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UK unemployment falls by 53,000

The number of unemployed people fell by 53,000 to 1.54 million in the three-month period ending March 2017, Labour Force Survey figures show.

The fall in numbers was enough to cut the overall unemployment rate to 4.6% from 4.8%. The last time the rate was as low as 4.6% was in the June-August period 1975.

It was the turn of women to make the biggest contribution to the fall. Their numbers fell by 30,000 to 688,000 and their unemployment rate fell to 4.4% from 4.6% in the previous three-month period.

There was a 23,000 fall in the number of unemployed men, cutting their total to 852,000. Their unemployment rate fell to 4.8% from 4.9%.

There was, however, a big increase on 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 April 2017, unemployment under this count increased by 19,400 to 792,800 from the revised figure for March of 773,400.

Unemployment seasonally adjusted

	Claimants ¹		LFS ³	
	(000s)	% ²	(000s)	%
February 2016	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
January 2017	746	2.2	1,584	4.7
February	740	2.1	1,559	4.7
March (r)	773	2.2	1,541	4.6
April (p)	793	2.3		

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

The increase in numbers was enough to increase the joblessness rate to 2.3% from 2.2% in March.

The number of male claimants increased by 12,100 to 496,400, and their joblessness rate was up to 2.7% from 2.6%.

LABOUR RESEARCH DEPARTMENT

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For women, the increase was 7,400 taking their total to 296,400, but their joblessness rate remained at 1.8%.

Regions In the three months to March 2017, unemployment was down in eight of the UK's 12 regions/countries, and increased in the other four.

The largest falls were 24,000 in the North West and 18,000 in the East Midlands. However, there was a 29,000 rise in London, with smaller increases in the South East, South West and Wales.

The unemployment rate was above the UK average of 4.6% in six of the 12 regions/countries. The highest rate was 6.1% in London.

In April, the claimant count increased in 11 of the 12 region/countries, with Northern Ireland bucking the trend with a fall. The claimant count rate was above the UK average of 2.3% in seven regions/countries. The highest rate was 4.1% in the North East.

Region	Apr claimants		LFS Jan – Mar	
	Number	%	Number	%
North East	52,100	4.1	76,000	5.9
North West	109,200	3.0	154,000	4.3
Yorkshire & the Humber	74,700	2.7	134,000	4.9
East Midlands	44,400	1.9	94,000	3.9
West Midlands	85,400	2.9	161,000	5.7
East	48,500	1.5	122,000	3.9
London	119,700	2.1	297,000	6.1
South East	62,800	1.3	163,000	3.5
South West	43,800	1.5	102,000	3.6
Wales	40,800	2.7	73,000	4.8
Scotland	80,000	2.9	120,000	4.4
Northern Ireland	31,500	3.5	46,000	5.3

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2017>

Wages lose ground with inflation

Workers' living standards took another hit in March as growth in average weekly earnings lagged well behind the rise in retail price inflation.

In March, average weekly earnings in the whole economy posted a rise of 2.4%, against the 2.9% increase for February.

With retail price inflation rising by 3.1% in March and 3.2% in February, there was a real-terms decrease in earnings of 0.7 percentage points in March and 0.3 percentage points in February.

TUC general secretary Frances O'Grady said: "Today's fall in real wages risks tipping working people into another living standards crisis. And that poses a major challenge for whoever forms the next government.

"The big question for every party is – what's your plan to get Britain's wages rising again?"

A week ago, Mark Carney, governor of the Bank of England warned that Brexit was already having an effect with rising inflation and wage growth slowing meaning a cut in real-terms pay.

He warned "this is going to be a more challenging time for households" and that "wages won't keep up with prices".

£ a week	Average weekly earnings ¹				
	Whole economy	Manufaturing	Services	Private sector	Public sector ²
Jan 2016 (r)	498	578	483	497	497
February (r)	495	574	478	493	498
March (r)	500	582	483	499	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	507	587	490	507	503
Jan 2017 (r)	509	591	492	508	503
February (r)	509	592	492	509	504
March (p)	512	591	496	512	505
% annual change					
Single month	2.4	1.5	2.6	2.6	1.2
3-month average ³	2.4	2.4	2.5	2.7	1.2

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

The sectoral figures published by the Office for National Statistics' (ONS) figures show manufacturing earnings growth slumped to 1.5% in March against a 3.3% rise the previous month.

In services, growth was down to 2.6% from 3.0% in February.

In the private sector as a whole, growth was cut to 2.6% from 3.2%.

The public sector, excluding financial services, was lagging well behind as a result of the pay cap, with growth steady at 1.2%.

Headline earnings growth (the rolling three-month average) for the whole economy increased to 2.4% in March from 2.3% in February.

In manufacturing, growth was also up to 2.4% from 2.3%, while services growth was up to 2.5% from 2.3%.

In the private sector as a whole, earnings growth was up to 2.7% from 2.5%.

In the public sector, excluding financial services, growth was cut to 1.2% from 1.4%.

The regular pay figures produced by the ONS strip out bonuses. They show an overall rise of 2.1% in March against a 1.9% rise the previous month.

The increases in the year to March for various sectors, along with the previous month's rises in brackets, were:

- manufacturing 2.6% (2.5%);
- services 2.1% (1.9%);
- private sector 2.3% (2.1%); and
- public sector, excluding financial services, 1.2% (1.2%).

The average rise for regular pay in the whole economy for the three-month period ending March edged down to 2.1% from 2.2% for the period ending February.

The three-month sectoral increases were:

- manufacturing 2.5% (2.1%);
- services 2.0% (2.1%);
- private sector 2.3% (2.4%); and
- public sector, excluding financial services, 1.2% (1.3%).

The following table is based on the median average earnings figures for April 2016 published in the Annual Survey of Hours and Earnings.

The original median figures have been updated by the 1.8% increase in average weekly earnings, including bonuses, for the whole economy between April 2016 and March 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	548.40
All male	588.20
All female	489.10
Managers	812.00
Professionals	738.90
Associate professionals	604.40
Admin & secretarial	430.90
Skilled/craft	507.00
Services	359.30
Sales	361.30
Operatives	475.90
Other manual jobs	362.80

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2017>

www.tuc.org.uk/economic-issues/labour-market/britain-needs-pay-rise/politicians-must-set-out-their-plans-stave

www.bankofengland.co.uk/publications/Pages/inflationreport/2017/may.aspx

Fight for recognition at privatised IT firms

Members of the PCS public and commercial services union are building campaigns for union recognition at two new government-owned companies set up to provide IT support for the two government departments.

Benefits and Pensions Digital Technology Services and Revenue and Customs Digital Technology Services are both refusing to recognise the union.

In refusing to recognise PCS, the GovCo management claim that the companies are completely separate organisations from Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC). However, this flies in the face of the simple facts that the companies are wholly-owned by DWP and HMRC, and the directors and senior managers of both companies are directly employed by the relevant departments.

As part of their plan to marginalise the IT workers, management in both companies are trying to establish their own employee forums, which they admit will have no collective bargaining rights whatsoever.

PCS in the DWP and HMRC are working closely to put the maximum pressure on these two employers to fully recognise the union.

PCS general secretary Mark Serwotka said: "This is a blatant attempt to deny our members their rights. Staff forums are no substitute for full collective bargaining."

www.pcs.org.uk/news/it-workers-fight-for-union-recognition

Retail inflation at five-year high

Retail price inflation hit a five-year high in April, official figures show.

In April, the annual rate of inflation under the Retail Prices Index (RPI) was up to 3.5% from 3.1% the previous month. It was last as high as 3.5% in April 2012.

Higher air fares and dearer clothing were the main contributors to the increase in the inflation measure favoured by union negotiators. A fall in the price of petrol partially offset the rise.

Price inflation

	RPI ¹	% increase on a year earlier		
		RPI	RPIX ²	CPIH
February 2016	260.0	1.3	1.4	0.6
March	261.1	1.6	1.7	0.8
April	261.4	1.3	1.4	0.7
May	262.1	1.4	1.5	0.7
June	263.1	1.6	1.7	0.8
July	263.4	1.9	1.9	0.9
August	264.4	1.8	1.9	1.0
September	264.9	2.0	2.2	1.3
October	264.8	2.0	2.2	1.3
November	265.5	2.2	2.5	1.5
December	267.1	2.5	2.7	1.8
January 2017	265.5	2.6	2.9	1.9
February	268.4	3.2	3.5	2.3
March	269.3	3.1	3.4	2.3
April	270.6	3.5	3.8	2.6

¹ January 1987=100 ² RPI except mortgage interest payments

Inflation under the Consumer Prices Index Housing (CPIH) – now the government's preferred meas-

ure – was up to 2.6% in April from 2.3% in March. The last time it hit 2.6% was almost four years ago in June 2013.

Only four of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 3.5% in April.

The overall rise of 9.2% in the clothing and footwear group included a 13.2% rise in women's clothing and a 10.3% rise in men's clothing.

The motoring group's rise of 8.1% included a 21.5% increase in vehicle tax and insurance.

Fares and other travel costs posted a rise 7.5% and included a 17.1% rise bus and coach fares.

Fuel and light posted an overall increase of 3.3%. However, "oil and other fuels" increased by 35.5%, offset in part by a 1.2% fall in gas prices.

The housing group's overall increase was 2.0%. However, mortgage interest payments were down by 6.4%.

Food recorded a 1.5% increase and included a 9.2% increase in coffee and a 3.8% increase for biscuits and cakes. Fish was 4.0% dearer and the price of a loaf of bread was up by 3.2%.

More than 3.5%	%	Less than 3.5%	%
Clothing & footwear	9.2	Household goods	3.4
Motoring expenditure	8.1	Fuel & light	3.3
Fares etc	7.5	Leisure goods	3.0
Tobacco	6.3	Catering	2.8
		Leisure services	2.7
		Alcoholic drink	2.6
		Household services	2.3
		Housing	2.0
		Personal goods & services	1.8
		Food	1.5

www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/apr2017

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