

# Work Voice Pay MONTHLY

Issue 12: January 2019



*"Welcome to the latest edition of Work Voice Pay Monthly. As a part of Unite's industrial strategy, each month we will be bringing you the very latest bargaining data and news".*

**Sharon Graham, Executive Officer – Work Voice Pay**



## Cost of Living – Going Up

### The latest RPI figure shows inflation at 2.7%

On 16 January the UK Government's Office for National Statistics (ONS) released the latest retail price index (RPI) figure. It shows that prices are up 2.7% from a year ago.

#### Fuel and light are up 8.3%

The price of fuel and light continues to rise just as the cold snap begins and we all start to use more. Oil and other fuels are up 7.1% over the last year! Electricity costs 9% more and the price of gas has gone up at more than twice the rate of RPI, 7.5%.

#### Clothing and footwear are up 4.9%

With fuel bills rocketing you may want to reduce your heating bills by getting some warmer clothes. But you won't escape inflation. Women's clothes have risen 8.6% while new gear for the kids is 5.1% more expensive than last year and men's outerwear is up 3.2%.

#### Leisure services are up 5%

Holidays in the UK have risen 6.3%, while the price of foreign holidays are up 6% over the past year.



#### Household services are up 3.1%

Everyone wants the latest mobile phone but they have to pay for it. Phones cost 3.5% more than last year while fees and subscriptions are up 2.9%.

#### Home insurance and ground rent are up 5.8%

Some of the home expenses that are impossible to avoid have also increased at alarming rates. Dwelling insurance and ground rent is up 5.8%. Council tax and rates are up 4.9%.

## IT'S TIME FOR OUR OWN INQUIRY INTO THE 'COST OF LIVING'

**Says Sharon Graham**



The latest Unite Investigates project is focussed on the 'cost of living' and whether it is possible to establish a 'workers index'. We are confident that this will help deliver on key objectives of our industrial strategy - Work, Voice & Pay. The wide-ranging inquiry is led by myself and chaired by Tony Woodhouse (Chair EC), reporting back to the Executive Council and the General Secretary. It sets out to help grow confidence amongst our Shop Stewards / Reps and to develop meaningful standards for collective bargaining. To do that we will focus on key bargaining questions: What do we need to keep up with rising costs? What do we need to get our 'piece of the pie'? How can we achieve the wins we need? And, what are we delivering at the moment?

To find answers to these questions we will need to gather evidence, consult and plan practical action. For example, to keep up with costs we are going to need to defend RPI and also look at options for a workers index, a Union benchmark for inflation. But we need to go further than costs and look at what it is we need. What could a Union baseline standard of living look like? What actually do we want? And not just money but conditions and political demands. Then, we will have to consider how we can deliver this as part of Work, Voice & Pay. Our 'Top 10' strategy for pacesetters in each sector starts this year. We are looking to build combines across major employers in each industry. We want to strengthen our industrial co-ordination, including the introduction of advanced pay claims, to maximise our opportunities for success at the bargaining table. Finally, the inquiry will look at how we can further develop our industrial tools so that we can better record the results of our negotiations and maintain a database of our collective agreements.

I will keep you up-to-date with progress over the coming months.

In solidarity,

A handwritten signature in blue ink, appearing to read 'S. Graham'.

**Sharon Graham**  
Unite Executive Officer

# Who owns who?

## Mergers and Acquisitions News



### Fuller's sells London Pride to Japanese Corporation

Fuller's is selling its entire brewing operation and distribution business to Japanese drinks group Asahi in a deal worth £250 million. The deal includes London Pride and the historic Griffin Brewery in addition to Cornish Orchards cider, Dark Star Brewing and the Nectar Imports wine wholesaling enterprise and drinks distribution network. It is expected to be completed in the first half of this year.

### Flybe takeover hits turbulence

After getting into serious financial difficulties Flybe announced earlier this month that it has agreed to a bail-out in which its debt and its assets are taken over by a consortium made up of Virgin Atlantic, Stobart Air and investment firm Cyrus Capital. The deal could have gone through as early as March this year but is now in doubt because major Flybe shareholders are disputing it and calling for the company's chairman to be ousted.

### INEOS builds and buys more plants in Europe

INEOS just keeps getting bigger. This month it announced that it will make its largest ever investment of €3bn to build a gas-fuelled chemical plant in Antwerp, Belgium. It has also just done a \$1bn deal to buy Ashland Global Holdings' composites business and BDO manufacturing facility in Germany, including about 1,300 new employees.

### Drones don't stop Vinci taking over Gatwick Airport

In the last days of 2018 - just after Gatwick Airport had been repeatedly shut down by drones - the airport's owners agreed to sell 50.1% to Vinci Airports for £2.9bn. Gatwick was bought by a consortium led by the US private equity firm GIP for £1.5bn in 2009. The massive French infrastructure group Vinci has agreed to manage Gatwick together with GIP, which retains a minority stake.

### Brussels set to block rail merger between Alstom and Siemens

The EU competition commissioner is pressing ahead with plans to veto the mega merger of European train manufacturers. The deal is not dead yet though with some fight back expected from the French and German governments.

## Bite Sized Bargaining - Constructive dismissal

### Constructive dismissal – the last resort

“Constructive dismissal” is when an employee is forced to resign from their job because the employer has committed a serious breach of contract. It is not enough to prove unreasonable behaviour by the employer and an employee will need at least two years of continuous service. No member should ever be advised to resign because of an unbearable situation at work without first seeking specific advice from the Union. Unfortunately people do sometimes resign in haste and repent at leisure. So, it may be worth keeping in mind that very few tribunal claims for constructive dismissal succeed, and even for those who win, the pay-out is often not as high as they might imagine.

Examples of behaviour from an employer that might form the basis of a constructive dismissal could include:

- not being paid;
- being forced to accept unreasonable changes to your job that aren't in your contract or collective agreement; or
- being required to work in dangerous conditions.

If there are issues of this sort it is important not to focus only on the legal route. If the employer is being really unreasonable members may decide on a collective industrial response. If a member does want to resign and take a legal case for unfair dismissal it is not always easy to work out how to proceed. Resigning with immediate effect will often be seen as the member breaching his or her contract. Failing to act quickly could equally be seen as accepting a change of contract, or waiving the grievance. Members who are subject to a serious breach of contract might also decide to carry on working 'under protest' for a time while they and their rep(s) try to get the employer to resolve the issue. In any case, members should know that proper advice from the Union will be critical.

### Compensation

Specific advice on the likely award in a given case can be important - especially if you are trying to negotiate compensation for a member who might otherwise go to tribunal.

If a member does take and win a case for constructive dismissal they can expect to be given a basic award and a compensatory award. The basic award is calculated using a formula based on age, length of service and normal weekly gross pay. The maximum payment is £15,240 but in most cases it will be considerably less.

The compensatory award is for any loss of wages, future wages and/or pension before getting a new job - as well as some compensation for loss of statutory rights (because you have to be in another job for two years before you regain unfair dismissal and redundancy rights). The maximum compensatory award is up to one year's gross salary (or £83,682 if you are lucky enough to be paid more than that per year). Compensation can be increased beyond that cap if the dismissal is because of discrimination, whistleblowing, a breach of a health and safety, or trying to assert a statutory right – which bring in other legal issues. Tribunals can also decide to reduce awards based on evidence about the employees' conduct.

For more information on constructive dismissal read the ACAS guidance:

<http://www.acas.org.uk/index.aspx?articleid=6537>

## Annual Survey of Hours and Earnings (ASHE)

The Office for National Statistics (ONS) produced its Annual Survey of Hours and Earnings (ASHE) in October 2018. This can be a useful tool for activists to benchmark against in pay rounds. See how your pay compares to the median pay of workers in your industry or region.

Code	Standard Industry Classification	Median £ per Week
A	AGRICULTURE, FORESTRY AND FISHING	457.8
B	MINING AND QUARRYING	777.4
C	MANUFACTURING	585.00
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	766.30
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	606.40
F	CONSTRUCTION	624.00
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	473.70
H	TRANSPORTATION AND STORAGE	575.50
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	387.10
J	INFORMATION AND COMMUNICATION	766.60
K	FINANCIAL AND INSURANCE ACTIVITIES	768.00
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	678.30
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	479.10
O	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	642.70
P	EDUCATION	607.60
Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	528.90
R	ARTS, ENTERTAINMENT AND RECREATION	471.60
S	OTHER SERVICE ACTIVITIES	492.70

ONS NATIONAL REGION	Median £ per Week
United Kingdom	569.00
England	574.90
Northern Ireland	521.20
Scotland	563.20
Wales	509.00

ONS ENGLISH REGION	Median £ per Week
London	713.20
East	558.10
East Midlands	515.90
North East	506.80
Yorkshire and The Humber	520.80
North West	529.60
South East	589.20
South West	531.20
West Midlands	536.60