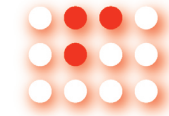


# FACT

S E R V I C E



129 Fines up, prosecutions down, say HSE  
July RPI inflation rate bad news for rail users

130 Unemployment rate at a new 42-year low

131 Workers get no joy from earnings data

132 ... average earnings continued

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## Fines up, prosecutions down, says HSE

The size of fines is going up, but fewer cases are being taken, says TUC health and safety policy officer Hugh Robertson in his analysis of the Health and Safety Executive's (HSE) latest annual report.

Between February 2016 and February 2017, the total value of fines imposed on businesses for health and safety offences was £73.2 million. That was up from £35.4 million for the previous 12 months. This is more than double the previous total and is mainly down to new beefed-up sentencing guidelines to courts that came into effect in February last year.

While the big increase in fines is welcome, Robertson says the problem is that, given that the HSE no longer does pro-active inspections of most workplaces, the chances of actually being prosecuted are virtually nil unless you report that there has been an injury, which means that employers are far less likely to report.

It also means that employers are not being prosecuted for serious failings before someone gets injured, only after an injury has taken place.

According to the latest HSE annual report, the number of prosecutions mounted by the HSE fell sharply last year. In 2015-16, the HSE instituted 696

cases, 95% of which resulted in a conviction for at least one offence. In 2016-17, provisional figures show that this fell to just 547, a decline of 21%.

The HSE served substantially more improvement notices than in recent years. Last year, there were 6,700 improvement notices compared to 5,700 the year before and 6,270 in 2014-15.

Robertson, writing on the Stronger Union's blog, says around a third of these improvement notices related to health cases, which is a welcome change.

<http://strongerunions.org/2017/08/10/fines-rise-but-prosecutions-fall-for-hs-crimes/>

## July RPI inflation rate bad news for rail users

Retail price inflation rebounded in July, providing bad news for next year for rail users.

In July, the annual rate of inflation under the Retail Prices Index (RPI) was up to 3.6% from 3.5% the previous month.

Dearer food, clothing and households goods were the main contributors to the rise in the inflation measure favoured by union negotiators.

The July RPI is used to set regulated rail fares, so they will rise by 3.6% from January next year.

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The RMT rail union said that the 3.6% fare hike means a minimum of an extra £337 million in revenue for the private train operating companies.

Only regulated fares will go up by 3.6%, unregulated fares will go up by more, that is why the £337 million is a minimum estimate, the union said.

Inflation under the Consumer Prices Index Housing (CPIH) – now the government's preferred measure – was steady at 2.6%.

TUC general secretary Frances O'Grady said: "Britain's cost of living crisis is not easing up. Rising prices are hammering pay packets."

	Price inflation			
	RPI <sup>1</sup>	RPI	RPIX <sup>2</sup>	CPIH
	<u>% increase on a year earlier</u>			
May 2016	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
May	271.7	3.7	3.9	2.7
June	272.3	3.5	3.8	2.6
July	272.9	3.6	3.9	2.6

<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 3.6% in July.

The household goods group posted a rise of 6.3%, but that included an 8.6% rise in the cost of furniture – the highest rise for over 10 years.

A 14.4% increase in bus and coach fares contributed to the overall rise of 6.3% in the fares and other travel costs group.

Food prices were at their highest since October 2013. The group recorded an increase of 2.8%, which included a 4.1% rise in bread. Coffee was 9.2% dearer than a year ago, while tea was only up by 2.5%. Fruit was 4.4% dearer and vegetables 3.5%.

The fuel and light group posted an increase of 5.5% – the highest rise since January 2014. There was a rise of 9.0% in electricity prices and an 11.2% increase in domestic oil prices.

The housing group's overall increase was 1.9% – its lowest rate since October 2013 – and included a 6.2% decrease in mortgage interest payments.

More than 3.6%	%	Less than 3.6%	%
Clothing & footwear	9.5	Alcoholic drink	3.3
Household goods	6.3	Leisure services	2.9
Fares etc	6.3	Catering	2.9
Tobacco	6.1	Food	2.8
Fuel & light	5.5	Household services	2.4
Motoring expenditure	4.7	Personal goods & services	2.2
Leisure goods	4.1	Housing	1.9

[www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2017](http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2017)

## Unemployment rate at a new 42-year low

UK unemployment continues on its downward path, official figures show.

The number of unemployed people fell by 57,000 to 1.48 million in the three-month period ending June 2017, according to Labour Force Survey data.

The fall in numbers was enough to cut the overall unemployment rate to 4.4% – a new 42-year low – from 4.6%. The last time the rate was as low as 4.4% was in 1975.

The number of unemployed men fell by 34,000 to 818,000 and their unemployment rate was cut to 4.6% from 4.8%.

There was a 23,000 fall to 666,000 in the number of unemployed women and their unemployment rate fell to 4.2% from 4.4% in the previous period.

There was also a fall in 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. Some of the monthly figures have been revised by the Office for National Statistics.

In July 2017, unemployment under this count fell by 4,200 to 807,800 from the revised figure for June of 812,000.

The fall in numbers was, however, not enough to affect the joblessness rate of 2.3%.

Male claimants were down by 3,400 in number to 504,700, but their joblessness rate was unchanged at 2.7%.

The number of female claimants was down 900 taking their total to 303,000, leaving their joblessness rate at 1.8%.

Unemployment seasonally adjusted				
	Claimants <sup>1</sup>		LFS <sup>3</sup>	
	(000s)	% <sup>2</sup>	(000s)	%
May 2016	773	2.2	1,647	4.9
June	779	2.2	1,640	4.9
July	774	2.2	1,630	4.9
August	777	2.2	1,658	5.0
September	780	2.2	1,606	4.8
October	784	2.2	1,612	4.8
November	791	2.2	1,600	4.8
December	787	2.2	1,594	4.8
January 2017	768	2.2	1,580	4.7
February	766	2.2	1,559	4.7
March	789	2.2	1,541	4.6
April	801	2.3	1,530	4.6
May	809	2.3	1,495	4.5
June (r)	812	2.3	1,484	4.4
July (p)	808	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** In the three months to June 2017, unemployment was down on the previous three-month period in eight of the UK's 12 regions/countries, was unchanged in one – Northern Ireland – and increased in three – the West Midlands, East and North East.

The largest falls were 25,000 in London, 12,000 in Scotland and 10,000 in the South East.

The unemployment rate was above the UK average of 4.4% in six of the 12 regions/countries. The highest rates were 6.0% in North East and 5.8% in the West Midlands.

In July, the claimant count fell in the 10 regions/countries, but increased in the other two – the East Midlands and South East. The claimant count rate was above the UK average of 2.3% in seven regions/

countries. The highest rates were 4.3% in the North East and 3.3% in Northern Ireland.

Region	July claimants		LFS Apr – June	
	Number	%	Number	%
North East	53,700	4.3	78,000	6.0
North West	111,100	3.0	146,000	4.1
Yorkshire & the Humber	75,800	2.7	129,000	4.8
East Midlands	46,600	2.0	93,000	4.0
West Midlands	85,500	2.9	164,000	5.8
East	49,800	1.6	128,000	4.1
London	123,500	2.1	272,000	5.5
South East	66,000	1.3	153,000	3.2
South West	44,700	1.5	101,000	3.5
Wales	39,600	2.6	67,000	4.5
Scotland	81,500	2.9	107,000	3.9
Northern Ireland	29,900	3.3	47,000	5.3

[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017)

## Workers get no joy from earnings data

Living standards continue to be hit as growth in earnings lags behind inflation and there's more to come.

In June, growth in average weekly earnings in the whole economy was provisionally estimated to be 2.8% against the revised rise for May of 2.1%.

With retail price inflation rising by 3.5% in June and 3.7% in May, there was a real-terms decrease in earnings of 0.7 percentage points in June against a 1.6 percentage points decrease in May. Whether the gap stays that narrow is unlikely as the June earnings growth figure was boosted by a 17% increase in bonus payments.

Uncertainties over Brexit have discouraged some companies from handing out pay rises, the Bank of England has said.

Governor Mark Carney said: "What we are picking up across the country, in a number of firms, is that there is an element of Brexit uncertainty which is affecting the wage bargaining. Some firms, a potentially material number of firms, are less willing to give bigger pay rises given it's not as clear what their market access is going to be over the course of the next few years."

Meanwhile, the latest forecast from the Chartered Institute of Personnel and Development suggests that wage growth is likely to remain weak with basic pay rises of just 1% over the next year.

£ a week	Average weekly earnings <sup>1</sup>				
	Whole economy	Manufacturing	Services	Private sector	Public sector <sup>2</sup>
April 2016 (r)	497	575	482	495	501
May (r)	494	579	478	492	498
June (r)	493	578	477	491	500
July	496	579	481	494	498
August	496	579	480	494	504
September	497	580	481	495	500
October	498	578	483	497	501
November	500	579	484	498	503
December	499	579	483	496	502
Jan 2017	499	581	484	497	503
February	499	582	484	498	504
March	502	581	488	501	505
April (r)	504	585	488	502	505
May (r)	505	584	490	503	508
June (p)	506	585	492	506	506
<b>% annual change</b>					
Single month	2.8	1.2	3.1	3.1	1.1
3-month average <sup>3</sup>	2.1	1.2	2.3	2.2	1.3

<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 sectoral figures published by the Office for National Statistics (ONS) show manufacturing earnings growth was up to 1.2% in June from 0.8% the previous month. Meanwhile, services posted a much healthier rise of 3.1% against 2.4% in May. In the private sector as a whole, growth was up to 3.1% from 2.1%.

After May's 2.1% blip, growth in the public sector, excluding financial services, was down to 1.1% in June.

Headline earnings growth (the rolling three-month average) for the whole economy was up to 2.1% in June from 1.9% in May.

In manufacturing, growth edged up to 1.2% from 1.1%, while in services it was up to 2.3% from 2.1%. In the private sector as a whole, earnings growth was up to 2.2% from 2.1%.

In the public sector, excluding financial services, growth was unchanged at 1.3%.

The regular pay figures produced by the ONS strip out bonuses. For the whole economy growth was cut to 2.1% in June from 2.3% the previous month.

The increases in the year to June for various sectors, along with the previous month's rises in brackets, were: manufacturing 1.2% (1.0%); services 2.2% (2.5%); private sector 2.3% (2.4%); and public sector, excluding financial services, 1.4% (2.2%).

The average rise for regular pay in the whole economy for the three-month period ending June edged up to 2.1% from 2.0% in the previous period ending May.

The three-month sectoral increases were: manufacturing 1.2% (1.4%); services 2.2% (2.1%); private sector 2.3% (2.2%); and public sector, excluding financial services, 1.4% (1.4%).

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 June 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

[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017)

[www.bankofengland.co.uk/publications/Documents/inflationreport/2017/aug.pdf](http://www.bankofengland.co.uk/publications/Documents/inflationreport/2017/aug.pdf)

[www.cipd.co.uk/about/media/press/140817-lmo-summer17](http://www.cipd.co.uk/about/media/press/140817-lmo-summer17)