

Work Voice Pay MONTHLY

Issue: 35



Make sure inflation doesn't give you a pay cut

This month's Work, Voice & Pay shows that RPI is back to 2018 levels at 3.3%. But while prices are up, pay has been growing at a slower rate than inflation for some time. Ever since the financial crisis working people have been bearing the brunt of the biggest squeeze on peace-time wage growth since the Napoleonic wars – and the favourite way to make that happen is the below inflation “pay rise”. In real terms average pay has still not recovered to the level it was at in February 2008.

In order to work out whether a pay offer is actually a pay rise in real terms you need to know how much the purchasing power of your wages has changed. One of the key missions of Work, Voice & Pay has always been to advise Unite reps that the Retail Price Index (RPI) is the best measure of rises in the cost of living faced by members – and so also the best yard-stick for pay. The Government (and many employers) prefer to use CPIH, an inflation benchmark that among other things uses a different mathematical model to RPI which means it is comes in around 1% a year lower.

Indeed, regular readers will know that the Government plans to scrap RPI altogether in 2030. The logic for this is not only about imposing pay cuts disguised as pay rises (although public sector workers have seen plenty of this). Many defined benefit pension funds buy Government debt linked to inflation (known as index-linked gilts) which are currently measured using RPI. By changing the rules to pay out at the lower CPIH levels, the Government will avoid pay-outs of about £96 billion. The pension funds are currently suing the government about that.



At Unite we have contingency plans in place to continue calculating RPI if the Government do scrap it. In fact we hope to create new even better measures to help you accurately calculate the true value of your pay, terms and conditions. In the meantime, please use the Work, Voice & Pay tools – especially to check the two most important measures for negotiating on pay – how much your employer has been making and how much (according to RPI) your wages have been devalued by inflation since the last increase. We need wages to start going back in the right direction.

In solidarity

A blue ink signature of Sharon Graham.

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 3.3%

On 16 June the UK Government's Office for National Statistics (ONS) released the latest Retail Price Index (RPI) figure. This provides the RPI rate to 11 May 2021. It shows that prices are up 3.3% from a year ago.

Clothing and footwear are up 10.7%

Each of the areas within clothing and footwear has gone up faster than headline inflation over the last twelve months. Women's clothes have risen 14.2%, while new gear for the kids is 12.3% more expensive than last year. Men's clothes cost 12.6% more and footwear has risen 6.1%. Last of all, other clothing (we are talking socks, underwear and scarves) is up 4.5%.

Motoring expenditure is up 4.4%

This has largely been driven by petrol and oil prices rising by 18.5%.

Leisure goods are up 4.7%

Books and newspapers have gone up 7.8% over the period. The cost of toys, photographic and sports goods has increased 4.5% and gardening products cost 5.2% more.

Personal goods and services are up 3.7%

Personal services (such as dental charges and residential and nursing home fees) which are up 5.9% on last year. Personal articles (for example umbrellas, watches and luggage) went up by 5.5% on last year.

Fares and other travel costs are up 6.1%

Bus and coach fares have increased by a massive 17.5% over the last year. Other travel costs are 4.7% more expensive.

Leisure services are up 3.5%

UK holidays are 5% more expensive than last year. Foreign holidays cost 4.1% more than a year ago.

Housing is up 3.8%

Council tax and rates have gone up by 4% over the same period.

Household goods are up 4.5%

Furniture is 8.4% more costly than a year ago while electrical appliances increased by 6.4%. Furnishings have gone up by 7.1% 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	3.3
Food	-1.1
Catering	1.2
Alcoholic drink	1.7
Tobacco	3.0
Housing	3.8
Fuel and light	3.4
Household goods	4.5
Household services	2.6
Clothing and footwear	10.7
Personal goods and services	3.7
Motoring expenditure	4.4
Fares and other travel costs	6.1
Leisure goods	4.7
Leisure services	3.5

Work, Voice and Pay now has a substantial suite of tools for Unite reps

Since 'Work, Voice and Pay' was established over three years ago, we have developed a comprehensive package of industrial tools to support our Shop Stewards and Reps. Here we review progress to date:

The Pay Claim Generator

In many ways our key product, the PCG allows our industrial activists in the private sector to write and print off a professional pay claim in less than 10 minutes. Literally tens of thousands of pay claims have been produced using the tool which we are constantly looking to develop.

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

ROI <https://unitetheunion.org/work-voice-pay/pay-claim-generator-republic-of-ireland/>

Employer Profile Generator

Using up-to-date information from a professional accounts service, this tool gives Shop Stewards the ability to get brief but in-depth ownership and financial data on their employers.

<https://unitetheunion.org/work-voice-pay/employer-profile-generator/>

Collective Agreements Database

For the first time in the history of our Union, Reps can now upload their agreements to a central database and compare with others. It is now possible to copy wording from agreements and save it for later or use it to build a new agreement or bargaining demand.

<https://unitetheunion.org/work-voice-pay/interactive-collective-agreements-database/>

Collective Agreement Builder

Our latest tool allows activists to produce a professional, bespoke draft agreement in a matter of minutes. As part of the development, many of our template agreements are now available to use with the 'builder' and can be easily modified to suit the needs of your workplace.

<https://unitetheunion.org/work-voice-pay/collective-agreement-builder/>

Pay & Anniversary Dates Database

This simple online tool, allows Shop Stewards to quickly find out when different employers (or bargaining units within their own employer) are negotiating and what % pay rises are being reported. We are planning on developing this further to provide more and better detail on the outcome of negotiations and make it easier to contact other Reps to help co-ordinate bargaining.

<https://workvoicepay.unitetheunion.org/login?ReturnUrl=%2FHome>

Work, Voice, Pay Guides and Templates

These publications include draft agreements and guidance all designed to give you a head start on negotiations. So far we have published template agreements for you to use on: Lockdown, New Technology, Trade Union Recognition, Trade Union Facilities, Agency Workers and Apprenticeships. Other WVP guides include a COVID-19 checklist, guidance on Crisis Disclosure and advice on campaigning around pay. We also have documents to help you use online WVP tools such as the Pay Claim Generator and the Pay & Anniversary Dates Database.

<https://unitetheunion.org/work-voice-pay/work-voice-pay-guides/>

Campaign Templates

Campaigning in the workplace? We have published tools to help get you started: A Pay Petition Template, a Pay Survey Template, a Poster Template, a Newsletter Template, Newsletter Tips and a Surveys Guide.

<https://unitetheunion.org/work-voice-pay/campaign-templates/>