

Work Voice Pay MONTHLY

Issue 10: November 2018



"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 3.3%

On 14 November the UK Government's Office for National Statistics (ONS) released the latest retail price index (RPI) figure. It shows that prices are up 3.3% from a year ago.

Fuel and light up 9.3%

The price of fuel and light continues to rise just as winter begins and we all start to use more. Oil and other fuels are now up a massive 35.2% 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 up 5%

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 6.6% while men's outerwear is up 5.9% and new gear for the kids is 4.5% more expensive than last year.

Motoring expenditure up 4.9%

Driving continues to get more expensive – which for many members means the cost of going to work. Petrol and oil prices have risen 11.8% over the past year.



Home insurance and ground rent up 9.1%

Some of the home expenses that are impossible to avoid have also been creeping up at alarming rates. Dwelling insurance and ground rent is up 9.1%. Council tax and rates are up 4.9%. For those who own their own homes mortgage interest payments are also biting, up 7.6%.

ABILITY TO PAY?



We need transparency says Unite Executive Officer Sharon Graham

Many of you work for employers that are part of a complex web of companies. This web could include Limited Liability Partnerships (LLPs) that have been used for tax purposes or offshore firms in tax havens where financial transparency is at minimum. The point here is that puzzling group structures may stop you from getting the full picture of the finances of your company – critical for any negotiation. In this month's WVP Monthly we dig deeper, but for me the most critical thing is how we respond. We can't be expected to just leave it and no Shop Steward / Rep should feel like they have no option other than to ignore the reality.

Section 199 of the Trade Union and Labour Relations (Consolidation) Act 1992, gives trade union officials (including Shop Stewards / Reps) the right to information disclosure. The relevant ACAS code states:

"The information to be disclosed is that without which a trade union representative would be impeded to a material extent in bargaining and which it would be in accordance with good industrial relations practice to disclose for the purpose of collective bargaining."

I think we need to consider what information we really need and then start routinely asking our employers to provide it. The law is certainly no 'golden gun', but in this case it gives us an opportunity to get our members involved in campaigns to uncover the real 'ability to pay' of their bosses. Next year, as part of our plans to introduce Advanced Pay Claims, we will look to kick-start this process in earnest, working with our Shop Stewards / Reps to demand transparency from their employers.

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

Carlos Ghosn arrest throws Nissan-Renault merger plans into doubt

This month Carlos Ghosn, the Chair of Nissan, Mitsubishi and Renault (where he was also CEO) was arrested in Tokyo. Ghosn is accused of misleading investors, using company assets for personal gain and falsification of financial statements. Renault-Nissan-Mitsubishi are already in an alliance where they all own shares in each other. Before his arrest Ghosn had been planning a merger that Nissan's board was opposed to and was looking for ways to block.

SSE admits 'some uncertainty' over merger with Npower

Plans for SSE to merge with Germany's Innogy (which owns Npower), which would reduce the 'Big Six' suppliers in the UK to five, were thrown into question this month. SSE said that while creating the new company remained its objective, "there is now some uncertainty as to whether this transaction can be completed, as originally contemplated", adding that it would provide an update by mid-December.

VW denies full merger with Ford, but confirms commercial vehicle partnership

VW have flatly denied the rumour of a merger between Ford and themselves saying that it "was never the objective of our talks." However, their commercial vehicle partnership is officially on. VW and Ford will now jointly develop and manufacture a range of light commercial vehicles.

Pepsico is buying Pipers Crisps

Pepsico is on target to acquire the Lincolnshire based British crisp brand Pipers. PepsiCo hopes to complete the deal in early 2019. The deal is thought to be worth more than £20 million.

Ineos in talks to buy ConocoPhillips's North Sea portfolio

It would be another example of Ineos' recent expansion in the North Sea after buying Dong Energy's oil and gas business and the Forties pipeline from BP. The package is worth an estimated £2.3 billion and includes ConocoPhillips's stake in the Clair field, west of Shetland.

Bite Sized Bargaining - Ability to Pay

When you are negotiating a pay round it is useful to have some information about your employer's ability to pay. Unite's Pay Claim Generator (PCG) will now get key figures from company accounts for you and incorporate them into a pay claim. If you work for a company in the UK the Employer Profile Generator (EPG) can also tell you who the parent company is and lots of other useful information.

However, if you are part of a group of companies you may want to dig further. By looking at the accounts in detail you can get a better idea of what is going on in your subsidiary, the parent and everything between. However, this can mean combing through a complex web of different entities. It is also important to remember that the accounts can't answer all the questions that will come up. That's where disclosure of information for collective bargaining comes in (see Acas Code of Practice on Disclosure of Information to Trade Unions for Collective Bargaining Purposes: http://www.acas.org.uk/media/pdf/2/q/CP02_1.pdf)

For example, you may find not only Limited Companies (ending Ltd) but Limited Liability Partnerships (LLPs) in the group structure. These LLPs were really designed for firms made up of individuals, like GPs or legal practices. However, they can also be owned partly or entirely by companies. LLPs can have tax advantages for corporations or individuals. This is especially the case if the partners are registered in tax havens, as it makes it easier to shift profits out of the country. You may remember a scheme like this called Eclipse Film Partners (No 35) LLP with investors including Sir Alex Ferguson, the retired Manchester United manager, and Sven-Göran Eriksson, the former England football manager. However, just because you find an LLP in your corporate structure doesn't mean your employer is avoiding tax – it just means that it is a question worth asking.

Here is a list of key questions that you might want to ask if you are taking a more advanced look at your group's ability to pay:

- Does the ownership structure of my employer include a limited liability partnership – and if so why?
- What dividends have been paid out of my subsidiary and where do they go?
- Does my subsidiary lend to or borrow money from other parts of the group?
- Does the 'cost of sales' include charges from other parts of the group?
- Does the way that money moves around in the group affect the amount of money that my employer claims is available to pay wages (e.g. declared profits)?

If you have found anything out of the ordinary when analysing your own company's accounts, please let me know.

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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