

Work Voice Pay MONTHLY



Issue: 33

Covid-19 has supercharged automation and plans to rip-up RPI. We need to focus on the workplace, says Sharon Graham.

The impact of Covid-19 on jobs, pay and conditions will be with us for some time and yet many of the challenges we face are familiar and now we have a choice about what comes next. How do we tackle job losses, the pay squeeze and the rise of new firms undercutting our agreements? More of the same cannot be an option.

The pandemic supercharged change that was already underway – automation has been one of the chief beneficiaries, including powerful new methods of workplace surveillance. It also confirmed to the Government that scrapping the Retail Price Index would be necessary to keep a cap on pay – a kind of velvet coup for pay restraint. And as the health pandemic begins to ease, the political bubble will now turn its attention to paying back debt.

With the Government in power for several years yet and the Labour Party again looking divided and bereft of any coherent vision, it is time to admit that – at least short-term – Westminster won't be the answer. We have no choice other than to look to ourselves. To believe in the Union and the power we hold within ourselves. Politicians have failed. Now it is time to be Union.

Before the pandemic we had set out a clear, practical plan to tackle our industrial decline. The 'Top 10' strategy was based on one premise – rebuild our shop stewards base and grow power at the workplace. We need to put our focus firmly on our core business – jobs, pay and conditions. We need to push on, not



retreat and deal with firms like Amazon who undercut our pay and conditions. Firms like this don't just affect the Sectors they dominate, their impact is felt throughout the economy, helping to set the pace of pay and conditions more widely. We cannot shrug our shoulders as major employers grow in our industries without Unions. Now it is time for Unions to step up to the plate – workers need us more than ever.

In solidarity

Sharon Graham, Unite Executive Officer

Annual Survey of Hours and Earnings (ASHE)

The Office for National Statistics (ONS) produced its latest Annual Survey of Hours and Earnings (ASHE) in November 2020. 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.

Industry and Regional Data

CODE	STANDARD INDUSTRY CLASSIFICATION	MEDIAN £ PER WEEK	ANNUAL % CHANGE
A	Agricultural, Forestry and Fishing	495.00	3.3
B	Mining and Quarrying	808.60	5.1
C	Manufacturing	575.00	-3.0
D	Electricity, Gas Steam and Air Conditioning Supply	785.70	2.5
E	Water Supply; Sewage, Waste Management and Remediation Activities	630.80	-0.5
F	Construction	588.00	-9.5
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	480.80	-1.7
H	Transportation and Storage	605.00	0.8
I	Accommodation and Food Service Activities	383.30	-6.1
J	Information and Communication	795.30	3.8
K	Financial and Insurance Activities	800.40	1.9
L	Professional, Scientific and Technical Activities	680.00	-3.4
M	Administration and Support Service Activities	501.40	1.9
N	Public Administration and Defence; Compulsory Social Security	651.10	1.7
O	Education	634.50	0.7
P	Human Health and Social Work Activities	563.40	2.0
Q	Arts, Entertainment and Recreation	486.90	-0.3
R	Other Service Activities	507.70	1.3

ONS NATIONAL REGION	MEDIAN £ PER WEEK	ANNUAL % CHANGE
United Kingdom	585.50	0.1
England	589.90	-0.4
Northern Ireland	528.60	-1.1
Scotland	592.70	2.7
Wales	537.80	0.6

ONS NATIONAL REGION	MEDIAN £ PER WEEK	ANNUAL % CHANGE
London	760.70	3.1
East	574.90	-1.0
East Midlands	552.00	3.1
North East	521.40	-2.2
Yorkshire and the Humber	538.90	0
North West	559.60	1.7
South East	608.60	-0.9
South West	550.10	-0.3
West Midlands	552.50	0

Annual Survey of Hours and Earnings (ASHE)

ASHE also records the average median pay for occupational groups.

Occupational Data

CODE	STANDARD OCCUPATIONAL CLASSIFICATION	MEDIAN £ PER WEEK	ANNUAL % CHANGE
1	MANAGERS DIRECTORS AND SENIOR OFFICIALS	852.90	-1.1
1.1	Corporate Managers and Directors	918.00	-2.3
1.2	Managers and Proprietors	593.70	-2.5
2	PROFESSIONAL OCCUPATIONS	776.90	1.1
2.1	Science, Research, Engineering and Technology Professionals	810.70	-0.9
2.2	Health Professionals	745.30	0.7
2.3	Teaching and Educational Professionals	776.00	2.8
2.4	Business, Media and Public Service Professionals	781.20	0.6
3	ASSOCIATED PROFESSIONAL AND TECHNICAL OCCUPATIONS	609.50	-2.4
3.1	Science, Engineering and Technology Associate Professional	555.80	-2.4
3.2	Health and Social Care Associated Professionals	509.30	0.0
3.3	Protective Service Occupations	769.10	2.5
3.4	Culture, Media and Sport Occupations	521.00	-5.3
3.5	Business and Public Service Associate Professionals	645.10	-3.8
4	ADMINISTRATIVE AND SECRETARIAL OCCUPATIONS	462.60	1.2
4.1	Administrative Occupations	469.50	1.7
4.2	Secretarial and Related Occupations	419.60	-1.7
5	SKILLED TRADES OCCUPATIONS	507.00	-6.3
5.1	Skilled Agriculture and Related Trades	411.20	0.0
5.2	Skilled Metal Electrical and Electronic Trades	566.70	-7.1
5.3	Skilled Construction and Building Trades	509.50	-6.7
5.4	Textile Printing and other Skilled Trades	401.80	-7.2
6	CARING, LEISURE AND OTHER SERVICE OCCUPATIONS	401.90	2.5
6.1	Caring Personal Service Occupations	402.80	3.7
6.2	Leisure, Travel and Related Personal Service occupations	397.60	-3.0
7	SALES AND CUSTOMER SERVICE OCCUPATIONS	395.00	0.1
7.1	sales occupations	375.00	0.6
7.2	customer service occupations	431.90	0.8
8	PROCESS, PLANT AND MACHINE OPERATIVE	476.90	-5.3
8.1	Process Plant Machine Operatives	444.00	-3.9
8.2	Transport and Mobile Machine Drivers and Operatives	507.90	-6.8
9	ELEMENTARY OCCUPATIONS	397.00	0.4
	Elementary Trade and Related Occupations	406.20	-2.3
9.2	Elementary Administration and Service Occupations	392.80	0.9
10	ALL EMPLOYEES	585.50	0.1

Cost of Living – Going Up

The latest RPI figure shows inflation at 1.4%

On 17 February the UK Government's Office for National Statistics (ONS) released the latest Retail Price Index (RPI) figure. This provides the RPI rate to 12 January 2021. It shows that prices are up 1.4% from a year ago.

Clothing and footwear are up 4%

Women's clothes have risen 7.6%, while new gear for the kids is 3.4% more expensive than last year. Other clothing is also up by 4.5%.

Household services are up 2.2%

Each of the areas within household services has gone up faster than headline inflation over the last twelve months. Items include postage 11.5% higher, phone bills up 1.9% and domestic services costing 2.6% more.

Leisure goods are up 4.4%

The cost of toys, photographic and sports goods has increased 7% and CDs and tapes cost 5.2% more. Hi-Fis and TVs are up 4.6%, while gardening products cost 3% more than a year ago.

Personal goods and services are up 2%

Personal services (such as dental charges and residential and nursing home fees) which are up 4.9% on last year.

Fares and other travel costs are up 4.8%

Bus and coach fares have increased an astronomical 21.7% over the last year. Other travel costs are 3.8% more expensive.

Household goods are up 3.2%

Furniture is 6.6% more costly than a year ago while electrical appliances increased by 3.3%. Furnishings have gone up by 3.9% over the same period.

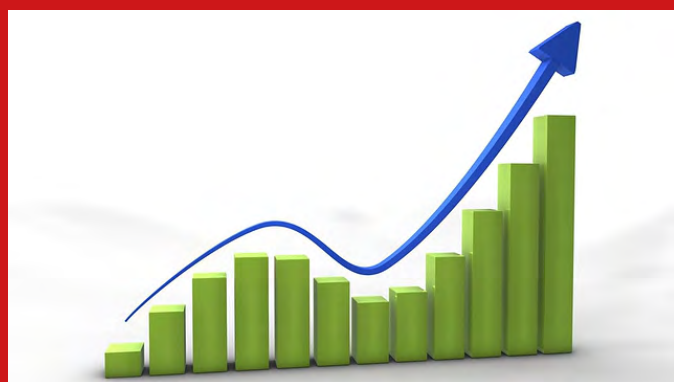
Housing is up 2.6%

Rent is 2.2% more costly than a year ago and council tax and rates have gone up by 3.9% over the same period.

NOTE: Why RPI not CPI?

Unite strongly recommends using the Retail Price Index (RPI) for negotiations because it more closely reflects the actual price rises experienced by Unite members. The RPI has been going since 1947. It is still used to decide prices such as mobile phone bills, rail fares, student loans and 'sin' taxes e.g. alcohol.

Some employers prefer the Consumer Price Index (CPI) which the government introduced in 2004 as a measure of inflation. The CPI is calculated using a different mathematical model which tends to make it lower. It includes the spending of groups not usually relevant to our negotiations. It doesn't include the price rises our members experience in paying for mortgages or foreign holidays.



RPI Items Breakdown

Here are the latest figures for all the Retail Price Index (RPI) items.

RPI ITEMS	Annual Change
ALL ITEMS	1.4
Food	-0.6
Catering	1.5
Alcoholic drink	0.7
Tobacco	5.8
Housing	2.6
Fuel and light	-8.9
Household goods	3.2
Household services	2.2
Clothing and footwear	4.0
Personal goods and services	2.0
Motoring expenditure	-1.1
Fares and other travel costs	4.8
Leisure goods	4.4
Leisure services	2.0

Sector “Top 10’s”

Targeting the most powerful employers in each of our Sectors

Who are the most powerful employers in your sector? Not the ones that have the most Unite members, but the employers with most market power. These are most often the employers that set the standards others will follow. Reps fighting for better work, a stronger voice and higher pay have a much harder job on their hands when there are big, powerful non-union employers in their sectors ready to undercut and drive down standards. So, knowing who the key players really are is important for all of us. Recently though Work, Voice & Pay, our Union’s Broad Industrial Strategy we have been able to identify them for the first time.

There are reasons why this had not been done before – it isn’t easy. The best way to figure out who the biggest companies are in a particular Unite sector is to look at how much revenue they generate in that sector. But working out how much revenue a company makes from a single sector in the UK can be hard. Unite sectors - based on membership and representation - often don’t map across to the ‘sectors’ used outside the union (either based on the Office for National Statistics’ SOC codes or on certain markets for products or services as defined by investors). Lots of big companies also straddle many sectors and many national markets but their accounts tend to lump this income together. It also means dealing with moving targets, not only because the fortunes of companies change over time but also because their very structures change, as they are subject to mergers and acquisitions. And of course, we need a whole different set of criteria for public sector and not-for-profit employers.

But we worked hard to overcome these obstacles and we now know who these employers are. We call them the ‘Top 10s’ (although there aren’t always 10 of them). By matching these employers with data on unionisation we can paint a picture of each sector which can help us make decisions about how to deploy our resources.

As you will see in the following example, *Top Companies in Unite’s Road Transport Commercial, Logistics and Warehousing Sector*, this research makes it easy to see which companies are pace-setters that can negotiate and push up and which are the under-cutters that need to be organised and pulled up to the standards enjoyed by others in the sector. The National Industrial Sector Committees have already been presented with the data for their sectors and we have recently been working on updates, including a look at how COVID-19 has changed these employers. By having a focused and targeted approach to ‘Top 10’ employers, we can build the Union and give all reps the best possible chance to raise terms and conditions throughout our sectors.

Top Companies in Road Transport Commercial, Logistics and Warehousing

Parent Company (and relevant subsidiaries)	UK sector turnover (£000s)	UK sector workforce	Members in this Sector	Sector % Unite	National Agreement Y/N	Other Unions found with significant membership?
Amazon.com, Inc. (Amazon UK Services Ltd)	13,283,713	40,000	337	0.8	N	N
Deutsche Post Ag (DHL Supply Chain Ltd, DHL International (UK) Ltd)	3,315,043	39,680	8,135	20.5	Y	N
XPO Logistics, Inc. (XPO Supply Chain UK Ltd, XPO Transport Solutions UK Ltd, XPO Logistics Drinks Ltd, XPO Bulk UK Ltd)	1,761,946	24,607	3,119	12.7	N	Y
La Poste SA (Dpdgroup UK Ltd, DPD Local UK Ltd)	1,389,107	7,345	2,271	30.9	Y	Y
Wincanton PLC ^I	1,201,200	18,390	3,472	18.9	Y	N
Fedex Corp. (Fedex Express UK Transportation Ltd, Fedex UK Ltd) ^{II}	888,725	10,341	3,640	35.2	Y	N
Logistic Development Group PLC ^{III}	837,056	4,645	757	16.3	N	Y
Kuehne + Nagel International AG (Kuehne + Nagel Ltd)	749,525	7,305	1,951	26.7	Y	N
Bunzl PLC (Bunzl UK Ltd)	654,981	2,658	0	0.0	N	N
Next PLC (Next Distribution Ltd)	616,136	7,782	64	0.8	N	N
LW Corporation Ltd (Logistics Group Holdings Ltd) ^{IV}	520,657	4,603	570	12.4	N	Y
Turners (Soham) Holdings Ltd	442,212	4,016	261	6.5	N	N
Linde PLC (Gist Ltd)	433,211	4,472	3,272	73.2	N	N
United Parcel Service Inc. (UPS Ltd, UPS SCS (UK) Ltd, Polar Speed Distribution Ltd)	412,861	9,005	1,934	21.5	Y	N

Key to the tables

Index	Description
	Unite has 30%+ membership and leads
	Unite has <5% membership and no significant other unions identified
	Unite has 5-30% membership and no significant other unions identified
	Unite has 10-30% membership but there are other unions present
	Unite has <10% membership but there are other unions present

Bitesize Bargaining

Don't stop using RPI

Despite the Covid-19 pandemic, many Shop Stewards will soon be negotiating new pay deals. In order to work out whether a proposed pay rise represents an increase in real terms, you need to know how the cost of living has changed over the last year. The best tool available for assessing that is the Retail Price Index (RPI), which we report in this publication.

Many of you will also know that in November last year, the UK Government announced plans to end RPI reporting in February 2030. That is a potential threat to collective bargaining. Regular *Work Voice Pay Monthly* readers will be aware that Unite does not consider the proposed alternative – the CPIH – to be as good at reflecting actual cost of living increases for unite members. CPIH is also calculated using a different mathematical model which tends to make it lower than RPI (hence its popularity with employers). So, we strongly advise members not to accept any proposals to switch over.

Interestingly, it would not just be collective bargaining that would be hit by the loss of the RPI. Many financial products, such as gilts and some annuities are based on RPI. Then there are all the final salary pensions whose RPI increases are enshrined into scheme rules. Indeed some of those pension funds are considering a legal challenge against the Government's decision.

But however that pans out, *Work Voice Pay* has got your back. As a result of work we have conducted, the Organising and Leverage Department has plans in place that will allow us to track prices properly, creating a Unite Cost of Goods and Services Index (UGSI), using exactly the same data and formulas that the Government uses for RPI currently.

And we will not stop there. RPI is a great tool but it can be improved upon. We are currently working on a formula that will allow us to benchmark pay bargaining – a Unite Negotiators' Benchmark. This formula will take account of rising costs (using RPI or UGSI) but also the employer's ability to pay and Union power at the workplace, to deliver a headline figure – a basic estimate of the value of settlement that we should be looking for. Of course, this will be a guideline figure, not a hard target and on occasions there will be further mitigating circumstances that must be taken into account. However, *Work Voice Pay* is all about helping workers to push forwards, not fall backwards. Whatever the Government does, we will be working hard to help reps stay ahead of the game and set the pace on pay and conditions.

To use RPI automatically as part of your pay claim go to:

<https://unitetheunion.org/work-voice-pay/pay-claim-generator-gb-ni/>