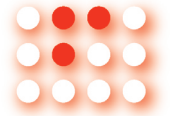
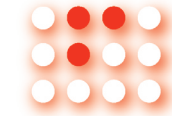


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Quiche added to 2018 inflation basket

Quiche is in and the pork pie out of the basket of goods used to calculate the various rates of inflation.

Other food items joining quiche in the 2018 basket of goods are pre-prepared mashed potato and a punnet of raspberries, the Office for National Statistics (ONS) revealed.

Meanwhile, the pasty, Edam cheese and peaches and nectarines are removed the basket.

A number of new items have been introduced to represent specific markets where consumer spending is significant or growing and existing items in the baskets may not adequately represent price changes for such goods. For example, an action camera has been added to reflect a specific sector within the wider camera market. Similarly, a high chair has been introduced to represent nursery furniture, which has not been covered in the basket since the removal of a cot in 1999.

As in previous years, developments in technology influence the basket update. This year, in addition to the action camera, a digital media player (for example, Apple TV or Amazon Fire TV) has been introduced. This type of equipment has not previously been covered and it replaces a digital television

recorder and/or receiver. The digital camcorder also leaves the basket.

The consumers' penchant for bigger TV screens has seen the addition of 39" and 40" inch TVs which have replaced three smaller-sized TV screens in the basket.

"Every year we add new items to the basket to ensure that it reflects modern spending habits. We also update the weight each item has to ensure the overall inflation numbers reflect shoppers' experiences of inflation," said ONS senior statistician Philip Gooding.

"However, while we add and remove a number of items each year, the overall change is actually quite small. This year we changed 36 items out of a total basket of 714."

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukconsumerpriceinflationbasketofgoodsandservices/2018>

Chancellor Hammond doesn't spring surprise

Conservative chancellor Philip Hammond made little use of his Spring Statement, except to outline the economic outlook now and in the mid-term.

The chancellor used the Office for Budget Responsibility's (OBR) figures that show the economy grew

LABOUR RESEARCH DEPARTMENT

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by 1.7% in 2017, compared to 1.5% forecast at the time of the November Budget.

The OBR has revised up its forecast for 2018 from 1.4% to 1.5%, but then forecast growth is expected to be 1.2% in 2019, 1.3% in 2020, before picking up to 1.4% in 2021 and 1.5% in 2022.

A rather smug chancellor ignored the OECD's forecasts for the UK. According to the OECD, the market economy think tank, the UK economy will miss out on the momentum propelling the global economy and grow by just 1.3% this year, slower than the rest of the G7 group of countries.

Hammond claimed that there was "light at the end of the tunnel", which rather suggests he has been using the Hubble telescope to see that light.

The OBR expects wage growth to rise a little to 2.7% in 2018, higher than forecast in November.

But then growth will ease again in 2019 to 2.4% in line with slower GDP growth in that year and then edge up again finishing the forecast period in 2022 at 3.0%.

If RPI inflation is used for comparison then people's living standards will continue to be hit as inflation is higher than earnings growth in each of the forecast years except 2022 when inflation matches earnings growth.

If the CPI inflation measure is used then the OBR expects some improvement in living standards as growth in earnings is expected to outstrip CPI inflation up to the end of the forecast period. However, by 2022, wages will still be worth less than before the financial crisis 15 years earlier.

There were no policy changes in Hammond's statement, the chancellor merely announced a number of consultations on future policies, including:

- a new "tech tax" looking at how firms like Google and Facebook are taxed;
- a possible tax on single use plastic;
- a reduction in tax on for the least polluting vans to "help the great British white van driver go green";
- a call for evidence on whether the use of non-agricultural red diesel tax relief contributes to poor air quality in urban areas; and
- the future of cash and digital payments, with the possible demise of 1p and 2p coins.

The TUC criticised the lack of action in the Spring Statement. General secretary Frances O'Grady said: "This was not the jumpstart the British econ-

omy needed. The chancellor had nothing to say to workers hit by falling wages, to communities where there are few decent jobs, or about our public services stretched to breaking point.

"Working people shouldn't have to wait until the autumn Budget for the chancellor to act. He should boost wages now by giving public servants a proper, funded pay rise. And he should set up a new National Investment Bank to get investment to communities with outdated infrastructure and low productivity. This would attract new business and create better-quality, better-paid jobs."

www.gov.uk/government/topical-events/spring-statement-2018

<http://obr.uk/efo/economic-fiscal-outlook-march-2018/>

www.oecd.org/eco/outlook/Getting-stronger-but-tensions-are-rising-press-handout-oecd-interim-economic-outlook-march-2018.pdf

www.tuc.org.uk/news/chancellor-did-nothing-help-working-people-hit-falling-wages-and-poor-quality-work-says-tuc

Minimum wage offenders named

Asian restaurant chain Wagamama was one of 179 employers named and shamed for not paying the statutory National Minimum Wage to some of its staff.

In total, the 179 employers had underpaid 9,200 minimum wage workers by £1.1 million.

As well as recovering back pay for the 9,200 workers, the government also fined the employers a total of £1.3 million in penalties for breaking National Minimum Wage laws.

Wagamama was found to have underpaid 2,630 staff to the tune of over £133,300. Another large restaurant chain – TGI Fridays – was found to have underpaid 2,302 staff by £59,348.

Bridgend End House Nursery in Brighouse, West Yorkshire, owed two members of staff the most on average. Those two workers were owed £41,938 or an average £20,969 per worker.

Premier league football club Stoke City and rugby super league team St Helens also featured in the list.

The most prolific offending sectors in this round of naming and shaming – the 14th round – were:

- hospitality: 43 employers named for underpaying 5,726 workers a total of £460,459;
- hairdressing: 19 employers named for underpaying 152 workers a total of £43,938; and
- retail: 18 employers named for underpaying 85 workers a total of £27,332.

Since 2013 the scheme has identified more than £9 million in back pay for around 67,000 workers, with more than 1,700 employers fined £6.3 million in total.

www.gov.uk/government/news/nearly-180-employers-named-and-shamed-for-under-paying-thousands-of-minimum-wage-workers

Landmark ruling over employee's cancer

Workplace disability discrimination protection for cancer sufferers has been strengthened as a result of a landmark legal case supported by the Unite general union.

The legal victory will ensure that people suffering with "pre-cancer" will be protected under the *Equality Act 2010*.

The case involves Unite member Christine Lofty who worked at First Café in Norwich for 14 years. In March 2015, a lesion on her face was diagnosed as pre-cancerous lentigo maligna, a form of melanoma. Lofty required biopsies, surgery and skin grafts and took sick leave from her work to undergo this potentially lifesaving treatment.

While Lofty was on sick leave her employer Sadek Hamis saw her in the street and decided that she had taken too much sick leave and dismissed her in December 2015.

Unite took a legal case on behalf of Lofty for unfair dismissal and discrimination arising from disability under section 15 of the *Equality Act 2010*; as the pre-cancer cells amounted to having cancer which is considered a disability.

Lofty won her claim for unfair dismissal at the tribunal in October 2016, but the claim for discrimination was dismissed as the tribunal did not agree that she was disabled. The tribunal wrongly adjudicated that pre-cancer meant before cancer and that since Lofty was considered cancer free by September 2015 following successful early treatment, she had never had cancer.

However, the tribunal failed to take into account a letter from Lofty's GP that "Mrs Lofty had cancer" and that "pre cancer" was a medical term for cancer that is for the moment contained. It is often described as "cancer in situ".

Unite appealed the case to the Employment Appeal Tribunal (EAT) which found in favour of Lofty.

The EAT agreed with Unite's argument that pre-cancer is a form of cancer and therefore Lofty was deemed to be disabled at the point of diagnosis, which is when the *Equality Act* becomes relevant, rather than at the point of dismissal. All forms of cancer are given legal protection from discrimination under the *Equality Act*.

In her written judgement, judge Eady QC, said the *Equality Act* "does not distinguish between invasive and other forms of cancer; it requires only that the claimant has cancer". Judge Eady went on to rule that if the tribunal had "engaged with the evidence before it, it would have been bound to hold that she had cancer and thus fell within the deeming provision securing the protection of the *Equality Act 2010*".

Unite assistant general secretary for legal services Howard Beckett said: "This is a landmark case which will help ensure that employers cannot dismiss and discriminate against their workers who are suffering from any form of cancer.

"Workers who experience the anguish of developing cancer at work will be reassured that their employer can't simply dismiss them because of their illness, as this is now clearly understood that all forms of cancer are legally protected. This means that employers should be taking positive steps to make reasonable adjustments, as well as not discriminating by dismissal.

"The fact that this case went to an Employment Appeal Tribunal means it is legally binding and can now be used in similar cases."

www.unitetheunion.org/news/unite-wins-landmark-legal-case-that-widens-disability-discrimination-protection-for-cancer-victim/

www.bailii.org/uk/cases/UKCAT/2018/0177_17_1801.html

Equal pay claims stack up in retail sector

More large retailers are facing equal pay claims on top of the claim by over 200,000 Tesco workers (see *Fact Service*, issue 6).

Morrisons is facing an equal pay claim expected to be worth as much as £100 million in compensation on the heels of similar cases being brought against major supermarkets across the UK.

Shop-floor workers in large food retailers are more likely to be female, and warehouse workers are more likely to be male. It has been highlighted in

cases against Asda, Sainsbury's, Tesco and now Morrisons that warehouse workers take home a higher wage, but it is argued their work is about equal in value to the company to that of shop-floor workers. Under equal pay laws, this would make the employer liable to provide the same wage and other benefits (such as holiday pay) to shop-floor workers as they do warehouse workers.

In the Asda case, this argument has been accepted, setting an optimistic precedent for the potential success of claims against other retailers.

At Morrisons, around 70% of shop floor workers are women, and they are paid almost £2 less than distribution centre staff (who are mostly men). The law firm bringing the case – Roscoe Reid – believes that up to 25,000 staff may have a claim.

And the High street clothing chain Next could be facing a claim for up to £30 million in back pay from thousands of mainly female shop-floor staff, who claim they are paid less than their mostly male warehouse colleagues.

More than 300 workers have initially signed up to participate in a claim that has been filed at the conciliation service Acas.

It has been estimated that the average salary loss for the group amounts to around £6,000. However, it is anticipated that between 3,000 and 5,000 workers will ultimately register to the group legal action, which could result in a claim totalling £30 million.

Lawyers representing Next claimants believe the predominantly female store staff receive on average 24% less than their colleagues at the warehouses.

www.ier.org.uk/news/morrisons-latest-supermarket-face-equal-pay-claim
www.drapersonline.com/news/next-faces-30m-equal-pay-claim-from-store-staff/7029436.article

More goods leaving factory gates

Manufacturing output continued its expansion in the New Year, according to the Office for National Statistics (ONS).

In the three months to January, factory output increased by 0.9% compared with the previous three-month period ending October 2017. The increase was lower than the 1.3% increase for December, but was the seventh consecutive period where manufacturing output has posted an increase.

Six of the 13 subsectors posted increases including a 4.3% increase in basic metals and metal products and 3.9% in "machinery and equipment not elsewhere classified". On the other hand, output of coke and refined petroleum products decreased by 3.5%.

Factory output was up 2.6% on the same period a year ago.

The more volatile monthly figures show a 0.1% increase in manufacturing output in January 2018 compared with December 2017, while the increase on the same month a year ago was 2.7%.

The production industries (mining and utilities as well as manufacturing) saw output increase by 0.2% in the three-month period ending January compared with previous three-month period and by 1.4% on the same period a year ago.

In January, the monthly increases for production were 1.3% on previous month and 1.6% on the same month 2017.

www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/indexof-production/january2018

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