

Work Voice Pay MONTHLY

Issue: 15 – April 2019



“Welcome to 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 2.4%

On 17 April the UK Government’s Office for National Statistics (ONS) released the latest retail price index (RPI) figure. It shows that prices are up 2.4% from a year ago.

Leisure services are up 4.7%

Foreign holidays are up 5.7%, while the price of holidays in the UK has also risen 5.7% over the past year.

Household services are up 3.5%

The rise in the price of household services has largely been driven by the increased cost of phones, which are 4.5% more expensive than last year.

Clothing and footwear are up 3.5%

Women’s clothes have risen 6.5% while new gear for the kids is 4.3% more expensive than last year and men’s outerwear is up 3.1%.

Fares and other travel costs are up 3.3%

Rail fares are up 4.1%, bus and coach fares have gone up 2.9% and other travel costs have increased 3% over the past year.



Catering is up 2.9%

Take-away meals and snacks are 3.3% more costly than this time last year and a meal in a restaurant is 2.7% more expensive. If you have a canteen at work prices are probably more expensive with canteen meals up 2.9%.

Arguments over inflation and rising costs are part of something much bigger

Says Sharon Graham, Executive Officer



With wages only just starting to recover from the crash ten years ago and uncertainty in the air, our investigation into the cost of living has started at an important time. By taking a step back and looking at how we calculate rising costs and what this really means to our members, it becomes clear that inflation is just one part of a much bigger picture.

Debates over RPI and particularly how to kill it, are generated by more than statistical theory. With both the economy and wages growing slowly if at all, the pressure is on to reduce expectations as well as costs. The same logic applies both for the Government and other employers. The reason they can do this is because of power. We know that many employers have ample ability to pay for our members to get a bigger piece of the pie, it doesn't matter to them whether we negotiate for 5% over RPI or CPI, and it is not going to kill their balance sheet. But as the saying goes 'never waste a good crisis'.

Whilst statisticians have been involved in academic debates over inflation, at the same time many employers have used the crash - and now want to use the current uncertainty – to further cement a culture of low expectations. They want their workforce to expect only the scraps and low wage deals supported by 'new' lower inflation figures (CPI for example!) help them do just that. What they don't want is a combination of Union power and realistic expectations. They don't want workers demanding good wages and conditions on the back of strong financial performance. They want a permanent wage austerity underpinned by a lack of confidence in the workforce.

That is why we are determined to improve our understanding of the real ability to pay of employers and the rising costs faced by our members. Working with experts, we are now piloting advanced financial analysis that can help democratise company information and crucially breed confidence amongst our activists. And just this week we have engaged statisticians to break down RPI and see if we can make it more relevant to the spending of our membership. Hopefully this is just the start. I will keep you informed of progress.

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

Sharon Graham
Unite Executive Officer

Mergers and Acquisitions News



Deutsche Bahn could sell Arriva to Stagecoach

The German railway operator Deutsche Bahn wants to sell its big British bus operator Arriva. Deutsche Bahn has asked potential buyers to express their interest by May 3. Rival bus company Stagecoach is rumoured to be interested.

Unions at Tata are unconvinced by Thyssenkrupp merger

Tata's European Works Council (EWC), which includes Unite as well as sister British and Dutch unions has thrown doubt on the merger with the German steel giant Thyssenkrupp. It has specifically underlined that it is against the sale of the Trostre tinplate works near Llanelli as well as other proposed measures.

Billionaire Philip Day wants to buy Bonmarché and cut jobs

Jobs and shops at struggling fashion chain Bonmarché could be under threat after billionaire Philip Day launched a takeover bid, promising to close underperforming stores and to restrict spending to a bare minimum.

The board has rebuffed the offer, claiming it undervalues the company. It also claimed that it has been planning its own "cost reduction actions". Day already owns other clothing companies including Peacocks, Austin Reed and Jaeger.

L&Q all set for £4bn takeover of Trafford Housing Trust

Trafford Housing Trust is set to become a wholly-owned subsidiary of L&Q, a London-based housing association it has been working in a joint venture with since 2016. L&Q and Trafford are now in talks about the takeover, with the aim to complete the acquisition in June 2019.

Sainsbury's-Asda merger blocked by regulator

Following on from its damning report in February, the Competition and Markets Authority (CMA) has now blocked the Sainsbury's-Asda merger. Speculation about the future of Asda (which is unloved by its owner, Walmart) now focuses on a buyout by private equity, or possibly even Amazon.

Bitesize Bargaining Special Feature

Bargaining Against Insecure Non-Permanent and Outsourced Work

One of the themes of *Bitesize Bargaining* is that collective bargaining should be about much more than just pay rates.

This month's *Special Feature* looks at one of the biggest challenges to workers and unions - the fragmentation of the labour market through insecure non-permanent, and outsourced jobs.

What's the problem?

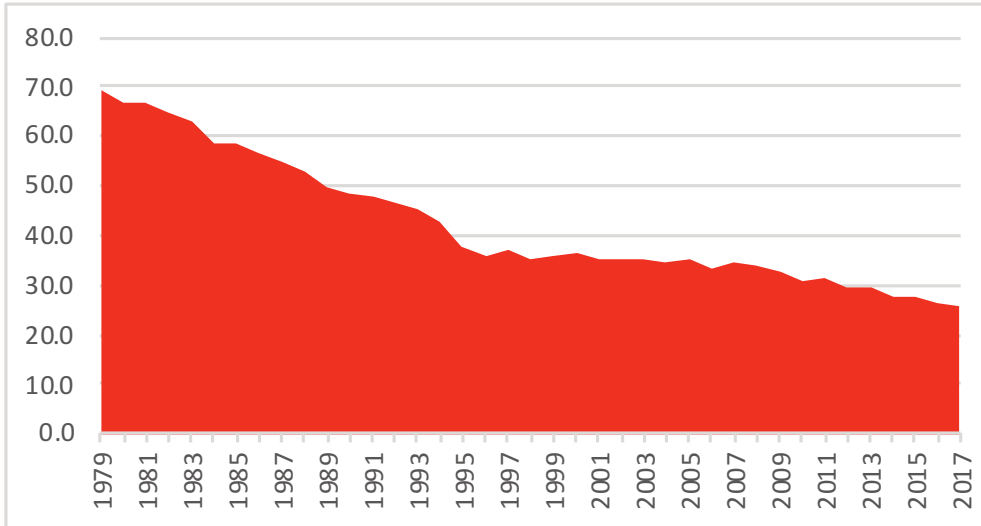
The 'Unite Investigates' team calculated that nearly 20% of workers across the whole UK economy can be classified as either Insecure Non-Permanent, or Outsourced.

This includes over 2.5 million workers doing Agency Work, Bogus Self-employed work and other casual work. It also includes over 3 million outsourced workers. (They didn't even count a further 600,000 workers employed by franchises.)

Legislation	Year
Employment Act	1980
Employment Act	1982
Trade Union Act	1984
Employment Act	1988
Dock Work Act	1989
Employment Act	1990
Trade Union Reform and Employment Rights Act	1993

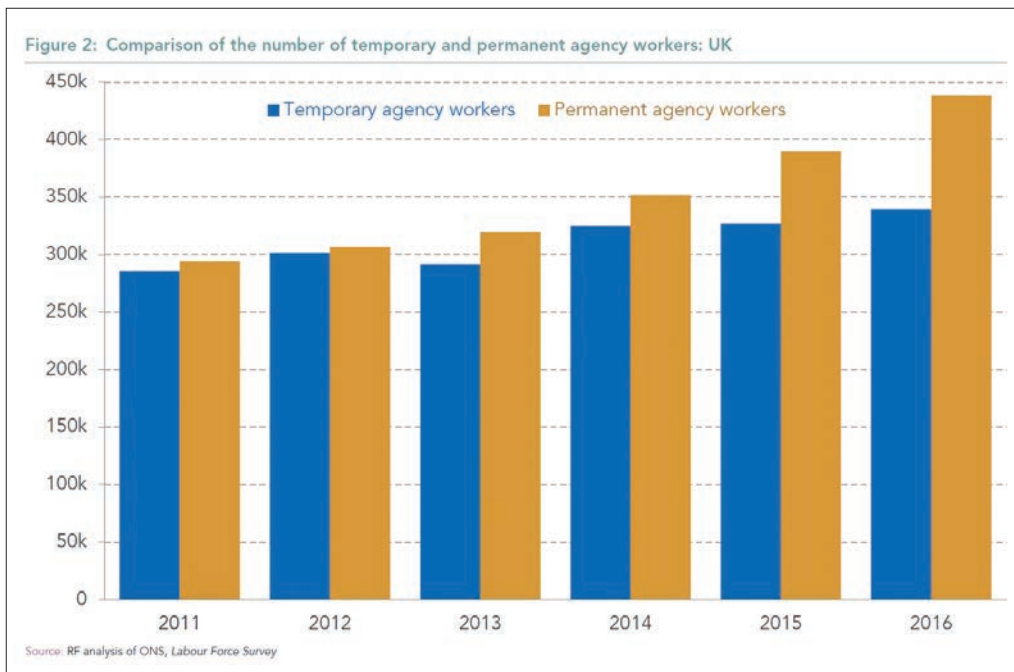
Over the last 35 years this insecure work and outsourcing has been on the rise. It has been driven by a swathe of deregulation which directly attacks collective bargaining.

UK Collective Bargaining Coverage as a Percentage of Those in Employment 1979-2017



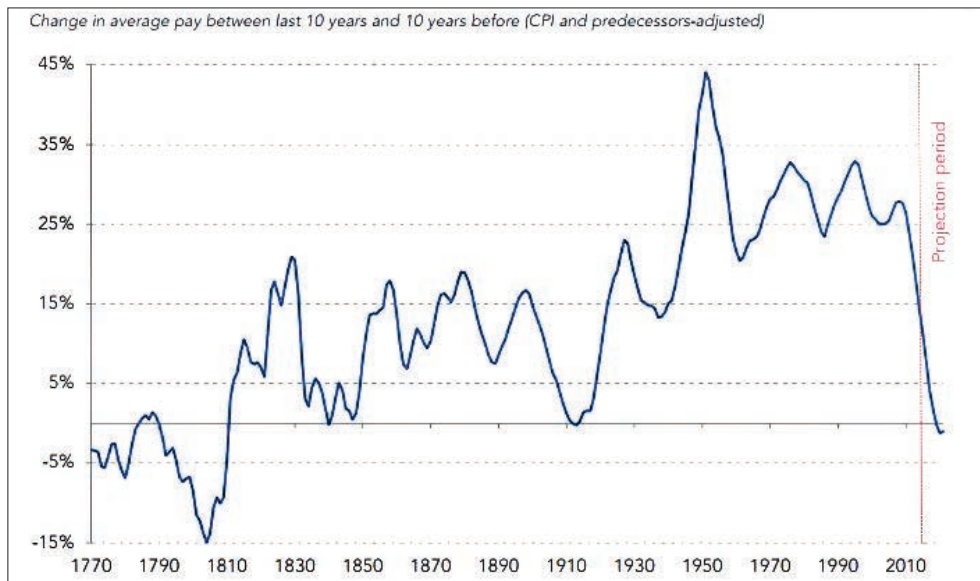
Collective bargaining through trade unions is the best defence that workers have against job and wage insecurity. The anti-union laws coupled with the decline of traditional industries, mass privatisation and the outsourcing of the public sector has been eroding that collective bargaining.

The Rise of Temps and 'Long Term' Agency Workers in the UK



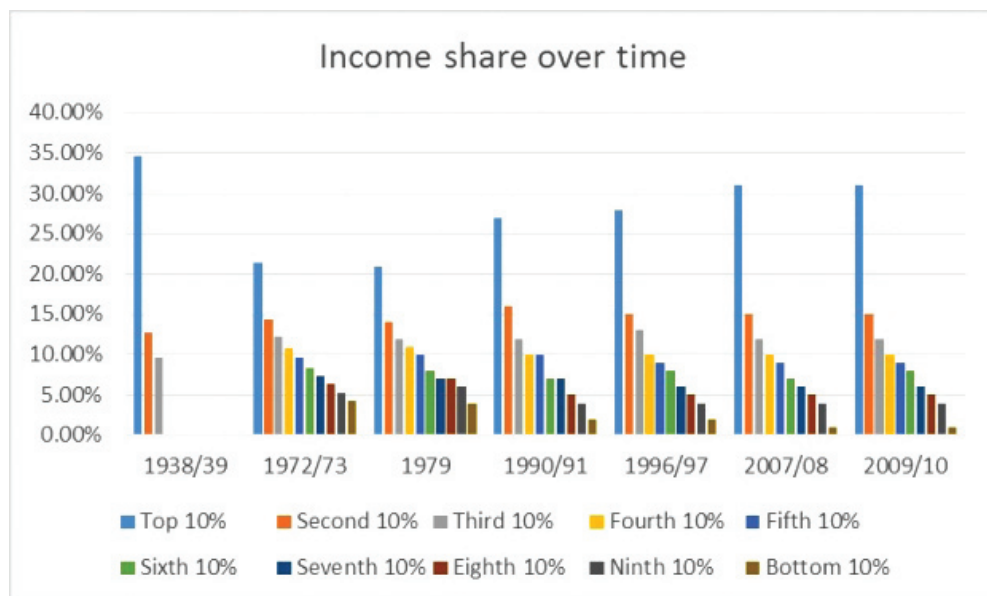
This has created space for employers to attack terms and conditions and to impose less secure work onto more and more workers.

Real Terms Earnings Growth since the 1700s



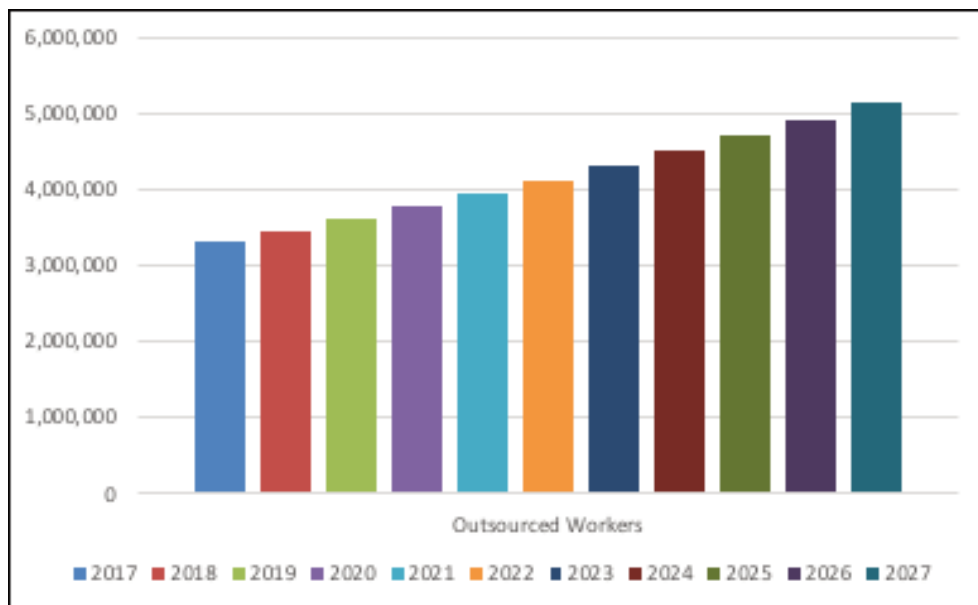
And led to the longest squeeze on wage growth since Napoleon.

Income Share since the 1930s



It has led to rising inequality

Outsourced Worker Projections 2017-2027



And it is predicted to get worse.

Be part of the solution

These issues require an industrial response as well as a political response. Last month's Bitesize Bargaining discussed bargaining for agency workers agreements. This is one possible industrial response. However, to reverse the trend we will need to find all the best practices already achieved by Unite Shop stewards and reps in their workplaces. Then we can work out how to spread those practices as far and wide as possible. These could be innovations such as achieving:

- Equal treatment including, pay and conditions for all workers.
- A threshold for the value of activities that can be outsourced.
- The right to bargain on behalf of indirect workers and on issues related to procurement / outsourcing.

Please let us know any best practice examples you have at your workplace.

Sharon.Graham@unitetheunion.org

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	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 Communications	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
Education	574.90
Northern Ireland	521.20
Scotland	563.20
Wales	509.00

ONS National 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	513.20
West Midlands	536.60