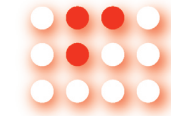


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RPI inflation down, CPI negative

Both of the main inflation indicators were down last month, with the consumer price inflation moving into negative territory.

In September, the annual rate of inflation – as measured by the Retail Prices Index (RPI) – was down to 0.8% from 1.1% the previous month.

A smaller than usual rise in clothing prices, and falling motor fuel prices aided the fall, the Office for National Statistics said.

Inflation under the Consumer Prices Index (CPI) edged lower and was back into negative territory for the second time in 2015. The CPI figure was -0.1% against 0.0% for August.

TUC general secretary Frances O'Grady said: "Inflation stuck 'at or around zero' suggests the recovery is not fully secured and that future living standards gains cannot be taken for granted. And with the UK's economic prospects remaining uncertain, rate rises this year must now be off the agenda.

"Our economy is not out of the woods yet. We need significant investment in skills, innovation and infrastructure to boost productivity and ensure we

have a recovery that works for the many and not just the few."

| | Price inflation | | | |
|--------------|------------------|------------------------------|-------------------|------|
| | | % increase on a year earlier | | |
| | RPI ¹ | RPI | RPIX ² | CPI |
| August 2014 | 257.0 | 2.4 | 2.5 | 1.5 |
| September | 257.6 | 2.3 | 2.3 | 1.2 |
| October | 257.7 | 2.3 | 2.4 | 1.3 |
| November | 257.1 | 2.0 | 2.0 | 1.0 |
| December | 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 |

¹ January 1987=100 ² RPI except mortgage interest payments

Eight of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than the overall rise of 0.8%.

The annual inflation rate for the fares and other travel costs group was 7.4% with "other travel costs",

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such as air fares, up by 9.0%, while bus and coach fares increased by 3.9%.

The clothing and footwear group's increase was down to 7.0%, but there was an 11.4% increase in women's clothing.

The housing group's overall increase of 2.4% included a 3.1% increase in rents.

The food group posted a fall of 1.9%. Eggs were down by 9.4%, while fresh milk was down by 7.3% and a loaf of bread by 6.8%.

The fuel and light group recorded a 5.2% decrease on the back of a 29.5% decrease in oil and other fuels and a 6.5% decrease in gas prices.

The motoring group's 5.1% fall included a 14.8% drop in the price of petrol and oil.

| More than 0.8% | % | Less than 0.8% | % |
|---------------------|-----|---------------------------|------|
| Fares etc | 7.4 | Personal goods & services | 0.7 |
| Clothing & footwear | 7.0 | Alcoholic drink | 0.5 |
| Tobacco | 4.1 | Leisure goods | -1.3 |
| Household services | 3.2 | Food | -1.9 |
| Leisure services | 2.6 | Motoring expenditure | -5.1 |
| Housing | 2.4 | Fuel & light | -5.2 |
| Household goods | 1.9 | | |
| Catering | 1.5 | | |

www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/september-2015/index.html

Gay couple lose court fight over pension

A gay man has lost a legal bid for his husband to be recognised with the same pension rights as a wife would have in a heterosexual relationship.

John Walker, 62, retired in 2003 before gay civil partnerships were introduced in the UK in 2005. As a result his now husband will not receive a full spousal pension if he dies – which Walker claimed was unlawful.

The Court of Appeal rejected his appeal as his pension from his employer Innospec was accrued before civil partnerships were recognised in law.

Walker claimed Innospec was failing to treat surviving same-sex spouses and civil partners as equal to surviving spouses in a heterosexual marriage.

In 2012, an employment tribunal in Manchester ruled Innospec's scheme contravened European laws. However, the company launched an appeal supported by the Department for Work and Pensions – and the decision was overturned by an Employment Appeal Tribunal (EAT) last year.

The EAT ruled that an exemption contained in the *Equality Act 2010* meant pension rights accrued before civil partnerships became law in December 2005 did not have to be paid out in full to a civil partner.

TUC general secretary Frances O'Grady said: "It is now time for the government to act to end this injustice. It is over a year since its review reported on the ongoing discrimination in survivor pensions and ministers have done nothing in response."

The TUC estimates that there are around 70,000 members of defined benefit pension schemes in the private sector alone who will leave behind a surviving civil partner or same-sex spouse. The majority of schemes treat same-sex partners the same as widows, but approximately one in four does not.

A government review in 2014 found that the cost of equalising survivor pensions for same-sex partners would be negligible.

www.bbc.co.uk/news/uk-34456275

www.tuc.org.uk/economic-issues/pensions-and-retirement/pensions-equality/equality-issues/appeal-court-ruling

Unemployment down

After three months of rises, the number of jobless in the UK has fallen.

The number of unemployed people under the Labour Force Survey count decreased by 79,000 to 1.77 million in the three months to August. The unemployment rate was cut to 5.4%, the lowest jobless rate since the second quarter of 2008, according to the Office for National Statistics.

The number of unemployed males fell by 44,000 to 970,000 and their unemployment rate was down to 5.5% from 5.8%.

A 36,000 fall in the number of unemployed women cut their total to 803,000 and their unemployment rate was down to 5.2% from 5.5%.

The new claimant count includes claimants of Jobseeker's Allowance and those on the means-tested Universal Credit.

In September, unemployment under this new claimant count was 796,200 – a 4,600 increase on the revised total for August of 791,700. The increase was not enough to impact on the joblessness rate which remained at 2.3%.

Male claimant numbers were up by 3,900 to 518,000, but their joblessness rate remained at 2.8%. Women claimant numbers were up by just 700 to 278,200 and their joblessness rate was unchanged at 1.7%.

About one in five workers are still being frustrated by not being able to find a permanent job. There were 1.85 million temporary or part-time workers out of a total of 9.88 million, who wanted a full-time job but could find one – that's 18.7% of the total.

| Unemployment seasonally adjusted | | | | |
|----------------------------------|------------------------|----------------|------------------|-----|
| | Claimants ¹ | | LFS ³ | |
| | (000s) | % ² | (000s) | % |
| Sept 2014 | 956 | 2.8 | 1,959 | 6.0 |
| October | 935 | 2.7 | 1,958 | 6.0 |
| November | 909 | 2.6 | 1,914 | 5.8 |
| December | 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 (r) | 792 | 2.3 | 1,774 | 5.4 |
| September (p) | 796 | 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

Regions The LFS unemployment count fell in all but two of the 12 regions/countries in the three-month period ending August.

The two bucking the trend were the North East and West Midlands, with increases of 12,000 and 1,000 respectively.

The largest fall – 33,000 – was in London, while Yorkshire and the Humber recorded an 18,000 fall and the North West a 16,000 fall.

The unemployment rate was above the UK average of 5.4% in eight out of the 12 regions/countries. The highest rates were 8.6% in the North East and 6.3% in Yorkshire and the Humber.

In September, the new claimant count increased in six of the 12 region/countries, unchanged in one and fell in remaining five. The claimant count rate was above the UK average of 2.3% in seven regions/countries. The highest rates were 4.5% in Northern Ireland and 3.8% in the North East.

| Region | Sept claimants | | LFS June – Aug | |
|------------------------|----------------|-----|----------------|-----|
| | Number | % | Number | % |
| North East | 46,200 | 3.8 | 109,000 | 8.6 |
| North West | 115,100 | 3.1 | 194,000 | 5.5 |
| Yorkshire & the Humber | 80,600 | 3.0 | 167,000 | 6.3 |
| East Midlands | 48,600 | 2.1 | 109,000 | 4.6 |
| West Midlands | 78,900 | 2.7 | 165,000 | 6.0 |
| East of England | 49,600 | 1.6 | 134,000 | 4.3 |
| London | 111,400 | 1.9 | 276,000 | 6.0 |
| South East | 59,800 | 1.3 | 191,000 | 4.1 |
| South West | 39,800 | 1.4 | 113,000 | 4.0 |
| Wales | 45,400 | 3.1 | 93,000 | 6.2 |
| Scotland | 80,100 | 2.9 | 170,000 | 6.1 |
| Northern Ireland | 40,700 | 4.5 | 52,000 | 6.0 |

www.ons.gov.uk/ons/dcp171778_417237.pdf

Average earnings growth again over 3%

Earnings have grown again in real terms, latest official figures show.

The rise in average weekly earnings for the whole economy was provisionally 3.1% in August down from the revised figure of 3.6% for July, according to the Office for National Statistics (ONS).

All the figures going years back have been revised by the ONS.

In August, the manufacturing sector posted a rise of 1.8%, unchanged on the previous month. In services, growth was back down to 3.1% from 3.7% the previous month, while in the private sector as a whole, growth down to 3.5% from 4.3%.

For the public sector, excluding financial services, growth “recovered” to 1.6% from 0.8% in July.

With inflation under the RPI rising by 1.1% in August, all the percentage rises recorded above it meant an increase in real terms and so the average worker saw an improvement in their living standards.

Headline earnings growth (the rolling three-month average) for the whole economy was up to 3.0% in the period ending August from 2.9% in the period ending July.

Manufacturing growth was up to 1.7% from 1.5%, while service sector growth was up to 3.1% from 3.0%. For the private sector as a whole, growth was up to 3.4% from 3.3% the previous month.

For the public sector excluding financial services, growth increased to 1.2% from 1.1%.

| £ a week | Average weekly earnings ¹ | | | | |
|------------------------------|--------------------------------------|---------------|----------|----------------|----------------------------|
| | Whole economy | Manufacturing | Services | Private sector | Public sector ² |
| June 2014 (r) | 478 | 566 | 463 | 479 | 485 |
| July (r) | 477 | 564 | 462 | 474 | 488 |
| August (r) | 479 | 563 | 464 | 477 | 485 |
| September (r) | 482 | 566 | 466 | 479 | 487 |
| October (r) | 484 | 565 | 469 | 482 | 487 |
| November (r) | 484 | 566 | 469 | 482 | 487 |
| December (r) | 489 | 572 | 473 | 487 | 489 |
| January 2015 (r) | 485 | 566 | 471 | 482 | 489 |
| February (r) | 483 | 564 | 470 | 480 | 490 |
| March (r) | 493 | 572 | 478 | 492 | 490 |
| April (r) | 492 | 572 | 476 | 489 | 490 |
| May (r) | 492 | 569 | 477 | 490 | 491 |
| June (r) | 489 | 576 | 474 | 491 | 491 |
| July (r) | 495 | 574 | 479 | 494 | 492 |
| August (p) | 494 | 574 | 479 | 494 | 492 |
| % annual change | | | | | |
| Single month | 3.1 | 1.8 | 3.1 | 3.5 | 1.6 |
| 3-month average ³ | 3.0 | 1.7 | 3.1 | 3.4 | 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 regular pay figures strip out bonuses and arrears of pay. Here growth for the whole economy in August was down to 2.5% from 2.9% the previous month. Again the all figures have been subject to revision.

The percentage rises in the year to August for various sectors, along with the previous month's rises in brackets, are: manufacturing 1.5% (1.7%); services 2.4% (2.9%); the private sector 2.9% (3.4%); and the public sector, excluding financial services, 1.5% (1.3%).

The average rise for the whole economy for the three-month period ending August was down to 2.8% from 2.9% for regular pay.

The sectoral increases are: manufacturing 1.5% (1.4%); services 2.8% (3.0%); the private sector 3.2% (3.3%); and the public sector, excluding financial services, 1.4% (1.3%).

The table below is based on the mean average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) 2014. The original figures have been "uprated" by the 3.1% increase in average weekly earnings for the whole economy between April 2014 and August 2015 to give a rough estimate of earnings now.

| Full-time average weekly earnings by occupation | |
|---|----------|
| | £ a week |
| All employees | 639.40 |
| All male | 693.90 |
| All female | 555.90 |
| Managers | 1,001.50 |
| Professionals | 815.70 |
| Associate professionals | 691.40 |
| Admin & secretarial | 465.20 |
| Skilled/craft | 539.40 |
| Services | 372.70 |
| Sales | 382.40 |
| Operatives | 495.90 |
| Other manual jobs | 378.10 |

www.ons.gov.uk/ons/dcp171778_417237.pdf

Facebook's 'tax bill'

Social network giant Facebook paid just £4,327 in corporation tax in 2014, its latest UK results show.

Facebook UK's accounts filed at Companies House show the firm made a pre-tax loss of £28.48 million last year. In 2013, its pre-tax losses were £11.65 million on which it had a tax credit of over £182,000.

A spokesperson for Facebook said: "We are compliant with UK tax law." However, John Christensen, director of campaign group the Tax Justice Network, said: "It's very likely they're using all the usual techniques to shift profits around."

<https://beta.companieshouse.gov.uk/company/06331310/filing-history>