FACT SERVICE

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FTSE 100 executive pay juggernaut rolls on

The median pay for a FTSE 100 CEO leapt by 11% in 2017, according to new research from the High Pay Centre pressure group and the Chartered Institute of Personnel and Development professional association.

The annual assessment of FTSE 100 chief executive officers' (CEO) pay packages has found that their median pay rose by 11% between 2016 and 2017, despite prominent criticism from the investor community and the government over excessive pay awards in the past year. Full-time workers in the same period received a 2% rise in median pay.

The median pay figure for a FTSE 100 CEO median pay now stands at £3.93 million a year against £3.53 million in 2016.

The analysis is affected by two very large payouts to the CEOs. At housebuilders Persimmon, Jeff Fairburn received remuneration package of £47.1 million, while at takeover specialist Melrose Industries, Simon Peckham's package was worth £42.8 million.

If the average mean measure is used, then the survey finds CEO pay across all FTSE 100 companies has increased by 23% over the same period to £5.66 million in 2017, from £4.58 million the previous year.

The research highlights how weak wage growth is for average workers compared to those at the top, the TUC said.

General secretary Frances O'Grady said: "Pay for most people is barely rising at all. So working people will find it hard to understand why fat cat executives are splashing the cash for themselves.

"Workers should get seats on boardroom pay committees to bring a bit of common sense to pay decisions. And the government should put the minimum wage up to £10 an hour to give more workers a fairer share of the wealth they create."

http://highpaycentre.org/pubs/high-pay-centre-cipd-executive-pay-survey-2018
www.tuc.org.uk/news/put-workers-pay-committees-stop-fat-cats-says-tuc

Retail price inflation at 15-month low

The retail price inflation rate was cut to its lowest level for 15 months, official figures show.

In July 2018, the Retail Prices Index (RPI) stood at 281.7 and the annual rate of inflation on the measure favoured by union negotiators edged down to 3.2%

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against a 3.4% increase the previous month. The latest rate is the lowest since March 2017.

Cheaper furniture in the July sales was the main factor in its fall.

The July RPI inflation rate is used to increase regulated rail fares the following January. Transport secretary Chris Grayling has called for future rail fare and wage increases to be based on the lower Consumer Price Index (CPI) – rather than the higher RPI. However, the RMT transport union accused him of trying to impose a "pay cap" on its members.

In July, inflation under the new Consumer Prices Index Housing (CPIH) was unchanged at 2.3%. Meanwhile, inflation under the CPI edged up to 2.5% from 2.4%.

Price inflation

		% increase on a year earlier		
	RPI [1]	RPI	RPIX [2]	CPIH
May 2017	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
August	274.7	3.9	4.1	2.7
September	275.1	3.9	4.1	2.8
October	275.3	4.0	4.2	2.8
November	275.8	3.9	4.0	2.8
December	278.1	4.1	4.2	2.7
January 2018	276.0	4.0	4.0	2.7
February	278.1	3.6	3.6	2.5
March	278.3	3.3	3.4	2.3
April	279.7	3.4	3.4	2.2
May	280.7	3.3	3.4	2.3
June	281.5	3.4	3.4	2.3
July	281.7	3.2	3.3	2.3

[1] January 1987=100 [2] RPI except mortgage interest payments

Six of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than overall increase of 3.2% in July.

The fuel and light group posted an increase of 6.9%, up from 6.4% the previous month. It's now at its highest rate since December 2013. The latest increase included a 30.0% rise in the cost of domestic oil and a 7.4% increase in electricity prices.

Although there was a 5.6% increase in the clothing and footwear group, the rate was at its lowest since October 2016. The latest rise included increases of 6.4% and 6.3% respectively in children's and men's clothing.

Overall, motoring costs increased by 5.3% on the back of dearer petrol and oil with prices 12.5% higher. Car prices were down over the past two months and July's rise was 3.6%.

The summer months usually sees a rise in the inflation rate for leisure services. The overall rise of 4.7% in July included a rise of 6.3% in the cost of holidays abroad.

The housing group posted an overall increase of 2.6%, but that included a 4.9% increase in council tax and rates.

The overall rise for the food group was up to 2.3% from 2.0%, and included substantial increases of 13.9% for lamb and 17.0% for butter.

More than 3.2%	%	Less than 3.2%	%
Tobacco	7.4	Catering	2.6
Fuel & light	6.9	Housing	2.6
Clothing & footwear	5.6	Food	2.3
Motoring expenditure	5.3	Household services	2.2
Leisure services	4.7	Leisure goods	2.1
Fares etc	3.7	Alcoholic drink	1.5
		Household goods	1.4
		Personal goods & services	1.2

www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2018

Jobless total falls below 1.4 million mark

The latest official figures for unemployment show a further fall.

The number of unemployed people in the UK was down by 65,000 to 1.36 million in the three-month period ending June 2018 compared with 1.43 million for the previous three-month period ending March 2018, according to Labour Force Survey (LFS) data.

The fall in numbers was also enough to cut the unemployment rate to 4.0% from 4.2%. The rate is now at its lowest since February 1975.

The number of unemployed men fell by 35,000 to 721,000, cutting their unemployment rate to 4.0% from 4.2%.

Meanwhile, the fall in the number of unemployed women was 30,000, cutting their total to 639,000 and unemployment rate to 4.0% from 4.2%.

There was increase in 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 July 2018, unemployment under this count increased by 6,200 to 906,100 from the revised figure for June of 899,900. The increase in numbers was not enough to affect the joblessness rate which remained at 2.5%.

Male claimant numbers increased by 2,400 to 551,000, but their joblessness rate was unchanged at 2.9%.

The number of female claimants increased by 3,800 to 355,100, but their joblessness rate was steady at 2.1%.

Unemployment seasonally adjusted

	Claimants [1] (000s)	% [2]	LFS [3] (000s)	%
May 2017	796	2.2	1,495	4.5
June	801	2.2	1,484	4.4
July	798	2.2	1,455	4.3
August	800	2.2	1,443	4.3
September	805	2.2	1,425	4.3
October	812	2.3	1,429	4.3
November	823	2.3	1,439	4.3
December	836	2.3	1,470	4.4
January 2018	833	2.3	1,453	4.3
February	850	2.4	1,423	4.2
March	866	2.4	1,425	4.2
April	894	2.5	1,416	4.2
May	891	2.5	1,411	4.2
June (r)	900	2.5	1,360	4.0
July (p)	906	2.5		

[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

Regions In the three-month period to June 2018, unemployment fell in nine of the UK's 12 regions/countries.

Unemployment was down by 21,000 in the East region, by 19,000 in the South West and by 12,000 in Yorkshire and the Humber.

The three regions to post an increase were the South East (+11,000), Northern Ireland (+5,000) and the East Midlands (+2,000).

The unemployment rate was at or above the UK average of 4.0% in eight of the 12 regions/countries. The highest rates were 4.9% in London and 4.5% in the West Midlands.

In July 2018, the claimant count increase in 10 of the 12 regions/countries and fell in two — Northern Ireland and the East Midlands.

The claimant count rate was above the UK average of 2.5% in seven regions/countries, with the North East having the highest rate — 4.9%.

Region	July claimants Number	%	LFS Apr — June Number	%
North East	59,700	4.9	54,000	4.3
North West	126,700	3.4	148,000	4.1
Yorkshire & the Humber	85,200	3.1	114,000	4.2
East Midlands	51,600	2.1	98,000	4.1
West Midlands	101,100	3.3	133,000	4.5
East	59,000	1.8	102,000	3.2
London	129,100	2.2	242,000	4.9
South East	75,800	1.5	173,000	3.7
South West	53,900	1.8	82,000	2.9
Wales	44,300	2.8	67,000	4.3
Scotland	91,800	3.2	115,000	4.2
Northern Ireland	28,100	3.1	33,000	3.8

www.ons.gov.uk/releases/uklabourmarketstatisticsaug2018

Earnings growth rate lowest for over a year

The tightening of the labour market with a fall in unemployment is not, however, reflected in higher earnings data, which show growth at a 13-month low.

In June 2018, average total weekly earnings growth, was provisionally estimated to have risen by 2.1%, against the 2.5% increase for May.

As retail price inflation rose by 3.4% in June and 3.3% in May, there were real-terms cuts in earnings of 1.3 percentage points in June and 0.8 percentage points in May.

The sectoral figures for June show that earnings growth in manufacturing fell to 2.1% from revised figure of 2.5% for May. Meanwhile, growth in services was down to 2.0% from 2.3%.

In the private sector as a whole, growth slumped to 2.0% from 2.7%. However, in the public sector, excluding financial services, growth was given a boost with a 2.4% increase against the previous month's 1.7% increase.

Headline earnings growth (the rolling three-month average) for the whole economy in June was cut to 2.4% from 2.5%, according to the Office for National Statistics (ONS).

In manufacturing, growth was down to 2.5% from 2.9%, while growth in services edged down to 2.3% from 2.4%.

In the private sector as a whole, growth was down to 2.4% from 2.6% while in the public sector, excluding financial services, growth was steady at 2.2%.

Average Weekly Earnings Indices [1]

2000= 100	Whole economy	annual change	Manu-facturing	Services	Private sector	Public sector[2]
April 2017 (r)	160.5	1.3%	160.8	164.2	160.7	161.0
May (r)	160.9	2.1%	160.8	164.6	161.0	162.3
June (r)	161.9	3.2%	161.3	164.8	162.5	161.2
July	161.5	1.7%	162.2	165.1	161.5	162.1
August	162.0	2.4%	162.3	165.6	162.2	163.2
September	162.6	2.8%	162.8	166.2	163.0	162.2
October	162.8	2.4%	163.8	166.5	163.1	163.5
November	163.3	2.4%	164.1	166.9	163.6	163.5
December	163.6	3.1%	164.3	167.3	164.0	163.6
Jan 2018	163.7	2.8%	164.3	167.2	164.0	164.3
February	163.8	2.6%	163.9	167.4	164.0	164.8
March	164.5	2.5%	164.9	168.0	164.7	164.9
Apri (r)l	164.7	2.6%	165.6	168.2	164.9	165.0
May (r)	165.0	2.5%	164.9	168.5	165.3	165.2
June (p)	165.3	2.1%	164.6	168.8	165.7	165.1
% annual rise for June			2.1%	2.0%	2.0%	2.4%
% rise — June headline rate [3]		2.4%	2.5%	2.3%	2.4%	2.2%

[1] Average weekly earnings in Great Britain seasonally adjusted [2] Excluding financial services [3] Annual increase in rolling three-month average (p) provisional (r) revised

The ONS also produces regular pay figures which strip out bonuses. In June, earnings growth for the whole economy was provisionally up to 2.8% from the revised figure of 2.7% for May.

The annual increases in the year to June for various sectors (previous month's rises in brackets), were: manufacturing 2.2% (2.2%); services 2.8% (2.6%); private sector 2.9% (2.9%); and public sector, excluding financial services, 2.5% (1.9%).

The rolling three-month average increase in regular pay in the whole economy for the period ending June edged further down to 2.7% from 2.8% in May. The three-monthly sectoral increases were: manufacturing 2.3% (2.5%); services 2.6% (2.7%); private sector 2.8% (2.9%); and public sector, excluding financial services, 2.3% (2.3%).

The following table is based on the median average earnings figures for April 2017 published in the Annual Survey of Hours and Earnings. The figures have been uprated by the 3.0% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and June 2018 to give a rough estimate of earnings now in the various occupational groups.

Full-time average weekly earnings by occupation

All employees	£566.90
All male	£609.20
All female	£508.40
Managers	£848.80
Professionals	£755.10
Associate professionals	£623.80
Admin & secretarial	£444.50
Skilled/craft	£525.10
Services	£372.20
Sales	£381.50
Operatives	£486.70
Other manual jobs	£380.70

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