

# FACT

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## Rights in gig economy

There has been a gain and a setback on the rights of people working in the gig economy.

The gain came when taxi-hailing app firm Uber lost an appeal against a ruling that its drivers should be treated as workers rather than self-employed.

Last year, a tribunal ruled that drivers James Farrar and Yaseen Aslam were Uber staff and therefore, entitled to holiday pay, paid rest breaks and the statutory minimum wage.

Uber appealed, arguing its drivers were self-employed and were under no obligation to use its booking app. Uber has up to 50,000 drivers using its app in the UK.

The employment appeal tribunal upheld the tribunal's original decision that any Uber driver who had the Uber app switched on was working for the company under a "worker" contract.

The firm said it would appeal against this latest ruling, too. There are two further possible stages in the appeal process – the Court of Appeal and the Supreme Court.

On the downside, Deliveroo riders have been ruled self-employed by labour law body the Central Arbitration Committee (CAC).

The Independent Workers Union of Great Britain (IWGB) brought a test case after Deliveroo had refused to recognise it as a union representing drivers/riders in Camden and Kentish Town, London and refused to start collective bargaining over workers' rights.

The IWGB took the case to the CAC. However, the CAC found they were self-employed because of their freedom to "substitute" – allowing other drivers/riders to take their place on a job.

[www.independent.co.uk/news/business/news/uber-drivers-employees-full-rights-court-appeal-lose-ordered-treat-ride-sharing-app-taxi-a8047316.html](http://www.independent.co.uk/news/business/news/uber-drivers-employees-full-rights-court-appeal-lose-ordered-treat-ride-sharing-app-taxi-a8047316.html)

[www.bbc.co.uk/news/business-41983343](http://www.bbc.co.uk/news/business-41983343)

## Data shows no let-up in rise of retail prices

Retail price inflation has resumed its upward rise after a month of no change.

In October, the Retail Prices Index (RPI) stood at 275.3 and the annual rate of inflation in the measure favoured by union negotiators was up to 4.0% from 3.9% in both September and August.

Higher food prices helped push up retail inflation last month.

In October, inflation under the Consumer Prices Index Housing (CPIH) – now the government's pre-

**LABOUR RESEARCH DEPARTMENT**

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ferred measure – was unchanged at 2.8%. Meanwhile, the Consumer Prices Index (CPI) increased by 3.0% – the same rise as for September.

|              | Price inflation  |                              |      |     |
|--------------|------------------|------------------------------|------|-----|
|              | RPI <sup>1</sup> | % increase on a year earlier |      |     |
|              | RPI              | RPIX <sup>2</sup>            | CPIH |     |
| Sept 2016    | 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 |
| 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 |

<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 4.0% in October.

The 10.0% rise in the clothing and footwear group included a rise of 13.1% in women's clothing and an 11.4% increase in men's clothing.

The fuel and light group posted an increase of 6.2%, which included an 11.4% rise in electricity prices offset by a 0.1% decrease in gas prices.

The food group's increase of 4.1% included a rises of 5.6% and 19.5% rise in bread and butter prices respectively. Tea prices were up by 7.9%, while coffee and other hot drinks were up by 9.7%. On the other hand, chicken and oils and fats were down by 2.2% and 3.2% respectively.

Foreign holidays were dearer by 5.5%, which pushed the overall rise in leisure services up to 3.7%. UK holidays posted a 3.6% rise.

The 3.3% increase in the fares and other travel costs group included a 13.8% increase in bus and coach fares.

The housing group's overall increase of 2.4% included a 2.7% decrease in mortgage interest payments.

| More than 4.0%       | %    | Less than 4.0%            | %   |
|----------------------|------|---------------------------|-----|
| Clothing & footwear  | 10.0 | Leisure services          | 3.7 |
| Fuel & light         | 6.2  | Fares etc                 | 3.3 |
| Motoring expenditure | 6.0  | Alcoholic drink           | 3.1 |
| Tobacco              | 5.3  | Catering                  | 3.1 |
| Leisure goods        | 5.2  | Household services        | 2.4 |
| Household goods      | 4.8  | Housing                   | 2.4 |
| Food                 | 4.1  | Personal goods & services | 2.1 |

[www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2017](http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2017)

## Inflation eats away at earnings growth

Workers saw their living standards hit as earnings growth once again lagged behind inflation.

In September, average weekly earnings growth, including bonuses, was provisionally estimated to be 2.6% against the revised rise for August of 2.4%.

With retail price inflation rising by 3.9% in both September and August there was a real-terms decrease in earnings of 1.3 percentage points in September and a decrease of 1.5 percentage points in August.

TUC general secretary Frances O'Grady said: "The chancellor must have a game plan to give Britain a pay rise in next week's Budget.

"Public sector workers are long overdue a decent pay rise. And we urgently need investment in high-skilled jobs to boost productivity."

The sectoral figures published by the Office for National Statistics (ONS) show manufacturing earnings growth was down to 1.6% in September from 1.8% the previous month. Meanwhile, services posted an increase of 2.7% against 2.5% in August. In the private sector as a whole, growth was up to 2.8% from 2.6% the previous month.

In the public sector, excluding financial services, growth was down to 1.6% in September – down from the 1.7% rise for August.

Headline earnings growth (the rolling three-month average) for the whole economy was down to 2.2% in September from the revised rise of 2.3% for August.

In manufacturing, growth was up to 1.8% in September from 1.6% the previous month. However, the

rise in services was down to 2.3% from 2.5%. In the private sector as a whole, growth edged down to 2.4% from 2.5%, but in the public sector, excluding financial services, growth was up to 1.7% from 1.5%.

| £ a week                     | Average weekly earnings <sup>1</sup> |               |          |                |                            |
|------------------------------|--------------------------------------|---------------|----------|----------------|----------------------------|
|                              | Whole economy                        | Manufacturing | Services | Private sector | Public sector <sup>2</sup> |
| July 2016 (r)                | 498                                  | 578           | 482      | 496            | 499                        |
| August                       | 496                                  | 579           | 480      | 494            | 503                        |
| September (r)                | 496                                  | 580           | 481      | 494            | 501                        |
| 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                        | 504                                  | 585           | 488      | 502            | 505                        |
| May                          | 504                                  | 584           | 489      | 502            | 508                        |
| June                         | 506                                  | 585           | 490      | 506            | 505                        |
| July (r)                     | 506                                  | 589           | 491      | 504            | 508                        |
| August (r)                   | 508                                  | 589           | 492      | 506            | 512                        |
| September (p)                | 509                                  | 590           | 494      | 508            | 509                        |
| % annual change              |                                      |               |          |                |                            |
| Single month                 | 2.6                                  | 1.6           | 2.7      | 2.8            | 1.6                        |
| 3-month average <sup>3</sup> | 2.2                                  | 1.8           | 2.3      | 2.4            | 1.7                        |

<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 ONS also produces regular pay figures which strip out bonuses. For the whole economy, growth was down to 2.2% in September from 2.3% in August.

The increases in the year to September for various sectors, along with the previous month's rises in brackets, were: manufacturing 1.7% (1.9%); services 2.2% (2.4%); private sector 2.3% (2.5%); and public sector, excluding financial services, 1.7% (1.7%).

The average rise for regular pay in the whole economy for the three-month period ending September was steady at 2.2%.

The three-month sectoral increases were: manufacturing 1.4% (1.3%); services 2.3% (2.2%); private sector 2.3% (2.3%); and public sector, excluding financial services, 1.7% (1.6%).

The following table is based on the median average earnings figures for April 2017 published in the

Annual Survey of Hours and Earnings. The original median figures have been updated by the 1.0% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and September 2017 and so give a rough estimate of earnings now in the various occupational groups.

| Full-time average weekly earnings by occupation |          |
|---|----------|
|   | £ a week |
| All employees                                   | 555.90   |
| All male  | 597.40   |
| All female                                      | 498.50   |
| Managers  | 832.30   |
| Professionals                                   | 740.40   |
| Associate professionals                         | 611.70   |
| Admin & secretarial                             | 435.90   |
| Skilled/craft                                   | 514.90   |
| Services  | 365.00   |
| Sales   | 374.10   |
| Operatives                                      | 477.20   |
| Other manual jobs                               | 373.30   |

[www.ons.gov.uk/releases/uklabourmarketstatisticsnov2017](http://www.ons.gov.uk/releases/uklabourmarketstatisticsnov2017)

[www.tuc.org.uk/news/use-budget-end-wage-squeeze-tuc-tells-chancellor](http://www.tuc.org.uk/news/use-budget-end-wage-squeeze-tuc-tells-chancellor)

## UK unemployment – numbers and rate down

Official figures show unemployment was down once again.

The number of unemployed people fell by 59,000 to 1.44 million in the three-month period ending September 2017 compared with the previous three-month period ending June, according to Labour Force Survey data. Meanwhile, the total unemployment rate was down to 4.3% in the period ending September from 4.4% in the three-month period ending June.

The number of unemployed men fell by 48,000 to 770,000 and their unemployment rate was cut to 4.3% from 4.6%.

The number of unemployed women decreased by 12,000 to 654,000, but their unemployment rate was unchanged at 4.2%.

There was an 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 October, unemployment under this count increased by 1,100 to 806,100 from the revised figure for September of 805,000.

The increase in numbers was, however, not enough to affect the joblessness rate which remained at 2.3%.

Male claimants were down in number by 1,000 to 502,000, but their joblessness rate was unchanged at 2.7%.

The number of female claimants increased by 2,000 to 304,100, but their joblessness rate was unchanged at 1.8%.

**Regions** In the three months to September 2017, unemployment was down on the previous three-month period in six of the UK's 12 regions/countries, unchanged in one and increased in five.

The largest falls were 27,000 in London and 15,000 in the East.

The largest increase in numbers – 9,000 – was in the North West.

The unemployment rate was above the UK average of 4.3% in four of the 12 regions/countries. The highest rates were 5.5% in both the North East and West Midlands.

In October, the claimant count increased in the five regions/countries, was unchanged in and fell in four.

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, 3.2% in Northern Ireland and 3.0% in the North West.

| Unemployment seasonally adjusted |                        |                |                  |     |
|----------------------------------|------------------------|----------------|------------------|-----|
|                                  | Claimants <sup>1</sup> |                | LFS <sup>3</sup> |     |
|                                  | (000s)                 | % <sup>2</sup> | (000s)           | %   |
| August 2016                      | 777                    | 2.2            | 1,658            | 5.0 |
| September                        | 778                    | 2.2            | 1,606            | 4.8 |
| October                          | 782                    | 2.2            | 1,612            | 4.8 |
| November                         | 789                    | 2.2            | 1,600            | 4.8 |
| December                         | 783                    | 2.2            | 1,594            | 4.8 |
| January 2017                     | 765                    | 2.2            | 1,580            | 4.7 |
| February                         | 762                    | 2.2            | 1,559            | 4.7 |
| March                            | 784                    | 2.2            | 1,541            | 4.6 |
| April                            | 796                    | 2.3            | 1,530            | 4.6 |
| May                              | 801                    | 2.3            | 1,495            | 4.5 |
| June                             | 806                    | 2.3            | 1,484            | 4.4 |
| July                             | 803                    | 2.3            | 1,455            | 4.3 |
| August                           | 802                    | 2.3            | 1,443            | 4.3 |
| September (r)                    | 805                    | 2.3            | 1,425            | 4.3 |
| October (p)                      | 806                    | 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

| Region                 | Oct claimants |     | LFS July – Sept |     |
|------------------------|---------------|-----|-----------------|-----|
|                        | Number        | %   | Number          | %   |
| North East             | 53,600        | 4.3 | 71,000          | 5.5 |
| North West             | 111,800       | 3.0 | 155,000         | 4.3 |
| Yorkshire & the Humber | 76,400        | 2.7 | 131,000         | 4.9 |
| East Midlands          | 47,700        | 2.0 | 94,000          | 4.0 |
| West Midlands          | 86,100        | 2.9 | 155,000         | 5.5 |
| East                   | 50,000        | 1.6 | 114,000         | 3.6 |
| London                 | 121,300       | 2.1 | 245,000         | 5.0 |
| South East             | 66,500        | 1.3 | 153,000         | 3.2 |
| South West             | 44,500        | 1.5 | 102,000         | 3.6 |
| Wales                  | 38,600        | 2.5 | 62,000          | 4.1 |
| Scotland               | 80,300        | 2.8 | 109,000         | 4.0 |
| Northern Ireland       | 29,400        | 3.2 | 35,000          | 4.0 |

[www.ons.gov.uk/releases/uklabourmarketstatisticsnov2017](http://www.ons.gov.uk/releases/uklabourmarketstatisticsnov2017)

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