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Increase in tribunal compensation limits

New limits to the compensation limits payable in successful tribunal cases from April this year have been announced by the government.

The *Employment Rights (Increase of Limits) Order 2018* has been put before Parliament and will come into effect on 6 April.

The award for unlawful inducements under section 145 of the *Trade Union Labour Relations (Consolidation) Act 1992*, relating to the undermining of trade union membership, activities and collective bargaining, will increase from £3,907 to £4,059.

In addition, for dismissals on or after 6 April 2018, the minimum basic award in unfair dismissal claims will rise from £5,970 to £6,203 while the maximum compensatory award for unfair dismissal will rise from £80,541 to £83,682.

The maximum amount for a week's pay for the purpose of calculating a redundancy payment or for various awards, including the basic or additional award of compensation for unfair dismissal, will rise from £489 to £508.

www.legislation.gov.uk/ukxi/2018/194/pdfs/ukxi_20180194_en.pdf

Ditch derogation that penalises agency staff

Repealing the Swedish Derogation, which allows organisations to pay agency workers less than directly comparable employees, is vital to improving the rights of those who remain in agency work, says the Resolution Foundation.

Lindsay Judge, senior policy analyst at the Resolution Foundation, said: "With demand for staff high, now is the time for the government to follow through on its response to the Taylor Review and end the abuse of agency workers' rights."

The think tank's demand has already been voiced by the TUC in its *Great jobs agenda*, which calls the Swedish Derogation the "Undercutters' Charter".

TUC general secretary Frances O'Grady has argued that "two people working next to each other, doing the same job, should get the same pay rates. But too often agency workers are treated like second-class citizens".

A survey commissioned by Resolution found that four in 10 (43%) organisations had increased their use of agency workers over the last five years as they struggled to fill staffing gaps.

LABOUR RESEARCH DEPARTMENT

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Meanwhile, one in three (34%) of businesses currently using agency workers were doing so to fill as many positions as possible or provide staffing for particular parts of their workforce.

A quarter of the 500 HR professionals surveyed said they expected to increase their usage of agency workers over the next five years, with Brexit uncertainty and cost pressures cited as the main reasons for this.

More than half (55%) expected to maintain the level of agency workers they are currently using.

The think tank claimed that the use of agency workers has grown by 40% in the last 10 years, with around 800,000 currently working across the UK.

Construction firms in particular have seen a rise in the use of agency workers over the last five years, with 56% using them to plug gaps in their workforce.

Three in 10 (29%) said that agency workers were used because they were unable to fill vacancies, while a quarter said specialist skills were behind their reliance on agency staff.

Almost a third (29%) said using agency workers reduced their labour costs.

www.resolutionfoundation.org/publications/15484/

Earnings still playing catch-up with inflation

Earnings put on a spurt at the end of 2017 but it wasn't enough to put an end to the squeeze on workers' living standards.

In December, average weekly earnings growth, including bonuses, were provisionally estimated to have risen to 2.8% from November's 2.3% increase.

As retail price inflation rose by 4.1% in December and 3.9% in November there was a real-terms decrease in earnings of 1.3 percentage points in December and 1.6 percentage points in November.

The sectoral figures published by the Office for National Statistics (ONS) show manufacturing earnings growth was down to 2.7% from 3.1% in November.

However, growth in services was up to 2.9% from 2.3%, boosted by Xmas bonuses in the City.

In the private sector as a whole, growth was up to 3.0% from 2.5% the previous month. In the public sector, excluding financial services, growth was steady at 1.9%.

2000= 100	Average Weekly Indices ¹					
	Whole economy	annual change	Manufacturing	Services	Private sector	Public sector ²
Oct 2016 (r)	159.0	2.8%	158.9	162.3	159.1	159.8
Nov (r)	159.4	2.9%	159.1	163.0	159.5	160.4
Dec (r)	159.0	1.9%	159.4	162.4	158.9	160.3
Jan 2017	159.3	1.8%	159.8	162.7	159.2	160.5
February	159.4	2.7%	160.0	162.7	159.4	160.7
March	160.3	2.4%	159.9	164.0	160.4	161.1
April	160.7	1.4%	160.9	164.3	160.8	161.1
May	160.8	2.0%	160.6	164.5	160.8	162.2
June	161.3	2.8%	160.9	164.8	162.0	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 (r)	162.8	2.4%	163.8	166.5	163.1	163.5
Nov (r)	163.2	2.3%	164.1	166.9	163.2	163.4
Dec (p)	163.4	2.8%	163.7	167.1	163.4	163.4
% annual rise for December			2.7%	2.9%	3.0%	1.9%
% rise – December headline rate ³			2.5%	2.9%	2.6%	2.0%

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

Headline earnings growth (the rolling three-month average) for the whole economy was unchanged at 2.5% in December.

In manufacturing, growth was up to 2.9% in December against a 2.7% rise in November. Growth in services was unchanged at 2.6%.

In the private sector as a whole, growth was also unchanged but at 2.7%, while in the public sector, excluding financial services, growth was up to 2.0% from 1.9%.

The ONS also produces regular pay figures which strip out bonuses. In December, growth for the whole economy was up to 2.6% from November's 2.3% rise. The increases in the year to December for various sectors, along with the previous month's rises in brackets, were: manufacturing 3.0% (2.8%); services 2.5% (2.3%); private sector 2.8% (2.5%); and public sector, excluding financial services, 2.0% (1.8%).

The average increase in regular pay in the whole economy for the three-month period ending December was up to 2.5% from 2.3% the previous month.

The three-month sectoral increases were: manufacturing 2.7% (2.4%); services 2.4% (2.3%); private sector 2.6% (2.5%); and public sector, excluding financial services, 2.0% (1.9%).

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 1.6% increase in average weekly earnings, including bonuses, for the whole economy between April 2017 and December 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	£559.20
All male	£601.00
All female	£501.50
Managers	£837.30
Professionals	£744.80
Associate professionals	£615.30
Admin & secretarial	£438.50
Skilled/craft	£518.00
Services	£367.20
Sales	£376.30
Operatives	£480.10
Other manual jobs	£375.50

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2018

Unemployment rises for first time in 17 months

Unemployment increased for the first time in 17 months at the end of last year, official figures show.

The number of unemployed people in the UK increased by 46,000 to 1.47 million in the three-month period ending December 2017 compared with the previous three-month period ending September, according to Labour Force Survey data. That is the largest rise in the jobless total since early 2013 and the first time it has risen since the summer of 2016.

The increase in numbers was sufficient to push the unemployment rate up to 4.4% from 4.3%.

In the December period, the number of unemployed men increased by 11,000 to 782,000 compared with the previous three-month period ending September, and their unemployment rate was up to 4.4% from 4.3%.

Meanwhile, the number of unemployed women increased by 35,000 to 689,000, and their unemployment rate was up to 4.4% from 4.2%.

There was a fall 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 January 2018, unemployment under this count fell by over 7,200 to 823,000 from the revised figure for December of 830,100.

The fall in numbers was enough to cut the joblessness rate to 2.3% from 2.4%.

Male claimant numbers fell by 7,900 to 503,800 and their joblessness rate was cut to 2.7% from 2.8%.

Although the number of female claimants increased by 700 to 319,100, their joblessness rate remained steady at 1.9%.

	Unemployment seasonally adjusted			
	Claimants ¹		LFS ³	
	(000s)	% ²	(000s)	%
November 2016	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	805	2.3	1,425	4.3
October	812	2.3	1,429	4.3
November	824	2.3	1,439	4.3
December (r)	830	2.4	1,470	4.4
January 2018 (p)	823	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 In the three months to December 2017, unemployment increased in seven of the UK's 12 regions/countries, and was down in five. There was a 19,000 increase in the East region, along with 14,000 increases in both Scotland and Wales.

The five regional falls included a 9,000 drop in the North West, with numbers down by 3,000 in both the North East and South East.

The unemployment rate was above the UK average of 4.4% in six of the 12 regions/countries. The highest rates were 5.4% in the West Midlands and 5.3% in the North East.

In January 2018, the claimant count fell in all but two of the 12 regions/countries – the exceptions were the North West and London.

The claimant count rate was above the UK average of 2.3% in seven regions/countries. The highest rates were 4.4% in the North East, and 3.1% in both Northern Ireland and the North West.

Region	Jan claimants		LFS Oct – Dec	
	Number	%	Number	%
North East	54,200	4.4	69,000	5.3
North West	115,900	3.1	145,000	4.1
Yorkshire & the Humber	77,300	2.7	136,000	5.1
East Midlands	48,400	2.1	98,000	4.1
West Midlands	88,100	3.0	153,000	5.4
East	50,800	1.6	133,000	4.2
London	123,700	2.1	246,000	5.0
South East	68,000	1.4	150,000	3.1
South West	45,700	1.5	107,000	3.7
Wales	39,000	2.6	76,000	5.0
Scotland	83,300	2.9	124,000	4.5
Northern Ireland	28,500	3.1	34,000	3.9

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2018

Economic potential of older workers

Supporting older workers to help them stay in good-quality employment could unlock huge economic potential, according to a report from the Centre for Ageing Better.

The charitable foundation's *A silver living for the UK economy* reveals that older workers who become unemployed remain so for longer than people of other ages.

The centre said that halving the "employment gap" between people in the 50 to pension-age group and those in their 40s would increase National Insurance receipts by 1% to just under £3 billion, and GDP by 1% up to £18 billion.

The report has a checklist of actions that government and employers can take to support better quality work for older people.

These include access to flexible working hours and workplace adaptations so employees can manage caring responsibilities or work around health conditions.

Patrick Thomson, senior programme manager at the Centre for Ageing Better, said older workers are "integral" to the future of the UK economy.

"Being in work is a way of redistributing income via the tax system for all. It reduces the welfare bill and promotes savings and financial independence in retirement," he said.

<https://www.ageing-better.org.uk/publications/silver-lining-uk-economy>

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