim. These actions will, however, trigger an automatic 3-month extension of the normal time limit from the date when it would otherwise have expired. In this situation, the employee must send the Step 1 letter by no later than 1 month after the date when the normal time limit would have expired. If they do so, there will still be an opportunity to present a valid tribunal claim within the extended time limit. If they do not do so, they will be prevented from pursuing their tribunal claim; or
- ii) If the employee sends the Step 1 letter to their employer under the GP within the normal tribunal time limit for the claim in question, this will trigger an automatic 3-month extension of the time limit from the date when it would otherwise have expired. It should also be noted that if the employee has written to the employer setting out a grievance that relevant disciplinary action is unlawfully discriminatory or that the real grounds for the action are unrelated to the reasons advanced by the employer for the action and such grievance is submitted before the appeal hearing of the DDP (as under part 2(d) above), or a collective grievance has been raised in writing by an appropriate representative, then this 3-month time limit extension may also apply.

Therefore, the normal time limit will **not** be extended if, within the normal time limit for the claim in question, the employee neither sends a Stage 1 letter to their employer, nor tries to submit a tribunal claim.

6. The consequences of failing to comply with the statutory dispute resolution procedures

Employment tribunals will be able to **increase or decrease compensation** generally by between 10% and 50% where any of the statutory dispute resolution procedures have not been completed due to the fault of one of the parties. Therefore an employee should always be advised to exercise their right of appeal under the statutory procedures if they think they may wish subsequently to bring an employment tribunal claim in respect of the issue in question.

If an employer dismisses an employee without completing the relevant DDP, and if the failure was wholly or mainly attributable to the employer, that **dismissal is automatically unfair**. This is, however, subject to the employee normally having 1 year's continuous service and satisfying the other eligibility criteria for an unfair dismissal claim.

As detailed above, if an employee wants to pursue a claim to a tribunal based on a grievance to which the GP applies, then they must submit a written statement about it to their employer in accordance with either the Standard or Modified GP. Failure to do so will result in the employee **being prevented from bringing most types of employment tribunal claims** (including discrimination and constructive dismissal claims).

7. Written particulars of disciplinary procedures

Within 2 months of starting employment, employees are entitled under statute to receive from their employer a written statement of employment terms and conditions. With effect from 1 October 2004, either this written statement of terms and conditions or an employee's letter of engagement/contract of employment must set out all aspects of the employer's dismissal and disciplinary procedures, in addition to details of the employer's disciplinary rules. This will apply to all employers, regardless of the number of employees they employ.

Tribunals will be able to award compensation of either 2 or 4 weeks' pay to those employees who do not receive written particulars of the employer's disciplinary procedures or indeed of their employment. However, there is no free-standing right to compensation; the employee will only be able to claim the compensation if the employee successfully pursues another claim (e.g. unfair dismissal) at the same time.

Notes

¹ For new employees there is the usual 2 month delay under the Employment Rights Act 1996 S1.

² In this context workplace rep will usually refer to the shop steward, however health and safety/equality/other reps should ensure that if they are aware of a member having an issue, that the appropriate rep is advising them and supporting them through the relevant procedure.

³ Many employees will not admit to reading difficulties but will be grateful if the rep offers to read any written materials, including their own alleged statement, out to them. If the employee is blind or partially sighted the employer should be asked to make a reasonable adjustment to facilitate their reading, e.g. large print or alternative.

NEGOTIATING INFORMATION

FACTS AND FIGURES

AUGUST 2004

	RPI	RPI	RPIX	CPI
	Jan 1987 = 100			
2004				
Jan	183.1	2.6	2.4	1.4
Feb	183.8	2.5	2.3	1.3
Mar	184.6	2.6	2.1	1.1
Apr	185.7	2.5	2.0	1.2
May	186.5	2.8	2.3	1.5
June	186.8	3.0	2.3	1.6
July	186.8	3.0	2.2	1.4
	RPI	RPI	RPIX	CPI
	Jan 1987 = 100			
2003				
Jan	178.4	2.9	2.7	1.4
Feb	179.3	3.2	3.0	1.6
Mar	179.9	3.1	3.0	1.6
Apr	181.2	3.1	3.0	1.5
May	181.5	3.0	2.9	1.2
June	181.3	2.9	2.8	1.1
July	181.3	3.1	2.9	1.3
Aug	181.6	2.9	2.9	1.4
Sept	182.5	2.8	2.8	1.4
Oct	182.6	2.6	2.7	1.4
Nov	182.7	2.5	2.5	1.3
Dec	183.5	2.8	2.6	1.3
	RPI	RPI	RPIX	CPI
	Jan 1987 = 100			
2002				
Jan	173.3	1.3	2.6	1.6
Feb	173.8	1.0	2.2	1.5
Mar	174.5	1.3	2.3	1.5
April	175.7	1.5	2.3	1.3
May	176.2	1.1	1.8	0.8
June	176.2	1.0	1.5	0.6
July	175.9	1.5	2.0	1.1
Aug	176.4	1.4	1.9	1.0
Sept	177.6	1.7	2.1	1.0
Oct	177.9	2.1	2.3	1.4
Nov	178.2	2.6	2.8	1.6
Dec	178.5	2.9	2.7	1.7

UNDERSTANDING INFLATION

The inflation rate is calculated from the prices of a range of different goods and services selected to represent average spending patterns in the UK. The Office for National Statistics monitors changes in these prices each month, and uses this to work out an average increase for the year. The different items in the basket of goods and services are given different weights, so that things we spend more on, such as housing, motoring and food, are given more importance.

BASE LENDING RATE (JULY 2004)

4.75%

AVERAGE EARNINGS – INCLUDING BONUSES

2004

	Whole Economy			Manufacturing			Public Sector		
	Average Earnings Index	Single Month	3 Month Average	Average Earnings Index	Single Month	3 Month Average	Average Earnings Index	Single Month	3 Month Average
Jan	117.1	7.3	4.7	114.0	3.6	3.5	117.1	4.1	4.2
Feb	114.3	3.9	4.9	114.7	3.6	3.5	117.8	4.4	4.3
Mar	115.7	4.3	5.2	116.1	3.2	3.5	118.2	4.3	4.3
Apr	115.8	4.6	4.3	115.5	4.8	3.9	118.5	4.1	4.3
May	116.0	4.1	4.3	115.9	4.3	4.1	118.9	4.5	4.4
Jun	116.5	4.3	4.4	116.0	4.1	4.4	119.8	4.5	4.4

2003

	Whole Economy			Manufacturing			Public Sector		
	Average Earnings Index	Single Month	3 Month Average	Average Earnings Index	Single Month	3 Month Average	Average Earnings Index	Single Month	3 Month Average
May	111.4	3.2	3.2	111.1	3.1	3.8	113.8	4.7	5.0
Jun	111.7	3.2	3.0	111.4	3.1	3.0	114.7	5.3	5.0
Jul	112.3	3.6	3.4	111.8	3.2	3.1	115.4	5.3	5.1
Aug	112.4	3.5	3.4	111.9	2.9	3.1	115.6	6.0	5.5
Sep	112.8	3.7	3.6	112.5	3.5	3.2	116.1	5.5	5.6
Oct	113.0	3.6	3.6	112.8	3.2	3.2	116.1	4.7	5.4
Nov	113.7	3.3	3.6	113.3	3.5	3.4	116.4	4.2	4.8
Dec	113.2	3.4	3.4	113.6	3.4	3.4	116.9	4.3	4.4

Full-time average earnings by occupation

	£pw		£pw
All workers	498.60	Admin & secretarial	354.60
All male	550.20	Skilled/craft	432.20
All female	415.00	Services	296.50
Managers	783.40	Sales	302.80
Professionals	681.90	Operatives	391.70
Associate Professionals	553.20	Other manual jobs	320.70

The table above gives estimates of full-time average weekly earnings by occupation. It is based on the figures from the New Earnings Survey 2003, uprated by the 4.7% increase in average earnings from April 2003 to May 2004.

For more detailed information on inflation go to www.statistics.gov.uk or www.incomesdata.co.uk

PAY REVIEW UPDATE

Review Group (Nos. covered)	Effective Date	Period (months)	Terms of latest pay settlement
CHEMICALS			
Aventis Pharma, Holmes Chapel – all (550)	1.3.04	12	Basic rates increased by 3.25%
BP – corporate and support functions (1,400); exploration and production (3,462); gas, power and renewables (208); express shopping (4,000); Grangemouth (1,676); integrated supply and trading (1,032); petrochemicals (1,569); refining and marketing (3,516)	1.4.04	12	3% general award, plus additional 1% of paybill allocated to deal with pay progression and address market-related issues
Texaco, Pembroke – hourly paid operators and fitters (230)	1.4.04	12	3% across-the-board pay rise.
monthly paid engineering, clerical and admin staff (240)	1.4.04	12	All-merit rises distributed from 3% pot
CONSTRUCTION			
Construction industry joint council – operatives, skilled and craftworkers (500,000)	28.6.04	36	Second year of three-year deal: basic rates increased by around 7.2%
ENGINEERING AND METALS			
BAE Systems Marine – staff (700)	1.1.04	12	3% increase
Smiths Industries Defence, Cheltenham – all manuals and staff (900)	1.10.03	12	2.75% uplift
FINANCE			
The Co-operative Bank – all staff excluding senior management (4,000)	1.4.04	12	2% flat-rate increase and additional 1.65% merit pot. No change in broad band scales
Co-operative Insurance Society – managers (300)	1.4.04	12	2.6% basic increase
– clerical, technical and supervisory staff (4,000)	1.4.04	12	2.6% basic increase
Lloyds TSB – clerical and managerial staff (65,000)	1.4.04	12	3.5% merit pot, plus 0.85% spent on uplifting salaries
NFU Mutual – all staff (3,000)	1.5.04	12	3% basic increase and additional 1.7% merit pot. Range of merit rises was nil to 7%. Salary scales increased by 3%
Unity Trust Bank – staff (800)	1.4.04	12	3% paybill increase. Individual increases ranged from 1.5% to 4.6%
Zurich Financial Services – general insurance staff and managers (6,000)	1.4.04	12	Merit increases from a 4% pot
Zurich Life – staff and managers (4,000)	1.5.04	12	Merit increases from a 2% pot

Review Group (Nos. covered)	Effective Date	Period (months)	Terms of latest pay settlement
GENERAL MANUFACTURING			
Euramax Coated Products – shop floor grades (90) – staff (80)	1.7.04	12	3% basic pay rise
	1.1.4	12	All-merit awards averaging 3%
United Ceramics (formerly Universal Abrasives) – all (27)	1.2.04	12	3% basic uplift
GENERAL SERVICES			
Methodist Home for the Aged – all staff (2,500)	1.4.04	12	2.8% basic increase
Paddington Churches Housing Association – all (600)	1.4.04	12	2% uplift to salary scales. In addition employees were eligible for a linked performance progression award of 2% and a one-off cash bonus of 2%
PUBLIC SERVICES			
Buckinghamshire County Council – all (7,500)	1.4.04	12	3% rise across the board
Employment Tribunals Service – all (730)	1.8.03	12	Award worth 3.5% gives all staff with a satisfactory performance rating 1.5%, plus a further award depending on performance
Police support staff, Scotland – all (2,500)	1.9.03	24	First stage of new two-year deal: increase of 3.5% on all spinal column points from 1.9.03 and a further 3.3% from 1.9.04
TEXTILES			
Lanchashire Textile Manufacturers' Association – manual workers (3,000)	3.5.04	12	2.75% increase on all earnings. Minimum earnings level for a 39-hour week raised from £181.46 to £189.15 from 3.5.04, and to £195 from 4.10.04
Woolcombing industry, West Yorkshire – manual workers (8,000)	3.5.04	12	2% increase on all earnings