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Swings and scooters of inflation basket

The child scooter is in and the children's swing is out in, according to official sources.

Each March, the Office for National Statistics updates the basket of goods and services used to calculate Britain's various rates of inflation, such as the RPI and CPI, as part of a process of continual improvement and to ensure that it is representative of consumer spending patterns. This year, 14 items have been added to the basket and nine removed.

There are a number of drink-related changes this year. Gin is back in fashion and back in the inflation basket. Apple cider and flavoured cider have been introduced, while cider replaces apple cider in the beer on-sales section of the Retail Prices Index basket.

In soft drinks, flavoured water has been introduced to widen the coverage, while the non-dairy milk drink is a new item, to reflect the growing market for the likes of soya and almond milk. The only new food item is the half chocolate-coated biscuit.

New technology has been reflected in additions to recent year's baskets, but it's the old technology toy, the jigsaw, which has been added in 2017.

Meanwhile, the smartphone's popularity means the mobile phone handset has been dropped.

The popularity of cycling has brought the introduction on the cycle helmet to the inflation basket.

Items that have been dropped include mentholated cigarettes, the single drainer sink and brake pads.

www.ons.gov.uk/releases/consumerpriceinflationbasketofgoodsandservices2017

No real improvement in weekly earnings

Workers living standards saw further cuts as earnings growth continued its fall, while retail inflation has been on the rise.

In January 2017, growth in average weekly earnings was just 1.7% against a revised increase for December 2016 of 1.9%.

If retail price inflation rises of 2.6% for January 2017 and 2.5% for December 2016 are taken into account, there was a real-terms decrease of 0.9 percentage points in January against a decrease of 0.6 percentage points increase the previous month.

TUC general secretary Frances O'Grady said: "Workers are facing the double whammy of rising prices and slower pay growth. But Theresa May

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seems content to leave Britain drifting towards a new living standards crisis.

"Working people in Britain have seen their pay take a proper hammering in the last decade. It's long past time the government took action."

The Office for National Statistics (ONS) figures for manufacturing earnings growth showed a rise to 1.9% from 1.3%. However, in services, growth was down to 1.7% from the previous month's rise of 1.8%.

In the private sector as a whole, growth was down to 1.9% from 2.1%.

The public sector, excluding financial services, saw growth down to 1.3% from 1.6%.

£ a week	Average weekly earnings ¹				
	Whole economy	Manufacturing	Services	Private sector	Public sector ²
November (r)	494	576	478	493	495
December (r)	497	580	481	496	495
Jan 2016 (r)	499	578	483	498	497
February	494	575	478	492	498
March	500	581	484	500	499
April	503	583	486	503	500
May	502	586	485	502	499
June	502	586	486	503	500
July	505	587	488	506	498
August	505	588	488	504	504
September	506	588	489	506	500
October	507	586	490	508	502
November	509	587	492	509	503
December (r)	507	587	490	507	503
Jan 2017 (p)	507	589	491	507	503
% annual change					
Single month	1.7	1.9	1.7	1.9	1.3
3-month average ³	2.2	1.7	2.1	2.4	1.5

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. ² Excludes financial services. ³ Average of the seasonally adjusted data for the latest three months compared with three months a year earlier. (p) provisional (r) revised

Headline earnings growth (the rolling three-month average) for the whole economy slipped to 2.2% in January from 2.6% in December.

Manufacturing growth was steady at 1.7%, while services growth was down to 2.1% from 2.4%.

In the private sector as a whole, earnings growth in January was 2.4% against 2.8% the previous month.

In the public sector, excluding financial services, growth was steady at 1.5%.

The regular pay figures, produced by the ONS, strip out bonuses. They showed an overall rise of 1.9% in January against a 2.3% rise the previous month.

The increases in the year to January for various sectors, along with the previous month's rises in brackets, were: manufacturing 2.0% (1.4%); services 1.8% (2.3%); the private sector 2.1% (2.6%); and the public sector, excluding financial services, 1.3% (1.4%).

The average rise for regular pay in the whole economy for the three-month period ending January edged down to 2.3% from 2.6% for the December period.

The three-month sectoral increases were: manufacturing 1.7% (1.7%); services 2.3% (2.5%); the private sector 2.6% (2.8%); and the public sector, excluding financial services, 1.4% (1.5%).

The table below is based on the median average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) 2016.

The original median figures have been uprated by the 0.8% increase in average weekly earnings, including bonuses, for the whole economy between April 2016 and January 2017 to give a rough estimate of earnings now in the various occupational groups.

Full-time average weekly earnings by occupation	
	£ a week
All employees	543.00
All male	582.40
All female	484.30
Managers	804.00
Professionals	731.60
Associate professionals	598.40
Admin & secretarial	426.70
Skilled/craft	502.00
Services	355.70
Sales	357.70
Operatives	471.20
Other manual jobs	359.30

Cosmetic improvement with Living Wage

It may be lush as they say in the South West, as cosmetics group Lush is to pay all of its permanent employees in the UK, including retail and manufacturing staff, the voluntary Living Wage from April.

The commitment to the Living Wage will result in a pay increase for 3,555 employees, who will see their rate of pay rise from £7.40 to £8.45 an hour.

Lush has been paying the London Living Wage – currently £9.75 an hour – to employees working in the capital since 2011.

The voluntary Living Wage is an independently-set rate of pay that is calculated according to the cost of living and is not to be confused with the lower statutory National Living Wage. Lush will also be accredited as a Living Wage employer by the Living Wage Foundation in April.

The company is also enhancing its maternity and paternity offering; UK employees will be able to take up to six months of maternity leave at full pay, and four weeks of paternity leave at full pay.

Lush, which employs 4,500 members of staff in the UK and 19,471 globally, will continue to review pay rates for its international employees.

Last year, Lush buffed up its environment credentials by launching a nationwide campaign in all their shops to bring the plight of the persecuted bird, the Hen Harrier, to the attention of their thousands of customers.

www.employeebenefits.co.uk/issues/march-online-2017-2/lush-enhances-pay-parental-benefits-uk-employees/
<http://raptorpolitics.org.uk/2014/08/07/lush-cosmetics-gets-behind-the-hen-harrier-campaign/>

Zero-hours contracts at a record high

The number of people employed on zero-hours contracts in their main job, during October to December 2016 was 905,000, or 2.8% of people in employment, according to Labour Force Survey (LFS) figures.

This latest official estimate is 101,000 higher than that for October-December 2015 period when the figures were 804,000 or 2.5% of people in employment.

In recent years, increases in the number of people reporting to the LFS that they were on a zero-hours contract were likely to have been affected by greater awareness and recognition of the term zero-hours contract. This latest annual change may also have been affected in this way, but it is not possible to estimate the extent.

People on zero-hours contracts are more likely to be young, part-time, women, or in full-time education when compared with other people in employment.

On average, someone on a zero-hours contract usually works 25 hours a week. Around one in three people (32%) on a zero-hours contract want more hours, with most wanting them in their current job, as opposed to a different job that offers more hours. In comparison, 9% of other people in employment wanted more hours.

The TUC estimates that the growth of zero-hours working is costing the Treasury £1.9 billion a year. This is because zero-hours contract workers earn significantly less than regular employees and, therefore, pay less tax, pay less national insurance, and are more reliant on tax credits.

TUC general secretary Frances O'Grady said that zero-hours contracts allow bosses to treat workers "like disposable labour".

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworking-hours/articles/contractsthatdonotguaranteeaminimumnumberofhours/mar2017
www.tuc.org.uk/economic-issues/industrial-issues/zero-hours-contracts-allow-bosses-treat-workers-%E2%80%9Cdisposable-labour

Unemployment falls below 1.6 million

UK unemployment has continued on its downward trend, according to official figures.

The number of unemployed people fell by 31,000 to 1.58 million in the three-month period ending January 2017, the Labour Force Survey figures show. The number of unemployed people under this count was last lower in three-month period ending February 2006.

The number of unemployed men fell by 21,000 to 867,000 and their unemployment rate fell to 4.9% from 5.0% in the previous three-month period.

The fall in numbers for women was only 10,000, with their total down to 717,000 and their unemployment rate fell to 4.6% from 4.7%.

The overall unemployment rate was cut to 4.7% from 4.8%.

Unemployment seasonally adjusted				
	Claimants ¹		LFS ³	
	(000s)	% ²	(000s)	%
January 2016	742	2.1	1,691	5.1
February	736	2.1	1,700	5.1
March	754	2.2	1,692	5.1
April	763	2.2	1,671	5.0
May	776	2.2	1,646	4.9
June	779	2.2	1,641	4.9
July	778	2.2	1,632	4.9
August	788	2.3	1,656	4.9
September	793	2.3	1,604	4.8
October	807	2.3	1,616	4.8
November	808	2.3	1,604	4.8
December	787	2.3	1,597	4.8
Jan 2017 (r)	746	2.2	1,584	4.7
February (p)	735	2.1		

¹ Jobseeker's Allowance and Universal Credit claimants ² Percentage of working population – the employees, unemployed, self-employed and the armed forces.
³ The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

There was a large monthly fall in the other main unemployment measure – the claimant count – which only includes claimants receiving Jobseeker's Allowance and those on the means-tested Universal Credit.

In February 2017, unemployment under this count fell by 16,400 to 734,700 from the revised figure for January of 746,000.

The fall in numbers impacted on the joblessness rate which fell to 2.1% in February from the 2.2% rate for January.

The number of male claimants fell by 11,600 to 457,500, but the fall in numbers was not enough to affect their joblessness which remained at 2.5%.

For women, there was a smaller decrease of 4,800 to 277,300, and their joblessness rate was unchanged at 1.7%.

Regions In the three months to January 2017, unemployment was down in only five of the UK's 12 regions/countries, was unchanged in two – the South East and Yorkshire and the Humber – and increased in the other five.

The largest falls were 17,000 in the North West and 16,000 in Scotland. However, there were 9,000 increases in both the West Midlands and London.

The unemployment rate was above the UK average of 4.7% in six of the 12 regions/countries. The highest rate was 6.8% in the North East.

In February, the claimant count fell in 11 of the 12 region/countries; the exception was the North East where numbers rose. The claimant count rate was above the UK average of 2.1% in seven regions/countries. The highest rate was 3.9% in the North East.

Region	Feb claimants		LFS Nov – Jan	
	Number	%	Number	%
North East	49,400	3.9	88,000	6.8
North West	99,100	2.7	173,000	4.9
Yorkshire & the Humber	70,400	2.6	144,000	5.3
East Midlands	40,800	1.7	103,000	4.3
West Midlands	80,300	2.8	160,000	5.6
East	44,700	1.4	138,000	4.4
London	110,600	1.9	268,000	5.6
South East	56,700	1.2	163,000	3.5
South West	38,900	1.3	101,000	3.6
Wales	38,300	2.6	66,000	4.4
Scotland	75,000	2.7	129,000	4.7
Northern Ireland	31,600	3.5	51,000	5.7

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/mar2017

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