

GMB WAGES AND INFLATION REPORT

June 2019

Key figures (June 2019) - change on previous 12 months

Inflation rates		2.9%	2%	1.9%	
		RPI	CPI	CPIH	
Average pay settlements		2.5%	2.5%	2.8%	
		XpertHR	IDR	LRD	
Seasonal inflation – Summer	11.5%	6.2%	5.1%	4.7%	3.5%
	Electricity	Children’s clothes	UK holidays	Council tax & rates	Childcare

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Inflation rates

	All items (Headline rate) RPI	Consumer Prices Index (CPI) (Govt Target = 2%)	Consumer Prices Index CPIH (all items inc housing)
2017			
June 2017	3.5	2.6	2.6
July 2017	3.6	2.6	2.6
Aug 2017	3.9	2.9	2.7
Sept 2017	3.9	3	2.8
Oct 2017	4	3	2.8
Nov 2017	3.9	3.1	2.8
Dec 2017	4.1	3	2.7
2018			
Jan 2018	4	3	2.7
Feb 2018	3.6	2.7	2.5
Mar 2018	3.3	2.5	2.3
Apr 2018	3.4	2.4	2.2
May 2018	3.3	2.4	2.3
June 2018	3.4	2.4	2.3
July 2018	3.2	2.5	2.3
Aug 2018	3.5	2.7	2.4
Sept 2018	3.3	2.4	2.2
Oct 2018	3.3	2.4	2.2
Nov 2018	3.2	2.3	2.2
Dec 2018	2.7	2.1	2.0
2019			
Jan 2019	2.5	1.8	1.8
Feb 2019	2.5	1.9	1.8
Mar 2019	2.4	1.9	1.8
Apr 2019	3	2.1	2
May 2019	3	2	1.9
Jun 2019	2.9	2	1.9

Source: [ONS Consumer Price Indices Statistical Bulletin](#). Next published 14 August 2019.

WHAT CAUSED THE CHANGES TO INFLATION THIS MONTH?

- The largest downward contributions to change in the 12-month rate between May and June 2019 came from motor fuels, accommodation services and electricity, gas and other fuels, with prices in each category falling between May and June 2019 compared with price rises between the same two months a year ago.
- The largest offsetting upward contributions to change came from clothing and food.

Inflation this month – significant price rises by item (12-month change)

Retail Price Index (RPI) – June 2019

Item	%
Electricity	11.5
Women's outerwear	8.5
Other tobacco	8.2
Fuel and light	7.6
Unprocessed potatoes	7.2
Men's outerwear	7.1
Other travel costs	7.1
Dwelling insurance and ground rent	6.9
Oils and fats	6.7
Fares and other travel costs	6.4
Childrens' outerwear	6.2
Telephones, telemessages, etc	6.0
Rail fares	5.9
Fresh vegetables	5.8
Potatoes	5.7
Tobacco	5.7
Vehicle tax and insurance	5.6
Coal and solid fuels	5.5
Potato products	5.2
Clothing and footwear	5.2
Cigarettes	5.1
Books and newspapers	5.1
UK holidays	5.1
Vegetables other than potatoes	4.7
Council tax and rates	4.7
Television licences and rentals	4.6
Household services	4.4
Gas	4.3
Furniture	4.3
Mortgage interest payments	4.2
All services	4.0
Processed fish	4.0
Postage	4.0
Foreign holidays	4.0

Consumer Price Index (CPI) – June 2019

Item	%
Hire of equipment and accessories for culture	18.2
Administrative fees	17.5
Margarine and other vegetable fats	17.1
Holiday centres, camping sites, youth hostels and similar accommodation services	14.6
Passenger transport by sea and inland waterway	14.0
Electricity	11.5
Passenger transport by air	9.5
Liquefied hydrocarbons (butane, propane, etc.)	9.3
Accessories for information processing equipment	8.5
Crisps	8.0
Electricity, gas and other fuels	7.9
Mobile telephone equipment	7.6
Table linen and bathroom linen	7.5
Passenger transport by train	7.3
Other tobacco products	7.2
Frozen vegetables other than potatoes and other tubers	7.0
Garden furniture	7.0
Newspapers	6.9
Newspapers and periodicals	6.0
Fresh or chilled vegetables other than potatoes and other tubers	5.7
Passenger transport by railway	5.7
Bundled telecommunication services	5.7
Services to maintain people in their private homes	5.7
Fiction books	5.6
Travel insurance	5.6
Museums, libraries, zoological gardens	5.5
Photographic services	5.5

RPI, CPI, and the case for using RPI

In 2011 the Government replaced RPI with CPI as its preferred measure of inflation. CPI tends to be about 1 percentage point lower than RPI. Trade unions, including GMB, often argue that RPI remains the best inflation index for measuring the true cost of living.

RPI costs

Many of our members' costs continue to rise by RPI: several taxes (including vehicle excise duty), mobile phone contracts, rents (where index linked), regulated rail fares, and Student Loans Company repayments are all still increased by RPI.

Problems with CPI

CPI was created in the early 1990s by the European Union as a technical measure to monitor Member States' compliance with the Maastricht Treaty. It was not intended to be the headline measure of consumer price changes.

Unlike RPI, CPI does not take account of housing costs (such as council tax, mortgage interest payments, house prices and buildings insurance). The only reason for excluding these items is that a pan-European approach to comparing these items could not be agreed. *There is no justification for excluding housing costs from inflation rates.*

CPI also includes items such as foreign students' tuition fees and foreign exchange rate commissions that are difficult to justify in a measure of domestic inflation.

Problems with CPIH

To address criticisms of CPI, the ONS introduced a new measure that included some housing costs – the CPIH. However, CPIH has been subject to significant criticism, including from the UK Statistics Authority which said that *'this degree of user scepticism and disagreement is, in our experience, unusual for an official statistic.'* The Royal Statistical Society [says that](#) CPI and CPIH are an *'unsatisfactory measure of inflation as it affects British households.'*

British Telecommunications PLC vs BT Pension Scheme Trustees Limited

BT attempted to amend its pension scheme's uprating from RPI to CPI. The company claimed that RPI had 'become inappropriate' following its de-designation as a national statistic.

In a landmark 2018 [judgement](#), the High Court rejected the company's case and concluded that *'jettisoning RPI would introduce a material risk that increases in pensions would not keep rate with increases in the costs of living likely to be experienced by pensioners.'* The Court also said that *'there are certain respects in which CPI might be said to underestimate inflation.'* BT failed to overturn the ruling at appeal.

The case for using RPI

It has been claimed that RPI has an in-built bias towards reporting higher inflation. However, it also appears that CPI underestimates inflation, and the RPI remains the inflation rate that most comprehensively measures housing costs. RPI is the most used index for pay-setting purposes. **RPI is an appropriate inflation measure to use for pay bargaining.**

For more information about inflation rates, see the appendix to this document '[Consumer price indexes explained.](#)'

Long term inflation forecasts

The Treasury regularly summarises recent inflation forecasts for the next twelve months. According to these forecasts, in 2019 earnings will rise by more than both RPI and CPI inflation.

HMT panel forecast prices & earnings, fourth quarter (percentage)

	RPI	CPI	Average earnings
End of 2019 (Q4)	2.5	1.8	3.2
End of 2020 (Q4)	2.9	2.1	3.2

Source: Treasury, [Forecasts for the UK economy: a comparison of independent forecasts](#)
Published 17 July 2019

The Office of Budget Responsibility (OBR) also produces independent long-term estimates of prices and wages inflation twice a year.

IMPORTANT NOTE: The OBR (Office of Budget Responsibility) has warned that it is difficult to account for the effects of Brexit when projecting inflation rates. These figures should therefore be treated with caution when negotiating long-term pay deals.

OBR forecasts 2017 – 2022 (per cent)

Measure	2019	2020	2021	2022	2023
CPI	2.1	1.9	2	2	2
RPI	2.9	2.8	3	3.1	3.1
Average earnings	3.1	3	3.1	3.1	3.3
Wages and salaries	3.3	3.3	3.5	3.4	3.5

Source: OBR, [Economic and Fiscal Outlook, March 2019](#), page 65
Next release date: October 2019 (tbc)

Quarterly changes in retail prices, 2019 and 2020

XpertHR summary of independent forecasts

	2019			2020				
	Q3 (%)	Q4 (%)	Year	Q1 (%)	Q2 (%)	Q3 (%)	Q4 (%)	Year
XpertHR average	2.5	2.5	2.6	2.9	2.6	2.7	2.8	2.8
Range of forecasts	2.2 to 2.8	2.2 to 2.9	2.4 to 3	2.5 to 3.6	2.2 to 3.2	2.3 to 3.3	2.5 to 3.2	2.5 to 3.5

Based on the latest figures available as at 18 July 2019. XpertHR average: unweighted average of analysts' predictions.

Wage settlements

The ONS produces monthly estimates of changes to average earnings. The below figures do not account for factors such as progression pay and workforce changes, and as such are not a strict tracker of wage awards.

Official earnings estimates for regular pay (excluding bonuses) – May 2019

Average Weekly Earnings	Average weekly pay (£)	Annual percentage growth (three month average)
Whole economy	503	3.6
Private sector	496	3.7
Public sector*	536	3.5
Services	482	3.7
Manufacturing	589	2.6
Construction	618	4.4
Wholesale, retail & restaurants	338	2.6

*Excluding nationalised financial services.
 Source: All references in this section are from ONS, [Average Weekly Earnings](#)
 Next release date: 13 August 2019

While pay growth has been relatively strong overall, pay growth has slowed in some sectors, including manufacturing, over the last year.

3 month changes to average regular weekly pay compared to the previous 12 months, percentage

Month	Whole economy	Private sector	Public sector (excl. banking)	Services	Manufacturing	Wholesale, retail, hotels & restaurants	Construction
May 18	2.8	2.9	2.3	2.7	2.5	2.5	5.7
Jun 18	2.7	2.8	2.2	2.6	2.3	2.7	5.5
Jul 18	2.9	3.0	2.4	2.8	2.4	3.5	5.1
Aug 18	3.1	3.2	2.7	3.1	2.3	4.1	4.6
Sep 18	3.2	3.3	2.8	3.3	2.3	4.1	3.7
Oct 18	3.3	3.4	2.8	3.5	2.1	3.9	3.3
Nov 18	3.4	3.5	2.9	3.5	2.1	3.3	3.6
Dec 18	3.4	3.5	2.9	3.6	1.9	3.3	3.9
Jan 19	3.5	3.6	2.9	3.6	1.9	3.1	4.2
Feb 19	3.4	3.6	2.6	3.5	2.0	2.9	4.2
Mar 19	3.3	3.5	2.4	3.5	2.2	2.5	4.0
Apr 19	3.4	3.6	3.0	3.5	2.3	2.5	4.4
May 19	3.6	3.7	3.5	3.7	2.6	2.6	4.4

Adjusted for inflation (CPI), average real wages rose in value by **1.7 per cent** in May 2019 compared to a year earlier. This was the joint biggest rise in almost four years (since October 2015).

Percentage monthly changes to whole economy weekly regular pay in real (2015) prices

Month	Real AWE (2015 prices), £	1 month change	3 month average
May-18	460	0.3	0.4
Jun-18	460	0.4	0.3
Jul-18	462	0.8	0.5
Aug-18	462	0.9	0.7
Sep-18	463	0.9	0.9
Oct-18	464	1.3	1.0
Nov-18	464	1.3	1.2
Dec-18	465	1.3	1.3
Jan-19	467	1.9	1.5
Feb-19	466	1.4	1.5
Mar-19	466	1.2	1.5
Apr-19	468	2.0	1.5
May-19	468	1.9	1.7

Average pay settlements – industry trackers

The Labour Research Department (LRD), Incomes Data Research (IDR), XpertHR, and Make UK (formerly the EEF, the manufacturing employers' association) track wage settlements within the last three months.

The Bank of England and the ONS also track wage settlements and changes to average earnings. The LRD's figures tend to be higher than those of other organisations: this is because the LRD only tracks unionised workplaces.

Average pay settlements (percentage): Three months ending: 30 May 2019

	Whole economy	Public sector	Private sector	Manufacturing	Services
XpertHR	2.5	-	-	2.5	2.5
Make UK	-	-	-	2.6	-
LRD	2.8	2.9	-	3	2.8
IDR*	2.5	2	2.5	2.5	2.6
ONS**	3.6	3.5	3.7	2.6	3.7
Bank of England	-	-	Between 2 and 3.5	-	-
* IDR figures are for the year to the end of January 2019					
** The ONS tracks changes to overall pay levels, including overtime and other payments					

2019/20 forecast pay awards – employers’ expectations

The consultancy firm XpertHR and the Chartered Institute of Personnel and Development (CIPD) survey employers on their intended wage awards. These surveys report that in 2019 employers expect wage awards to average between **2 per cent** and **2.5 per cent**.

However, it should be noted that the OBR and the Bank of England forecast higher increases to earnings in 2019. The OBR estimates that [average earnings will increase by 3.1 per cent](#). The Bank of England [reported in March 2019](#) that ‘pay settlements remained on average in the range 2½% to 3½%, and pay growth appeared to be flattening off after past rises. Nonetheless, contacts continued to give targeted pay awards to address skill shortages.’

XpertHR, CIPD, and Bank of England surveys of expected wage awards for 2019

Source	Time period	Measure	Forecast	Updated
XpertHR pay forecasts survey	12 months to 31 December 2019	Median pay award (private sector only)	2.5%	Twice yearly
CIPD Labour Market Outlook	12 months to March 2020	Median basic pay increase (excluding bonuses)	2.0%	Quarterly
Bank of England	2019	‘Average pay settlements’	2.5% to 3.5%	Annual

Sources: XpertHR pay forecasts survey, March 2019; Labour Market Outlook, CIPD, Spring 2019; BoE Agents' summaries of business conditions, March 2019

Detailed industry forecast pay settlements for 2019/20

XpertHR produces detailed industry pay award forecasts based on its own survey of employers. The pay intentions recorded by XpertHR tend to be less generous than those reported elsewhere (such as those reported by the Bank of England in the past).

2019 pay settlement employer intentions (XpertHR survey)

Industry sector	Median, %
Information and communication	3
Construction	2.5
Engineering and metals	2.5
General manufacturing	2.5
Not for profit	2.5
Professional and business services	2.5
Transport and storage	2.5
Hotels, catering and leisure	2
Retail and wholesale	2

Recruitment and retention pressures

The Bank of England’s regional agents regularly produce estimates of recruitment difficulties facing employers. These figures are based on interviews with a sample of around 700 employers and are used to inform the Bank’s decisions on interest rates. **Employers report that they are experiencing the biggest increase in recruitment difficulties since 2001.**

Bank of England estimates of business pressures where zero is normal (and where -5 is very low and +5 is very high)

	Total labour costs per employee		Labour market
	Manufacturing	Services	Recruitment difficulties
Apr 19	2.0	2.5	3.1
May 19	2.0	2.4	3.1
Source: Bank of England, Agents' Summary of Business Conditions . Next published 19 September 2019			

The most commonly cited factor by companies for increased wage pressures was their ability to recruit and retain staff, which was partly caused by a lack ‘of availability of foreign labour.’ Inflation, pension contribution changes and National Living Wage rises were the next most cited factors.

In June 2019, the Bank of England said that:

“Some companies were reluctant to recruit, or were doing so more slowly than they otherwise would, due to Brexit-related uncertainty. Slowing demand was leading to job losses in manufacturing, especially in the automotive sector, and in retail due to store closures.

“Investment in automation and technology, partly in response to tightening labour availability, was allowing companies in a variety of sectors to increase output with minimal headcount growth. Employment growth was being constrained in sectors such as professional services, IT, construction, haulage and health and social care, where skills shortages had resulted in vacancies remaining unfilled for long periods.

“Staff turnover rates were reported to have eased as employees were less willing to move from secure jobs in the current uncertain climate.”

[Source – Bank of England Agents' summary of business conditions: 2019 Q2](#)

National Minimum Wage and Foundation Living Wage rates

GMB's policy as set by Congress is to campaign for a real Living Wage of at least £10 an hour.

National Minimum Wage rates

The Government announced in October 2018 that it accepted the recommendations of the Low Pay Commission for 2019. This means that from April 2019 the over-25 National Minimum Wage increased by 4.9 per cent to **£8.21**.

Although the Government refers to the National Minimum Wage as the 'National Living Wage' for 25 year-olds and over, this rate is separate from the higher Foundation Living Wage which is set independently.

National Minimum Wage hourly rates

	2019/20 rate	Increase
NLW	£8.21	4.9%
21-24 rate	£7.70	4.3%
18-20 rate	£6.15	4.2%
16-17 rate	£4.35	3.6%
Basic apprentice rate	£3.90	5.4%
Accommodation offset	£7.55	7.9%

[Source: Low Pay Commission, 29 October 2018](#)

Living Wage Foundation Rates

In November, the independent Living Wage Foundation sets a voluntary living wage standard based on its own analysis of cost of living pressures. The Foundation also publishes a separate Living Wage rate for London. 4,700 employers covering 180,000 workers reportedly pay the Foundation Living Wage. Subscribing employers should implement the new rates by May at the latest.

Independent Foundation Living Wage hourly rates – 2017 and 2018 (from November)

	2017 rate	2018 rate	Increase
Foundation Living Wage	£8.75	£9	2.9%
London Living Wage	£10.20	£10.55	3.4%

[Source: Living Wage Foundation](#)

The Living Wage Foundation says:

“The real Living Wage rates are higher because they are independently-calculated based on what people need to get by. That's why we encourage all employers that can afford to do so to ensure their employees earn a wage that meets the costs of living, not just the government minimum.”

Statutory payments and key employment rights at a glance

Statutory rates are updated in April.

To qualify for Statutory Sick Pay and Statutory Parental Payments, average earnings must be equal to or above the Lower Earnings Limit of £118 per week.

Statutory Sick Pay

The weekly rate of Statutory Sick Pay is £94.25 per week, for up to 28 weeks, from April 2019.

The daily rate depends on the number of Qualifying Days worked per week. A calculator to work out the daily rate is available at: <https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020>

Statutory Redundancy Pay

An employee must have been employed for a minimum of two years on their dismissal date to be eligible for Statutory Redundancy Pay.

For employees made redundant on or after 6 April 2019, the rate is:

- half a week's pay for each full year you were under 22
- one week's pay for each full year you were 22 or older, but under 41
- one and half week's pay for each full year you were 41 or older

Length of service is capped at 20 years. Weekly pay is capped at £525, and the maximum statutory redundancy pay award you can receive is £15,750.

Parental Payments

All effective from April 2018:

Type of payment	Current rate	Maximum period
Statutory Maternity Pay (Higher Rate)	90% of normal weekly earnings	6 weeks
Statutory Maternity Pay (Basic Rate)	£148.68 per week*	33 weeks
Maternity Allowance **	£148.68 per week*	39 weeks
Statutory Paternity Pay	£148.68 per week*	2 weeks
Statutory Adoption Pay (Higher Rate)	90% of normal weekly earnings	6 weeks
Statutory Adoption Pay (Basic Rate)	£148.68 per week*	33 weeks
Statutory Shared Parental Pay	£148.68 per week*	37 weeks

*or 90% of normal weekly earnings, whichever is lower.

** full rate, subject to eligibility

Redundancy Consultation Period

- 20-99 employees: 30 days
- 100+ employees: 45 days

Redundancy Notice Period

- 1 month – 2 years' service: 1 week
- Over 2 years' service: 1 week for each year of service up to a maximum of 12 weeks

Where this notice period has not been given, such as in the case of companies going into sudden liquidation or receivership, employees may be eligible for **Statutory Notice Pay** based on their average weekly earnings (capped at £525 per week). Please note that Statutory Notice Pay will be reduced in line with any income received during the Statutory Notice Period, including state benefits whether or not they have been claimed.

Unfair Dismissal

In most cases, employees must have completed 2 years' service before being able to bring a claim for unfair dismissal.

Working Time Entitlements

Please note these entitlements do **not** apply to professional drivers.

Regulation	Entitlement	Notes
Rest breaks	20 minutes if working day over 6 hours (30 minutes for 15-18 year olds)	Can be unpaid
Breaks between shifts	11 hours	Can be reduced by collective agreement
Weekly rest	24 hours	Can be averaged over 2 weeks
Maximum Working Week	48 hours	Averaged over 17 weeks. Individual can opt out
Holidays	5.6 weeks	Can include bank holidays. No opt out.

Other Entitlements

- **Time off for dependants:** Reasonable unpaid time off to deal with an unexpected emergency involving a dependant
- **Parental leave:** 18 weeks' unpaid leave in blocks of 1 or more weeks, for children up to the age of 18.

Housing costs

In August 2018 the Bank of England [raised interest rates](#) from **0.5 per cent** to **0.75 per cent**. The base rate is now at its highest level since March 2009. According to the RPI, the cost of council tax and rates rose by **4.7 per cent** in June 2019 compared to the year before. Overall housing costs rose by **2.2 per cent**.

	2018 May	2018 June	2018 July	2018 Aug	2018 Sep	2018 Oct	2018 Nov	2018 Dec	2019 Jan	2019 Feb	2019 Mar	2019 April	2019 May	2019 June
Council tax and rates	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.7	4.7	4.7
Mortgage interest payments	1.8	2.4	2.9	6	4.1	7.6	6.6	2.7	3.9	4.2	4.5	4.1	4.8	4.2
All housing	2.6	2.6	2.6	2.9	2.8	3	3	2.5	2.3	2.1	2	1.9	2.3	2.2

Source: ONS, [consumer price inflation tables](#), next published 14 August 2019

Average private rent growth in the UK rose to **1.3 per cent** in June (and remained at **1.5 per cent excluding London**). Average rent growth has slowed significantly in some parts of the UK over the course of the last year. Rent growth is increasing again in London after a period of shrinkage.

Percentage increase in private rent costs compared to the previous 12 months

	UK	England	Wales	Scotland	Northern Ireland	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	UK excluding London	England excluding London
Jul 18	0.9	0.9	1.0	0.5	2.0	0.1	1.1	1.4	2.7	1.6	1.8	-0.3	1.5	1.9	1.5	1.6
Aug	0.9	0.9	1.0	0.5	2.0	0.2	1.1	1.3	2.8	1.6	1.9	-0.3	1.5	2.1	1.5	1.6
Sep	0.9	0.9	1.0	0.6	2.0	0.2	1.0	1.6	2.9	1.7	1.9	-0.2	1.4	1.9	1.5	1.6
Oct	0.9	0.9	0.7	0.6	2.0	0.3	1.0	1.5	2.7	1.8	1.8	-0.2	1.3	1.8	1.4	1.6
Nov	0.9	1.0	0.9	0.5	1.7	0.4	1.0	1.7	2.7	1.8	1.7	0.0	1.2	1.6	1.4	1.5
Dec	1.0	1.1	0.8	0.6	2.0	0.3	1.0	1.8	2.5	1.8	1.6	0.2	1.4	1.6	1.4	1.5
Jan 19	1.0	1.1	0.9	0.7	2.1	0.4	1.1	1.9	2.4	1.8	1.3	0.1	1.5	1.8	1.5	1.6
Feb	1.1	1.1	1.1	0.7	2.0	0.3	1.1	1.8	2.4	1.8	1.3	0.2	1.6	1.8	1.5	1.6
Mar	1.2	1.2	1.1	0.7	2.1	0.3	1.2	1.8	2.3	1.6	1.4	0.5	1.5	1.7	1.5	1.6
Apr	1.2	1.2	1.1	0.7	2.1	0.4	1.3	1.8	2.1	1.6	1.3	0.5	1.6	1.7	1.5	1.6
May	1.3	1.3	1.1	0.8	2.1	0.5	1.3	1.8	2.1	1.4	1.2	0.9	1.5	2.0	1.5	1.5
Jun	1.3	1.3	1.1	0.9	2.1	0.5	1.3	1.8	2.1	1.5	1.3	0.9	1.6	2.0	1.5	1.6

Source: ONS, [Index of Private Housing Rental Prices](#), Great Britain, monthly estimates, next published 14 August 2019

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Labour market update – March to May 2019

- There were an estimated 32.75 million people in work, 354,000 more than for a year earlier.
- The employment rate (the proportion of people aged from 16 to 64 years who were in work) was estimated at 76%, higher than for a year earlier (75.6%) and the joint highest figure on record.
- The unemployment rate (the number of unemployed people as a proportion of all employed and unemployed people) was estimated at 3.8%, it has not been lower since October to December 1974.

For more information see ONS, [Labour market update: July 2019](#) (next published 13 August 2019).

Vacancies

There were 827,000 job vacancies in April to June 2019 – 9,000 fewer compared with a year earlier.

Estimated vacancies by selected industries (thousands)

	Vacancies	12 month change
All vacancies	827	-9
Total services	735	-7
Human health & social work activities	138	+6
Wholesale & retail trade; repair of motor vehicles and motor cycles	134	+3
Accommodation & food service activities	89	-3
Professional scientific & technical activities	77	+2
Manufacturing	56	-5

Hours worked

In February to April 2019:

- People worked, on average, 32.1 hours per week
- People working full-time worked, on average, 37.4 hours per week in their main job
- People working part-time worked, on average, 16.3 hours per week in their main job

Public sector

In March 2019, there were an estimated 5.39 million people employed in the public sector.

Between March 2018 and March 2019, public sector employment increased by an estimated 39,000. This change is affected by the transfer of Welsh and Scottish housing associations to the private sector. Excluding the housing associations transfers, the estimated number of people employed in the public sector increased by 70,000 between March 2018 and March 2019.

Industrial disputes

In May 2019:

- There were 10,000 days lost from 14 stoppages
- 5,000 people took strike action

For the 12 months ending May 2019:

- 106,000 working days were lost – the second figure since records began in 1931

Workforce jobs

In March 2019, there were 35.538 million workforce jobs – 589,000 more than for a year earlier

Growth in job numbers – March 2018 to March 2019

Job type	Changes over year
Professional scientific & technical activities	149,000
Information & communication	86,000
Human health & social work activities	77,000
Transport & storage	71,000
Construction	55,000
Arts, entertainment & recreation	49,000
Accommodation & food service activities	45,000
Education	43,000
Manufacturing	30,000
Public admin & defence; compulsory social security	28,000
Water supply, sewerage, waste & remediation activities	17,000
Other service activities	11,000
Administrative & support service activities	5,000
Wholesale & retail trade; repair of motor vehicles and motorcycles	1,000
Private households	-2,000
Mining & quarrying	-3,000
Financial & insurance activities	-6,000

Electricity, gas, steam & air conditioning supply	-7,000
Real estate activities	-19,000
Agriculture, forestry & fishing	-41,000

Public sector pay

The Government claims that public sector workers are paid more than private sector workers.

However, the Treasury's own analysis shows that, after seven years of pay freezes and caps, public sector pay was 0.6 per cent lower than in comparable private sector jobs. The ONS estimates that public sector pay is 1 per cent lower than in comparable private sector jobs.

According to the ONS, in large public sector organisations, such as the NHS and unitary local authorities, public sector pay was 5.5 per cent lower than in private sector employers of a comparable size in 2016 (the latest date for which figures are currently available).

More information regarding public sector pay can be found on GMB's [Pay Pinch campaign website](#).

Information on the 2018/19 to 2019/20 local government pay offer can be found [here](#).

GMB also recently submitted [evidence](#) to the NHS Pay Review Body.

Official estimates of the public/private pay differential (percentage)

	Treasury	ONS – not adjusted for organisation size	ONS - adjusted for organisation size
2008	0.6	0.1	-4.0
2009	3.5	2.4	-2.0
2010	5.8	4.3	-0.4
2011	3.9	3.8	-0.7
2012	3.2	3.1	-1.0
2013	2.7	2.3	-2.1
2014	0.5	0.4	-3.8
2015	0.9	1.0	-3.4
2016	-0.6	-1.0	-5.5

Treasury Freedom of Information Act response to GMB, 18 October 2017 ; ONS, [Analysis of factors affecting earnings using Annual Survey of Hours and Earnings: 2016](#) (Figure 7), 26 October 2016

Annual Survey of Hours and Earnings (ASHE) results 2018

The Annual Survey of Hours and Earnings (ASHE) is an official publication that is based on a one per cent sample of HMRC records.

Although ASHE is not updated as regularly as other ONS publications, it is considered to be the most reliable official report on hours and earnings.

Detailed wage information can be drawn from ASHE on the basis of factors such as industry, occupation, gender and region.

Headline results

The key ASHE findings on gross earnings for adult full-time employees in April 2018 are:

- In April 2018, average weekly earnings for full-time employees in the UK were £569, up 3.5% from £550 in 2017.
- The 3.5% wage growth in 2018 was the biggest increase since 2008.
- Adjusted for CPIH inflation, full-time workers' weekly earnings increased by 1.2% in 2018. In real-terms, average pay is about the same as it was in 2011. However, real earnings are 3.7% lower than in 2008, prior to the financial crisis.
- Earnings (not adjusted for inflation) in 2018 rose fastest for the lowest paid tenth of workers (by 3.7%) and the highest paid tenth of workers (by 3.4%).
- In April 2018, the gender pay gap based on median hourly earnings for full-time employees decreased to 8.6%, down from 9.1% in 2017. This was the lowest rate since the survey began in 1997.
- Median weekly earnings for full-time workers are highest in London (£713) and lowest in the North East, Wales, East Midlands, Yorkshire and The Humber, and Northern Ireland. In 2018, the median rate grew most in the West Midlands and Northern Ireland (4.2%) and least in the North East (0.5%).

For further information see ONS: [Employee earnings in the UK: 2018](#), [Gender pay gap in the UK: 2018](#), and [Low and high pay in the UK: 2018](#).

Regional wages

In April 2018 average weekly earnings were highest in London, the South East and Scotland – and lowest in the East Midlands, Wales and the North East.

Wage growth was strongest in the West Midlands, Northern Ireland, and Yorkshire and the Humber – and lowest in the South West, Wales, and the North East.

Median full-time gross weekly earnings and percentage change from previous year, by region, UK, April 2018

	Median full-time gross weekly earnings (£)	Change from 2017 (%)
UK	569.0	3.5
London	713.2	3.2
South East	589.2	2.5
Scotland	563.2	3.0
East	558.1	2.4
West Midlands	536.6	4.2
South West	531.2	2.2
North West	529.6	3.0
Northern Ireland	521.2	4.2
Yorkshire and the Humber	520.8	3.6
East Midlands	515.9	3.2
Wales	509.0	2.1
North East	506.8	0.5

Gender pay gap

In April 2018, the gender pay gap (for median earnings) for full-time employees decreased to 8.6%, down from 9.1% in 2017. This is the lowest since the survey began in 1997, where the gender pay gap was 17.4%, although the gender pay gap has changed relatively little in recent years.

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 2011 to 2018 (percentage)

Year (April)	All	Full-time
2011	20.2	10.5
2012	19.6	9.5
2013	19.8	10
2014	19.2	9.6
2015	19.3	9.6
2016	18.2	9.4
2017	18.4	9.1
2018	17.9	8.6

Note – Since April 2018 all large employers (those employing 250 or more) have been [required to publish their internal gender pay gaps](#). Employer results can be found [here](#). ACAS has [published guidance](#) on employers' new gender pay gap reporting duties.

Earnings by occupation

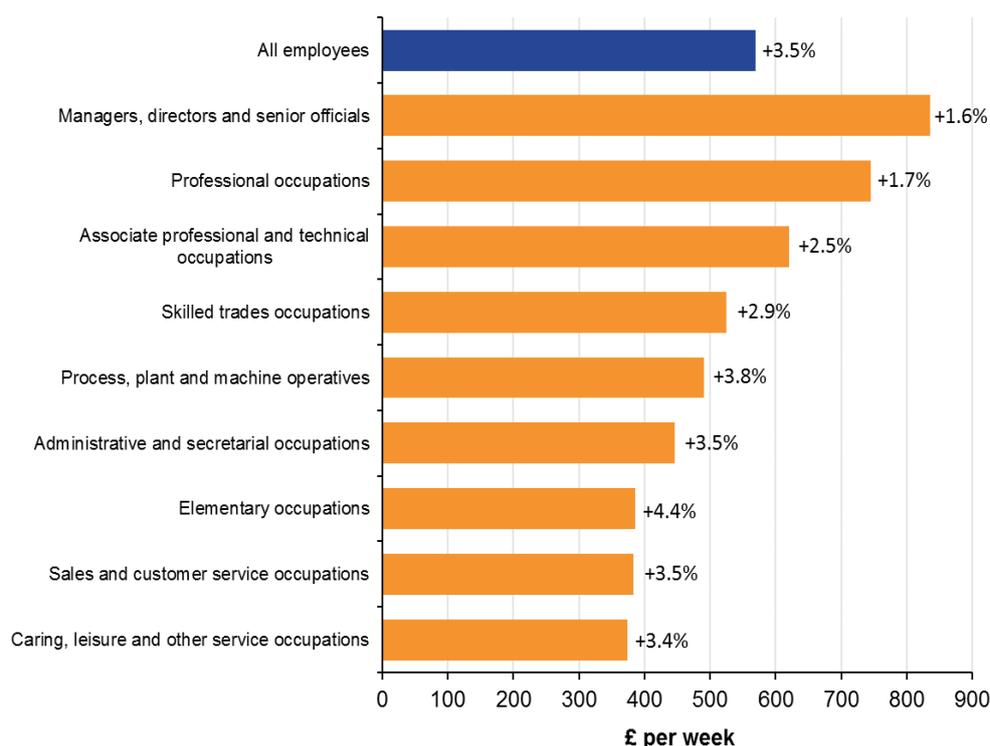
In April 2018 the highest paid occupational group was 'managers, director and senior officials'. The lowest paid group was 'caring, leisure and other service occupations.'

Pay growth was strongest for 'elementary occupations' (at 4.4%) and 'process, plant and machine operatives' (at 3.8%). These figures include factors such as overtime.

Median full-time gross weekly earnings and percentage change from previous year, by major occupation group, UK, April 2018

Occupation	Median 2018 (£)	Annual percentage change (%)
Managers, directors and senior officials	835.1	1.6
Professional occupations	745.5	1.7
Associate professional and technical occupations	620.2	2.5
All employees	569.0	3.5
Skilled trades occupations	524.6	2.9
Process, plant and machine operatives	490.0	3.8
Administrative and secretarial occupations	446.3	3.5
Elementary occupations	385.2	4.4
Sales and customer service occupations	383.4	3.5

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics



Average hours worked

Since 1997, basic paid hours have increased slightly from 37.8 to 38.2 hours per week, whereas overtime hours have decreased, falling from 2.2 to 1.0 hours. The sector with the highest mean number of overtime hours per employee per week in 2018 was process, plant and machine operatives (3.3 hours).

Latest from the Labour Research Department

The LRD Payline service contains information from over 2,000 agreements, including over 300 GMB agreements. If your agreement is not amongst them then please send details of the settlement to pay@lrd.org.uk so we can improve the service to GMB members.

To access the service go to www.lrd.org.uk/payline (contact laurence.turner@gmb.org.uk for login details).

GMB bargaining support

The GMB wages and inflation report is produced by industrial Sections' research and policy officers. For further information, or if you want to know more about accessing company accounts and how to interpret them ahead of pay talks, please contact laurence.turner@gmb.org.uk, anna.barnes@gmb.org.uk or charlotte.nichols@gmb.org.uk.

Appendix – Consumer price indexes explained

CPI

The CPI is the UK's main domestic measure of consumer price inflation and is an internationally comparable measure. It forms the basis for the Government's target for inflation that the Bank of England's Monetary Policy Committee (MPC) is required to achieve. The official CPI series starts in 1996, but estimates for earlier periods are available back to 1988. The CPI excludes certain housing costs, such as owner-occupied housing and council tax.

CPIH

A new measure of inflation called CPIH was first published by the ONS on 19 March 2013, initially on an experimental basis. CPIH is the same as CPI except that it includes owner-occupier housing costs, an important omission from the CPI as these costs account for around 10% of total UK household expenditure. They are calculated using a "rental equivalence" approach, using the rent paid for an equivalent house in the private sector as a proxy for the costs faced by an owner-occupier.

RPI

The all-items RPI is the oldest measure of UK inflation still in use, with data going back to 1947. Unlike the CPI, the RPI includes housing costs, such as mortgage interest payments, buildings insurance and council tax. Spending by pensioner households is not included in the sample used nor is that of the top 4% of households by income. While it is used for a wide variety of purposes, the ONS has recently declared that the RPI does not meet international statistical standards because of a formula used in its calculation, called the Carli formula. Its status as a national statistic was removed on 14 March 2013, but the ONS has stated that it will continue to publish it in an annex to the official figures because of its uses in long-term indexation, such as for index-linked gilts and bonds.

HCIs

The ONS is currently developing a series of new inflation measurements – the **Household Costs Indices (HCIs)**. These will measure inflation as it is experienced by different households when they are differentiated on the basis of income or retirement status. The HCIs are still at an experimental stage and GMB is monitoring the ONS's progress and the potential impact of this new measure of inflation on our members.

Appendix – Employers’ duty to disclose information

Where GMB is recognised, employers have a legal duty to provide information where it would be in ‘accordance with good industrial relations practice to disclose’ (quotes are from the ACAS Code of Practice). This section is intended only as an initial guide and not as a substitute for the Code.

The information requested may relate to any aspect of collective bargaining and requests for information may be made outside of pay negotiation periods.

Information can be requested both of the central company ‘or [that] in the possession of any associate employer.’ The duty to disclose covers both public sector and private sector employers.

It is helpful if information obtained through this process is shared with GMB National Office.

Types of information that can be requested

ACAS provides examples of the types of information that can be reasonably requested from employers. The below list is not exhaustive, and it is not intended to act as a checklist, but it does provide examples of the kinds of information that can be obtained from employers.

Pay and benefits	Notes
Principles and structure of payment systems	
Job evaluation systems and grading criteria	
Earnings and hours analysed according to: work-group, grade, plant, sex, out-workers and homeworkers, department or division, giving, where appropriate, distributions and make-up of pay showing any additions to basic rate or salary	
Total pay bill	
Details of fringe benefits and non-wage labour costs	
Conditions of service	
Policies on recruitment, redeployment, redundancy, training, equal opportunity, and promotion	
Appraisal systems	
Health, welfare and safety matters	
Manpower	
Numbers employed according to grade, department, location, age and sex	
Labour turnover	
Absenteeism	
Overtime and short-time	
Manning standards	
Planned changes in work methods, materials, equipment or organisation	

Available manpower plans	
Investment plans	
Performance	
Productivity and efficiency data	
Savings from increased productivity and output, return on capital invested	
Sales and state of order book	
Financial	
Cost structures	
Gross and net profits	
Sources of earnings	
Assets and liabilities	
Allocation of profits	
Details of government financial assistance	
Transfer prices	
Loans to parent or subsidiary companies and interest charged	

Failure to comply

Action can be taken against employers that fail to disclose information through the Central Arbitration Committee (CAC). The CAC may ask ACAS to provide conciliation services. Should conciliation not succeed, the CAC can require the employer to disclose the requested information.

Duties on trade unions

Trade unions should not ask for information that is readily available (such as in company accounts). The employer may ask for requests in writing (and it is best practice to do so). Trade unions and employers should endeavour to reach an understanding on how any disclosed information is used.

It may be helpful to arrange for representatives to arrange an early meeting with the company's HR staff at the start of the process to understand what relevant information is collected and agree any potentially contentious issues.

Exemptions

Employers are not required to disclose information that would endanger national security, contravene data protection legislation or would cause 'substantial injury' to the company.

Notes

Further information can be found in the ACAS Code of Practice [Disclosure of information to trade unions for collective bargaining purposes](#). The original legislation can be accessed under clauses 181 to 185 of the Trade Union and Labour Relations (Consolidation) Act 1992 - [disclosure of information for purposes of collective bargaining](#).

The Act was later amended to cover the disclosure of 'information relating to use of agency workers in that undertaking.'

Appendix – Key dates

13 March 2019	Chancellor’s Spring Statement
30 March 2019	Public sector gender pay gap reporting deadline
01 April 2019	National Minimum Wage rises
04 April 2019	Private sector and charitable sector gender pay gap reporting deadline
06 April 2019	<p>Statutory sick pay rate increases</p> <p>Requirement for payslips to state hours worked where pay varies introduced</p> <p>Maximum penalty for an aggravated breach of employment law in discrimination cases will increase from £5,000 to £20,000</p>
07 April 2019	Statutory maternity pay and other family-related statutory pay rates increase
April 2020	New parental bereavement rights take effect
6 April 2020	<p>Increase in holiday reference period from 12 weeks to 52 weeks</p> <p>Abolition of the Swedish derogation relating to pay for agency workers</p> <p>Extension of the right to a written statement of employment particulars to all workers</p>

Change log

Nov-17	Feb-18
OBR long-term inflation forecasts	Bank of England wage settlement tracking
Average wage growth by industry	Inflation – significant price rises by item
Monthly estimates of working days lost due to stoppages by industry	Mar-18
Public/private weighted differential estimates	Bank of England – employer reasons for wage bill changes
Dec-17	Apr-18
Seasonal inflation figures	BT vs pension scheme trustees High Court ruling details
Table of contents	May-18
Arguments for using RPI in pay claims	Minor updates to key dates
Summarised some ONS wording	July-18
Expanded ONS wage growth by industry and in real-terms figures	Added statutory payments and key employment rights section
XpertHR industry wage forecasts	Sept-18
BoE figures on private sector recruitment difficulties	Added 'return to table of contents' link in footer – works on PDF version only
National Minimum Wage and Foundation Living Wage rates	Oct-18
Notes on gender pay gap reporting	Updated with: ASHE 2018; October Budget Treasury and OBR announcements; 2019/20 National Minimum Wage and Foundation Living Wage rates.
Summarised some ASHE wording	Dec-18
Exchanged some ASHE graphs for tables	Updated key dates section
Removed public sector pay information from ASHE section	Feb-19
Appendix on requesting information from employers based on ACAS guidance	Discontinued RPIX reporting following consultation
Owner-occupier costs and regional private rents	Jun-19
Jan-18	Added public sector pay awards tracking
Treasury summary of 12-month inflation forecasts including RPI	
IDR pay settlements tracking	
ACAS gender pay gap reporting guidance	
Information on the new Household Cost Indices inflation measure	
Upcoming key dates	