

# FACT

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## Unemployment falls across the UK

The downward trend in unemployment continues, official figures show.

The number of unemployed people under the Labour Force Survey count fell by 99,000 to 1.68 million in the three months to November.

The unemployment rate was down to 5.1% from 5.4%, according to the Office for National Statistics (ONS). That's the lowest rate for 10 years as it was last at that rate in November 2005.

The number of unemployed males fell by 51,000 to 919,000 and their unemployment rate was down to 5.2% from 5.5%.

The number of unemployed women was down by 47,000 to 756,000 and their unemployment rate was down to 4.9% from 5.2%.

In December, unemployment under the claimant count, which includes claimants of Jobseeker's Allowance and those on the means-tested Universal Credit, was marginally down. The total of 785,900 was 4,300 fewer than the revised November figure of 790,200. However, the joblessness rate remained at 2.3%.

Male claimant numbers fell by 6,100 to 502,100, but their joblessness rate remained at 2.8%. However, women claimants were up by 1,800 to 283,900 and their joblessness rate was up to 1.8% from 1.7%.

### Unemployment seasonally adjusted

	Claimants <sup>1</sup>		LFS <sup>3</sup>	
	(000s)	% <sup>2</sup>	(000s)	%
December 2014	881	2.6	1,862	5.7
January 2015	846	2.5	1,856	5.7
February	821	2.4	1,838	5.6
March	806	2.3	1,827	5.5
April	798	2.3	1,813	5.5
May	797	2.3	1,853	5.6
June	797	2.3	1,852	5.6
July	791	2.3	1,823	5.5
August	792	2.3	1,774	5.4
September	792	2.3	1,749	5.3
October	792	2.3	1,713	5.2
November (r)	791	2.3	1,675	5.1
December (p)	786	2.3		

<sup>1</sup> Jobseeker's Allowance and Universal Credit claimants <sup>2</sup> Percentage of working population – the employees, unemployed, self-employed and the armed forces.

<sup>3</sup> 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

**Regions** The LFS unemployment count fell in 10 of the 12 regions/countries in the three-month period ending November.

**LABOUR RESEARCH DEPARTMENT**

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The odd ones out were Northern Ireland, where there was no change in the jobless number, and London, where unemployment rose by 13,000 to 288,000.

There was a 20,000 fall in the South East and a 19,000 fall in the Scotland. Other five-figure falls were 15,000 in the North West; 14,000 in the East of England; and 11,000 in Wales.

The unemployment rate was above the UK average of 5.1% in seven out of the 12 regions/countries. The highest rates were 7.9% in the North East and 6.2% in both Yorkshire and the Humber and London.

In December, the claimant count fell in nine of the 12 region/countries, was unchanged in two and rose in one – the North West.

The claimant count rate was above the UK average of 2.3% in seven regions/countries. The highest rates were 4.3% in Northern Ireland and 3.9% in the North East.

Region	Dec claimants		LFS Sept – Nov	
	Number	%	Number	%
North East	47,700	3.9	104,000	7.9
North West	118,100	3.1	179,000	5.0
Yorkshire & the Humber	77,100	2.9	164,000	6.2
East Midlands	46,800	2.0	101,000	4.3
West Midlands	79,900	2.8	157,000	5.7
East of England	48,300	1.6	119,000	3.8
London	110,600	1.9	288,000	6.2
South East	58,900	1.2	170,000	3.7
South West	38,700	1.3	107,000	3.8
Wales	44,000	3.0	82,000	5.5
Scotland	77,100	2.7	152,000	5.4
Northern Ireland	38,700	4.3	52,000	5.9

[www.ons.gov.uk/ons/dcp171778\\_429765.pdf](http://www.ons.gov.uk/ons/dcp171778_429765.pdf)

## Some protection for zero-hours workers

New regulations that give zero-hours workers a remedy in the employment tribunal if they are victimised for breaching an exclusivity term in their contract came into effect on 11 January.

Provisions in zero-hours contracts which tie workers to a single employer have been unenforceable since May 2015, but up to now there have been no

sanctions for employers who continue to rely on them.

These regulations are likely to represent the final piece of legislation to emerge from the government review of zero-hours contracts, which began in 2013. They confer a general right on workers under these contracts not to be subjected to a detriment for breaching an exclusivity clause. Workers who are able to establish employment status and who are dismissed on these grounds will be regarded as unfairly dismissed.

Non-employee workers will have broadly equivalent rights. In either case the compensation that can be awarded cannot exceed the current unfair dismissal limits.

A previous draft of the regulations, published as part of the response to consultation published last year, included some limited anti-avoidance provisions, but these have not been carried through into the final regulations. That means that contracts offering a very limited amount of guaranteed work may not be regarded as zero-hours contracts for these purposes.

However, the regulations provide for a review by the business secretary every five years. If systematic avoidance emerges, it may be addressed by the government at a later date.

[www.legislation.gov.uk/ukxi/2015/2021/pdfs/ukxi\\_20152021\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/2021/pdfs/ukxi_20152021_en.pdf)

[www.hrlawlive.co.uk/2016/01/zero-hours-exclusivity-ban-finally-given-teeth.html](http://www.hrlawlive.co.uk/2016/01/zero-hours-exclusivity-ban-finally-given-teeth.html)

## Weekly earnings growth still low

The TUC call that “Britain needs a pay rise” still resonates in the latest official weekly earnings figures.

The rise in average weekly earnings for the whole economy was provisionally 2.0% in November – up from the 1.9% rise for October.

TUC general secretary Frances O'Grady said: “While wages are still rising, the rate of progress has slowed and the UK is still facing a lost decade on pay. We need a recovery that delivers both higher employment and strong pay growth.”

The manufacturing sector posted a rise of just 1.2% against a 1.5% rise the previous month. However, in services, growth was up to 1.9% from 1.8% the previous month, while in the private sector as a whole, growth was up to 2.2% from 2.1%.

For the public sector, excluding financial services, growth rebounded back to 1.7% from 1.4%.

Headline earnings growth (the rolling three-month average) for the whole economy was cut to 2.0% from 2.4% in the period ending October.

Manufacturing growth was down to 1.3% from 1.5%, while service sector growth was down to 1.9% from 2.4%. For the private sector as a whole, growth was down to 2.2% from 2.7%.

For the public sector, excluding financial services, growth was steady at 1.6%.

£ a week	Average weekly earnings <sup>1</sup>				
	Whole economy	Manufacturing	Services	Private sector	Public sector <sup>2</sup>
Sept 2014 (r)	482	566	467	480	486
October (r)	484	566	470	482	487
November (r)	484	566	470	483	487
December	489	572	473	487	489
January 2015	485	566	471	482	489
February	483	564	470	480	490
March	493	572	478	492	490
April	492	572	476	489	490
May	492	569	477	490	491
June	489	576	474	491	491
July	495	574	479	494	492
August	494	573	478	494	493
September	492	573	477	491	495
October (r)	493	574	478	493	494
November (p)	494	573	479	493	495
<b>% annual change</b>					
Single month	2.0	1.2	1.9	2.2	1.7
3-month average <sup>3</sup>	2.0	1.3	1.9	2.2	1.6

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

The regular pay figures strip out bonuses and arrears of pay. In November, growth for the whole economy was up to 2.1% from 1.6% the previous month. The percentage rises in the year to November for various sectors, along with the previous month's rises in brackets, were: manufacturing 1.6% (1.3%); services 2.0% (1.4%); the private sector 2.3% (1.8%); and the public sector, excluding financial services, 1.7% (1.4%).

The average rise for regular pay in the whole economy for the three-month period ending November was down to 1.9% from 2.0% the previous month.

The sectoral increases were: manufacturing 1.5% (1.5%); services 1.7% (1.8%); the private sector 2.1% (2.3%); and the public sector, excluding financial services, 1.5% (1.5%).

The Office for National Statistics said regular pay was 2.0% higher in November in real terms on a year earlier, while the three-month average real rise was 1.9%.

The table below is based on the mean average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) 2015. The original figures have been "uprated" by the 0.4% increase in average weekly earnings for the whole economy between April 2015 and November 2015 to give a rough estimate of earnings now.

Full-time average weekly earnings by occupation	
	£ a week
All employees	629.90
All male	682.70
All female	549.30
Managers	975.30
Professionals	797.10
Associate professionals	678.00
Admin & secretarial	461.10
Skilled/craft	530.40
Services	369.00
Sales	383.60
Operatives	495.30
Other manual jobs	378.30

[www.ons.gov.uk/ons/dcp171778\\_429765.pdf](http://www.ons.gov.uk/ons/dcp171778_429765.pdf)

## Inflation at 12-month high

Retail price inflation edged higher last month, official figures show.

In December, the annual rate of inflation – as measured by the Retail Prices Index (RPI) – was up to 1.2% from 1.1% the previous month. The latest RPI rate is the highest since December 2014 when the rise was 1.6%.

Higher travel costs and tobacco prices were the main contributors to the rise, offset in part by a fall in food prices, the Office for National Statistics said.

Inflation under the Consumer Prices Index (CPI) was at an 11-month high, with an annual rise of 0.2% against 0.1% the previous month.

## Price inflation

% increase on a year earlier

	RPI <sup>1</sup>	RPI	RPIX <sup>2</sup>	CPI
Dec 2014	257.5	1.6	1.7	0.5
January 2015	255.4	1.1	1.2	0.3
February	256.7	1.0	1.0	0.0
March	257.1	0.9	0.9	0.0
April	258.0	0.9	0.9	-0.1
May	258.5	1.0	1.1	0.1
June	258.9	1.0	1.1	0.0
July	258.6	1.0	1.1	0.1
August	259.8	1.1	1.2	0.0
September	259.6	0.8	0.9	-0.1
October	259.5	0.7	0.8	-0.1
November	259.8	1.1	1.1	0.1
December	260.6	1.2	1.3	0.2

<sup>1</sup> January 1987=100 <sup>2</sup> RPI except mortgage interest payments

Seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than the overall rise of 1.2%.

Fares and other travel costs posted a 12.4% rise on the back of a 17.0% rise in "other travel costs", such as air fares.

Clothing and footwear's increase of 6.8% included a 10.3% rise in the price of women's clothing.

The housing group's increase of 2.8% included a 3.1% increase in rents.

A 27.8% decrease in oil and other fuels and a 6.5% decrease in gas prices contributed to the overall fall of 4.7% in the fuel and light group.

The motoring group's 2.8% fall included a 13.1% cut in the price of petrol and oil.

The food basket posted a fall of 2.2% with prices down for most components, including fresh milk

(-8.2%), bacon (-7.8%), eggs (-7.5%) and bread (-5.7%).

More than 1.2%	%	Less than 1.2%	%
Fares etc	12.4	Household goods	1.0
Clothing & footwear	6.8	Personal goods & services	0.4
Tobacco	4.2	Alcoholic drink	-0.3
Household services	3.1	Leisure goods	-0.7
Housing	2.8	Food	-2.2
Leisure services	2.7	Motoring expenditure	-2.7
Catering	1.5	Fuel & light	-4.7

[www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/december-2015/stb-cpi-december-2015.html](http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/december-2015/stb-cpi-december-2015.html)

## Blacklisters to miss out on Scottish contracts

Companies that are or have been involved in blacklisting will be excluded from bidding for public contracts, under new regulations that were laid in the Scottish Parliament in December 2015.

From 18 April 2016, it will be a legal requirement for public bodies to exclude businesses which are found to have breached the 2010 *Blacklists Regulations*, or which have admitted to doing so.

The exclusion will remain in force until the business has taken appropriate remedial measures, or a period of three years has elapsed since the blacklisting occurred, which is the maximum timescale allowed under EU law.

The legal requirement to exclude such companies replaces previous guidelines for public bodies which required companies seeking public sector contracts to disclose whether they have been involved in the practice.

<http://news.scotland.gov.uk/News/Tackling-blacklisting-20a2.aspx>

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