

GMB WAGES AND INFLATION REPORT

September 2023

Key figures (September 2023) - change on previous 12 months

Inflation rates		8.9%	6.7%	6.3%	
		RPI	CPI	CPIH	
Average pay settlements		9.3%	5%	5%	
		LRD	XpertHR	IDR	
Seasonal inflation / Winter	56.2%	17.8%	15.6%	11.2%	6.7%
	Mortgage interest payments	Children's clothes	Potatoes	Tea	Electricity

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Inflation rates

	All items (Headline rate) RPI	Consumer Prices Index (CPI) (Govt Target = 2%)	Consumer Prices Index CPIH (all items inc housing)
2021			
Sep 2021	4.9	3.1	2.9
Oct 2021	6.0	4.2	3.8
Nov 2021	7.1	5.1	4.6
Dec 2021	7.5	5.4	4.8
2022			
Jan 2022	7.8	5.5	4.9
Feb 2022	8.2	6.2	5.5
Mar 2022	9	7	6.2
Apr 2022	11.1	9	7.8
May 2022	11.7	9.1	7.9
June 2022	11.8	9.4	8.2
July 2022	12.3	10.1	8.8
Aug 2022	12.3	9.9	8.6
Sep 2022	12.6	10.1	8.8
Oct 2022	14.2	11.1	9.6
Nov 2022	14	10.7	9.3
Dec 2022	13.4	10.5	9.2
2023			
Jan 2023	13.4	10.1	8.8
Feb 2023	13.8	10.4	9.2
Mar 2023	13.5	10.1	8.9
Apr 2023	11.4	8.7	7.8
May 2023	11.3	8.7	7.9
June 2023	10.7	7.9	7.3
July 2023	9	6.8	6.4
Aug 2023	9.1	6.7	6.3
Sep 2023	8.9	6.7	6.3

Source: [ONS Consumer Price Indices Statistical Bulletin](#). Next published 15 November 2023.

WHAT CAUSED THE CHANGES TO INFLATION THIS MONTH?

- The largest downward contributions to the monthly change in both CPIH and CPI annual rates came from food and non-alcoholic beverages, where prices fell on the month for the first time since September 2021, and furniture and household goods, where prices rose by less than a year ago.
- Rising prices for motor fuel made the largest upward contribution to the change in the annual rates.

Inflation this month – significant price rises by item (12-month change)

Retail Prices Index (RPI) – September 2023

Item	%
Mortgage interest payments	56.2
Vehicle tax and insurance	49.0
Sugar and preserves	20.0
Processed vegetables	18.8
Milk products	18.4
Potato products	18.2
Childrens' outerwear	17.8
Pork	17.3
Dwelling insurance and ground rent	17.3
Oils and fats	17.2
Eggs	17.2
Women's outerwear	17.2
Other foods	16.4
Biscuits and cakes	16.1
Books and newspapers	16.1
Potatoes	15.6
Other tobacco	15.2
Clothing and footwear	13.8
Fresh fish	13.5
Off sales	13.3
Men's outerwear	13.1
Cheese	13.0
Food excluding seasonal	12.7
Vegetables other than potatoes	12.6
Foreign holidays	12.6
Food	12.1
Tobacco	12.0
Bacon	11.9
Sweets and chocolates	11.9
Food and catering	11.6
Tea	11.2
Soft drinks	10.8
Beef	10.7
Fresh vegetables	10.7
Cigarettes	10.7
All services	10.6
Beer	10.3
Cereals	10.1
Fish	10.1
Alcohol and tobacco	10.0
Personal expenditure	10.0

Consumer Prices Index (CPI) – September 2023

Item	%
Sugar	59.3
Motor vehicle insurance	51.7
Transport insurance	48.1
Olive oil	47.4
Binding services and e-book downloads	37.6
Sauces, condiments, salt, spices and culinary herbs	29.0
Other non-fiction books	26.5
Cocoa and powdered chocolate	24.5
Frozen vegetables other than potatoes and other tubers	23.2
Insurance	21.3
Yoghurt	20.7
Food products (nec)	20.5
Crisps	20.1
Pasta products and couscous	18.8
Other food products n.e.c.	18.4
Books	18.4
Eggs	18.1
Other bakery products	17.8
Edible ices and ice cream	16.9
Fortified wines	16.9
Pork	16.7
Other milk products	15.3
Passenger transport by air	14.9
Holiday centres, camping sites, youth hostels and similar accommodation services	14.7
Wine from other fruits	14.6
Other alcoholic beer	14.6
Vegetables including potatoes and tubers	14.4
Cleaning and maintenance products	14.0
Wired telephone services	14.0
Fresh or chilled fish	13.9
Sugar, jam, syrups, chocolate and confectionery	13.9
Beer	13.9
Mineral or spring waters	13.7
Dried vegetables, other preserved or processed vegetables	13.6
Bread and cereals	13.5

RPI, CPI, and the case for using RPI

In 2011 the Government replaced RPI with CPI as its preferred measure of inflation. CPI tends to be about 1 percentage point lower than RPI. Trade unions, including GMB, often argue that RPI remains the best inflation index for measuring the true cost of living.

RPI costs

Many of our members' costs continue to rise by RPI: several taxes (including vehicle excise duty), mobile phone contracts, rents (where index linked), regulated rail fares, and Student Loans Company repayments are all still increased by RPI.

Problems with CPI

CPI was created in the early 1990s by the European Union as a technical measure to monitor Member States' compliance with the Maastricht Treaty. It was not intended to be the headline measure of consumer price changes. Unlike RPI, CPI does not take account of housing costs (such as council tax, mortgage interest payments, house prices and buildings insurance). The only reason for excluding these items is that a pan-European approach to comparing these items could not be agreed. *There is no justification for excluding housing costs from inflation rates.*

CPI also includes items such as foreign students' tuition fees and foreign exchange rate commissions that are difficult to justify in a measure of domestic inflation.

Problems with CPIH

To address criticisms of CPI, the ONS introduced a new measure that included some housing costs – the CPIH. However, CPIH has been subject to significant criticism, including from the UK Statistics Authority which said that *'this degree of user scepticism and disagreement is, in our experience, unusual for an official statistic.'* The Royal Statistical Society [says that](#) CPI and CPIH are an *'unsatisfactory measure of inflation as it affects British households.'*

British Telecommunications PLC vs BT Pension Scheme Trustees Limited

BT attempted to amend its pension scheme's uprating from RPI to CPI. The company claimed that RPI had 'become inappropriate' following its de-designation as a national statistic.

In a landmark 2018 [judgement](#), the High Court rejected the company's case and concluded that *'jettisoning RPI would introduce a material risk that increases in pensions would not keep rate with increases in the costs of living likely to be experienced by pensioners.'* The Court also said that *'there are certain respects in which CPI might be said to underestimate inflation.'* BT failed to overturn the ruling at appeal.

The case for using RPI

It has been claimed that RPI has an in-built bias towards reporting higher inflation. However, it also appears that CPI underestimates inflation, and the RPI remains the inflation rate that most comprehensively measures housing costs. RPI is the most used index for pay-setting purposes. **RPI is an appropriate inflation measure to use for pay bargaining.**

In November 2020, the Government [announced](#) plans to effectively discontinue the production of RPI. However, this change is not planned until February 2030. A legal challenge by the trustees of major pension funds was unsuccessful.

For more information about inflation rates, see the appendix to this document ['Consumer price indexes explained.'](#)

Long term inflation forecasts

The Bank of England [said](#) in February that ‘CPI inflation is projected to fall sharply, to just under 4% by the end of 2023.’ However, there is a high degree of uncertainty over these forecasts.

The Treasury regularly summarises recent inflation forecasts for the next twelve months. Averages of forecasts are generally more accurate than those made by individual organisations.

HMT 3-month average of new panel forecasts, fourth quarter (percentage)

	RPI	CPI	Average earnings
End of 2023 (Q4)	6.3	4.5	6.7
End of 2024 (Q4)	3.8	2.6	3.5

Source: Treasury, [Forecasts for the UK economy: a comparison of independent forecasts](#)
Published 18 October 2023

The Office of Budget Responsibility (OBR) also produces independent long-term estimates of prices and wages inflation twice a year.

Future economic developments are difficult to predict and these figures should therefore be treated with caution when negotiating long-term pay deals.

OBR forecasts 2023 – 2027 (per cent)

Measure	2023	2024	2025	2026	2027
CPI	6.1	0.9	0.1	0.5	1.6
RPI	8.9	1.6	1	1.7	2.8
Average earnings	5	1.8	1.7	1.9	2.5
Wages and salaries	5	1.9	2.4	2.5	3

Source: OBR, [Economic and Fiscal Outlook March 2023](#), page 144
Next release date: Expected 22 November 2023

For guidance on calculating cumulative inflation over several years, please see the [appendix to this report](#).

Wage settlements

The ONS produces monthly estimates of changes to average earnings. The below figures do not account for factors such as progression pay and workforce changes, and as such are not a strict tracker of wage awards.

Official earnings estimates for regular pay (excluding bonuses) – August 2023

Average Weekly Earnings	Average weekly pay (£)	Annual percentage growth (three month average)
Whole economy	619	7.8
Private sector	615	8.0
Public sector*	634	6.8
Services	606	8.0
Manufacturing	690	8.0
Construction	712	5.7
Wholesale, retail & restaurants	408	6.6
*Excluding nationalised financial services. Source: All references in this section are from ONS, Average Weekly Earnings Next release date 14 November 2023		

For people in work, headline pay growth rates continued to grow strongly in cash terms in August compared to previous months. On a three-month average, pay growth was positive in August in all broad sectors but below RPI inflation.

3 month changes to average regular weekly pay compared to the previous 12 months, percentage

Month	Whole economy	Private sector	Services	Public sector (excl. banking)	Manufacturing	Construction	Wholesale, retail, hotels & restaurants
Aug 22	5.4	6.2	5.7	2.1	4.6	5.0	7.4
Sep 22	5.7	6.6	6.0	2.1	4.9	5.3	7.2
Oct 22	6.1	6.9	6.3	2.8	5.2	5.7	6.4
Nov 22	6.5	7.3	6.7	3.4	5.4	6.2	6.0
Dec 22	6.7	7.3	6.9	4.3	5.5	6.1	6.0
Jan 23	6.6	7.0	6.9	4.9	5.4	6.1	5.3
Feb 23	6.7	7.0	6.9	5.3	5.9	6.2	4.9
Mar 23	6.8	7.1	7.0	5.6	6.4	6.5	4.5
Apr 23	7.3	7.7	7.4	5.7	7.3	6.4	5.2
May 23	7.5	7.9	7.6	5.9	7.9	6.2	5.6
Jun 23	7.8	8.2	8.0	6.2	8.2	5.8	6.3
Jul 23	7.9	8.1	8.0	6.6	8.1	5.6	6.5
Aug 23	7.8	8.0	8.0	6.8	8.0	5.7	6.6

Adjusted for inflation (CPIH), the ONS estimated that average real wages rose by 1.1% in August 2023 compared to a year earlier on a three month average and by 1.3% on a one month average.

Percentage monthly changes to whole economy weekly regular pay in real (CPIH, 2015) prices

Month	Real AWE (2015 prices), £	1 month change	3 month average
Aug-22	474	-2.6	-2.8
Sep-22	474	-2.5	-2.7
Oct-22	471	-2.8	-2.7
Nov-22	472	-2.3	-2.5
Dec-22	472	-2.4	-2.5
Jan-23	472	-2.4	-2.3
Feb-23	473	-2.0	-2.2
Mar-23	472	-1.6	-2.0
Apr-23	474	-0.1	-1.2
May-23	476	-0.1	-0.6
Jun-23	477	0.6	0.1
Jul-23	479	1.3	0.6
Aug-23	480	1.3	1.1

Average pay settlements – industry trackers

The Labour Research Department (LRD), Incomes Data Research (IDR), the Bank of England, and XpertHR track wage settlements within the last three months. The LRD also tracks agreements to apply over the forthcoming year (although these figures are based a smaller sample).

The LRD's figures tend to be higher than those of other organisations: this is because the LRD only tracks unionised workplaces. The ONS also tracks wage settlements and changes to average earnings.

Average pay settlements (percentage): Three months ending: 31 August 2023

	Whole economy	Public sector	Private sector	Manufacturing / manual	Services	Not for profit
XpertHR	5	-	5	5.4	5	-
LRD	9.3	5	8	7.7	7	-
IDR*	5	-	5.5	5	5.8	-
ONS**	7.8	6.8	8	8	8	-
<i>LRD (this pay round: August to August)</i>	9.3	9.3	-	8.2	9.5	-
* IDR's figures are to the end of July.						
** The ONS tracks changes to overall pay levels, including overtime and other payments.						

Recent pay settlements

This section contains details of some prominent recent pay settlements as reported through the LRD Payline database and the Incomes Data Research Pay Benchmarker service.

For more details of pay settlements that are contained in these databases, please contact anna.barnes@gmb.org.uk, laurence.turner@gmb.org.uk, or ross.holden@gmb.org.uk.

Employer	Sector	Headcount	Increase (%)	Start date
Cadent Gas (Staff)	Energy		12.84	01/07/2023
Primark (England/ Wales/ Scotland)	Retail	26,000	12	01/04/2023
Mitie (Sellafield)	Services	500	11.6	01/05/2023
Nottingham Community Transport (CT4N)	Transport		11	01/04/2023
Salutem Shared Services	Care services & housing	2,500	10.4	01/04/2023
Parkside Care Homes	Care services & housing	76	10.1	01/04/2023
National Museums Liverpool	Public Museums	300	10	01/09/2023
Brighton & Hove Bus & Coach Company	Transport	1,100	10	01/07/2023
Joseph Walkers Shortbread	Food, drink & tobacco	1,000	10	01/04/2023
Sainsbury's (Basingstoke) Warehouse	Retail	300	10	01/04/2023
Rotherham Crossroads - Caring For Carers	Care services & housing	76	10	01/04/2023
Poundstretcher	Retail	5,500	10	01/04/2023
National Gas (Collective Bargaining Unit)	Energy	1,100	9.5	01/07/2023
Dwr Cymru Welsh Water	Water	3,600	9.2	01/04/2023
Post Office	Communications	2,500	9	01/04/2023
The Bristol Port Company	Transport: Shipping & ports	650	8.7	01/07/2023
Building & Allied Trades JIC	Construction	50,000	8	19/06/2023

2023 forecast pay awards – employers' expectations

In September 2023, the Bank of England [said](#) that 'pay settlements for 2023 were running at around 6%–6.5%, on average. Most contacts expected the level of settlements to reduce over the rest of this year and then reduce further next year.' Inflationary pressures, sector wage increases, and the ability to recruit and retain staff were quoted by employers as the most common reasons for raising wages. The Bank added that 'expectations of lower settlements reflected contacts' expectations of

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further falls in inflation, reduced demand for businesses' goods and services, and further easing in recruitment difficulties.'

Earlier in the year, XpertHR surveyed 266 employers across the public, private and voluntary sectors regarding their intended pay offers for 2023. Intended median pay offers ranged from **4 to 6 per cent**, and intended median pay awards were higher for 2023 than in 2022 across all sub-sectors, apart from in retail and transport and storage.

It should be noted that these figures are for employers' intended pay offers only, and they do not take account of the impact of collective bargaining.

XpertHR - Median pay award forecasts, by industry, 2022 and 2023 (23 March 2023)

Industry sector	2022 pay award, median %	2023 pay forecast, median %	Difference (percentage point, %)
Facilities, security and support services	4.8	6	1.2
Finance	4.4	6	1.6
Electricity, gas and water	4.8	5	0.2
Hotels, catering and leisure	4.2	5	0.8
General manufacturing	4	5	1
Not-for-profit	3	5	2
Professional and business services	3.8	5	1.2
Retail and wholesale	5	5	0
Transport and storage	5.5	5	-0.5
Information and communication	3.5	4.8	1.3

Engineering and metals	3.5	4	0.5
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The CIPD, in its August 2023 Summer Labour Market Outlook (which is based on a survey of more than 2,000 employers), [said](#): ‘Overall, the median employer plans to increase wages by 5% – this has remained constant for three consecutive quarters. In the public sector, expected pay awards have now increased to 4%, the highest in our time series [which began in 2012]. Private sector pay intentions remain at 5%.’ It should be noted that the 5% figure is an average across all employers (including those that do not intend to make a pay offer), and the CIPD survey has historically underpredicted actual pay settlements.

Only 5 per cent of employers said that they intended to apply a pay freeze in the next 12 months, according to the CIPD survey. 38 per cent of employers said that they intended to offer a pay rise, and 41 per cent of employers said that the answer would depend on the organisation’s performance. Only 1 per cent of employers said that they intended to impose a pay decrease.

Recruitment and retention pressures

Pay pressures are partly being driven by recruitment difficulties, although there is evidence that recruitment and retention pressures on employers have started to ease – however, these challenges remain substantial compared to historical levels.

The KPMG / Recruitment & Employment Confederation’s October 2023 [Report on Jobs](#) stated that in September its survey:

‘Pointed to a further easing of overall pay growth across the UK. Though sharp, the rate of starting salary inflation edged down to a two-and-a-half-year low, while temp wages increased at the slowest rate in 31 months. While competition for skilled workers and the higher cost of living continued to place upward pressure on pay, there were some reports of greater strain on clients’ budgets.’

‘The overall availability of candidates improved again in September. Although the pace of expansion softened further from July’s recent high, both permanent and temporary labour supply increased at historically strong rates. Anecdotal evidence generally linked the latest upturn to redundancies and a slowdown in market conditions.’

‘Demand for permanent staff fell across both the private and public sectors during September, with

the latter noting by far the steeper rate of decline. Divergent trends were meanwhile seen for temporary vacancies. In the private sector, demand for short-term staff rose at a softer, but still solid pace, but decreased across the public sector.

'Permanent staff vacancies increased in five of the ten broad employment categories during September, led by Hotel & Catering. The steepest reductions in permanent labour demand were meanwhile seen in the Retail and Construction sectors.

'Demand for temp staff rose in five of the ten employment sectors covered by the survey. Nursing/Medical/Care registered the strongest rise in vacancies overall. Sharp deteriorations in demand were meanwhile signalled for Retail and Executive/Professional workers.'

The Bank of England's regional Agents produce estimates of recruitment difficulties facing employers on a quarterly basis. The agents' figures are based on interviews with a sample of around 700 employers and they are used to inform the Bank's decisions on interest rates.

Employers say that labour cost pressures are now significantly higher than they were at any comparable point. Recruitment difficulties had eased somewhat in May compared to a year ago, and employers also say that profit margins are down compared to before the pandemic.

Bank of England estimates of business pressures where zero is normal (and where -5 is very low and +5 is very high)

	Total labour costs per employee	Labour market		Profitability
	All industries	Recruitment difficulties	Employment intentions	Profit margins
Aug 19	2.3	3.0	-0.1	-0.4
Jul 20	-4.9	-2.1	-5.0	-5.0
Aug 21	3.8	3.4	2.0	-1.8
Aug 22	5	4	1	-2
Aug 23	5	2	0	-3

Source: Bank of England, [Agents' Summary of Business Conditions](#) (next published 14 December)

In September 2023, the Bank of England said that:

'Businesses generally expected to keep staff numbers broadly stable over the coming year. Intentions to cut staff numbers were most notable in the real estate and construction sectors.

'Recruitment difficulties continued to ease. The easing was still concentrated at the lower end of the skills range, but there were signs that it was becoming more general. Some contacts said that

retention had improved as staff seemed more reluctant to leave jobs because they were worried about being 'last in, first out'.

'Recruitment remained very difficult for businesses in sectors with persistent skill shortages, such as IT, engineering, and finance.

'Pay settlements for 2023 were running at around 6%–6.5%, on average. Most contacts expected the level of settlements to reduce over the rest of this year and then reduce further next year.

Expectations of lower settlements reflected contacts' expectations of further falls in inflation, reduced demand for businesses' goods and services, and further easing in recruitment difficulties.

'Far fewer businesses expected to make 'cost of living' payments to staff over the coming year than had done so last year.

'Many contacts, especially in the consumer services sector, remained concerned about the possible impact of National Living Wage increases next year.'

[Source – Bank of England Agents' summary of business conditions: 2023 Q3](#)

National Minimum Wage and Foundation Living Wage rates

GMB's policy as set by Congress is to campaign for the National Minimum Wage to be replaced by a Real National Living Wage rate of at least £15 an hour.

National Minimum Wage rates

The Government announced in November 2022 that it would accept the recommendations of the Low Pay Commission for 2023. This means that from 01 April 2023 the headline full National Minimum Wage rate increased by **9.7%** to **£10.42**.

Although the Government refers to the National Minimum Wage as the 'National Living Wage' for 22 year-olds and over, this rate is separate from the higher Foundation Living Wage which is set independently.

National Minimum Wage hourly rates

	April 2022	April 2023	Increase
National Living Wage	£9.50	£10.42	9.7%
21-22 Year Old Rate	£9.18	£10.18	10.9%
18-20 Year Old Rate	£6.83	£7.49	9.7%
16-17 Year Old Rate	£4.81	£5.28	9.7%
Apprentice Rate	£4.81	£5.28	9.7%
Accommodation Offset	£8.70	£9.10	4.6%

Source: [Low Pay Commission, 17 November 2022](#)

Living Wage Foundation Rates

In mid to late October, the independent Living Wage Foundation sets a voluntary living wage rate based on its own analysis of cost of living pressures. The Foundation also publishes a separate Living Wage rate for London. 7,000 employers covering 250,000 workers reportedly pay the Foundation Living Wage. Subscribing employers should implement the new rates by April at the latest.

Independent Foundation Living Wage hourly rates – 2023/24 (from October)

	2022/23 rate	2023/24 rate	Increase
Foundation Living Wage	£10.90	£12	10.1%
London Living Wage	£11.95	£13.15	10%

Source: [Living Wage Foundation](#)

The Living Wage Foundation says:

“The real Living Wage rates are higher because they are independently-calculated based on what people need to get by. That's why we encourage all employers that can afford to do so to ensure their employees earn a wage that meets the costs of living, not just the government minimum.”

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Statutory payments and key employment rights at a glance

Statutory rates are updated in April.

To qualify for Statutory Sick Pay and Statutory Parental Payments, average earnings must be equal to or above the Lower Earnings Limit of £123 per week.

Statutory Sick Pay

The weekly rate of Statutory Sick Pay is £109.40 per week, for up to 28 weeks, from 06 April 2023.

The daily rate depends on the number of Qualifying Days worked per week. A calculator to work out the daily rate is available at: <https://www.gov.uk/calculate-statutory-sick-pay>

Statutory Redundancy Pay

An employee must have been employed for a minimum of two years on their dismissal date to be eligible for Statutory Redundancy Pay.

For employees made redundant on or after 06 April 2023, the rate is:

- half a week's pay for each full year you were under 22
- one week's pay for each full year you were 22 or older, but under 41
- one and half week's pay for each full year you were 41 or older

Length of service is capped at 20 years. Weekly pay is capped at £643, and the maximum statutory redundancy pay award is £19,290.

Parental Payments

All effective from 02 April 2023:

Type of payment	Current rate	Maximum period
Statutory Maternity Pay (Higher Rate)	90% of normal weekly earnings	6 weeks
Statutory Maternity Pay (Basic Rate)	£172.48 per week*	33 weeks
Maternity Allowance **	£172.48 per week*	39 weeks
Statutory Paternity Pay	£172.48 per week*	2 weeks
Statutory Adoption Pay (Higher Rate)	90% of normal weekly earnings	6 weeks
Statutory Adoption Pay (Basic Rate)	£172.48 per week*	33 weeks
Statutory Shared Parental Pay	£172.48 per week*	37 weeks

*or 90% of normal weekly earnings, whichever is lower.

** full rate, subject to eligibility

Redundancy Consultation Period

- 20-99 employees: 30 days
- 100+ employees: 45 days

Redundancy Notice Period

- 1 month – 2 years' service: 1 week
- Over 2 years' service: 1 week for each year of service up to a maximum of 12 weeks

Where this notice period has not been given, such as in the case of companies going into sudden liquidation or receivership, employees may be eligible for **Statutory Notice Pay** (sometimes called loss of notice pay) based on their average weekly earnings (capped at £643 per week). Please note that Statutory Notice Pay will be reduced in line with any income received during the Statutory Notice Period, including state benefits whether or not they have been claimed.

Unfair Dismissal

In most cases, employees must have completed 2 years' service before being able to bring a claim for unfair dismissal. The maximum unfair dismissal award is £105,707 from 06 April 2023.

Working Time Entitlements

Please note these entitlements do **not** apply to professional drivers.

Regulation	Entitlement	Notes
Rest breaks	20 minutes if working day over 6 hours (30 minutes for 15-18 year olds)	Can be unpaid
Breaks between shifts	11 hours	Can be reduced by collective agreement
Weekly rest	24 hours	Can be averaged over 2 weeks
Maximum Working Week	48 hours	Averaged over 17 weeks. Individual can opt out
Holidays	5.6 weeks	Can include bank holidays. No opt out.

Other Entitlements

- **Time off for dependants:** Reasonable unpaid time off to deal with an unexpected emergency involving a dependant
- **Parental leave:** 18 weeks' unpaid leave in blocks of 1 or more weeks, for children up to the age of 18.

Labour market update – June to August 2023

- There were an estimated 32.97 million people in employment. This was 216,347 more people in employment than there was a year ago.
- There were 1.44 million people recorded as being unemployed and 988,000 vacancies.
- The employment rate (the proportion of people aged from 16 to 64 years who were in work) was estimated at 75.7% - compared to 76.5% before the pandemic.
- The unemployment rate (the number of unemployed people as a proportion of all employed and unemployed people) was 4.3% - compared to 4% before the pandemic.

For more information see ONS, [Labour market overview, UK: October 2023](#) (next published 14 November 2023).

Note: there are serious concerns over the accuracy of these labour market statistics. The ONS is currently introducing a new survey and not all these figures will be regularly updated. For more information, see further information [here](#).

Vacancies

There were 988,000 vacancies in the three-month period of July to September 2023. Vacancy rates have slowly fallen since they hit a historic peak of 1.3 million in March to May 2022.

Estimated vacancies by selected industries (thousands) – July to September 2023

	Vacancies	12-month growth	% change
All vacancies	988	-256	-20.6
Total services	866	-226	-20.7
Human health & social work activities	179	-40	-18.3
Accommodation & food service activities	121	-38	-23.9
Wholesale & retail trade	137	-20	-12.7
Professional scientific & technical activities	91	-35	-27.8
Retail	82	-16	-16.3
Manufacturing	72	-16	-18.2

Average hours worked – May to July 2023

- People in work worked 31.6 hours a week on average.

- Full-time workers worked, on average, 36.4 hours a week.
- Part-time workers worked, on average, 16.4 hours per week in their main job.

Public sector

In June 2023 there were an estimated 5.872 million people employed in the public sector (5.735 million excluding reclassifications). Between June 2022 and June 2023, employment rose by 129,000 (driven mostly by increases in the NHS and public administration).

Workforce jobs

In June 2023 there were 36.7 million workforce jobs – 552,000 more than for a year earlier.

Changes in job numbers – June 2022 to June 2023

Job type	Changes over year (000s)
Total services	561
All jobs	552
Accommodation & food service activities	169
Human health & social work activities	141
Financial & insurance activities	84
Professional scientific & technical activities	78
Information & communication	65
Public admin & defence; compulsory social security	48
Transport & storage	40
Real estate activities	30
Water supply, sewerage, waste & remediation activities	24
Arts, entertainment & recreation	12
Construction	7
Private households	3
Mining & quarrying	2
Electricity, gas, steam & air conditioning supply	-1
Administrative & support service activities	-7
Agriculture, forestry & fishing	-11
Other service activities	-20
Manufacturing	-30
Education	-40
Wholesale & retail trade; repair of motor vehicles and motorcycles	-43

Industrial disputes

The ONS started collecting data on industrial disputes again from January 2022 after an interruption during the pandemic.

The estimated 303,000 workers who took industrial action in March was the highest figure on record since November 2011.

Month	Working days lost (thousands)	Number of stoppages	Workers involved (thousands)
May 2022	32	75	8
June 2022	93	41	31
July 2022	86	52	53
August 2022	359	78	150
September 2022	208	79	98
October 2022	424	124	146
November 2022	393	316	174
December 2022	829	201	155
January 2023	210	288	118
February 2023	331	638	237
March 2023	553	690	303
April 2023	316	616	168
May 2023	131	339	99
June 2023	160	294	60
July 2023	286	673	139
August 2023	119	492	53

Public sector pay

Congress 2023 carried a CEC Special Report on Public Sector Pay. This report can be read [on the GMB website](#).

Public sector pay has been subject to the deepest cuts since comparable records began. As a former Treasury Permanent Secretary [has said](#), '[the Government's] public finance strategy rests on imposing the biggest real wage cuts in living memory.'

It is difficult to compare private and public sector jobs directly. In part, this is due to decades of outsourcing of lower-paid public service jobs. The public and private sectors also have very different balances of basic, overtime and bonus pay, and pension contributions.

The most recent modelling by the ONS suggests that when overtime and bonus pay are included (but pension contributions are excluded) then public sector workers earn **3 per cent less** than comparable private sector workers (see below). These are the latest available figures as of June 2023, however the gap has only increased since the start of the cost-of-living crisis.

ONS estimates of the public/private pay differential (percentage)

	Total Remuneration	Total remuneration with employee pension contributions	Gross pay including overtime and bonus pay	Gross earnings including overtime pay
2019	7	6	-3	3

ONS: Public and private sector earnings: 2019, 23 September 2020

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/publicandprivatesectorearnings/2019>

GMB research has found that:

- Most NHS and local government workers' pay has been cut by 21-22% in real terms (between 2009/10 and 2022/23).
- Nearly half (46%) of NHS Trusts [have set up a food bank for their own staff](#), or are in the process of doing so.
- The number of public sector workers on Universal Credit rose by 155% between October-December 2019 and October-December 2022.
- There are 112,500 NHS vacancies and 165,000 adult social care vacancies in England alone. In some parts of the country, a third of roles like police 999 call handlers are unfilled.

GMB national (NJC) pay claims and evidence submissions to the NHS Pay Review Body can be found on our website here.

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Annual Survey of Hours and Earnings (ASHE) results 2022

The Annual Survey of Hours and Earnings (ASHE) is an official publication that is based on a one per cent sample of HMRC records.

Although ASHE is not updated as regularly as other ONS publications, it is considered to be the most reliable official report on hours and earnings.

Detailed wage information can be drawn from ASHE on the basis of factors such as industry, occupation, gender and region.

Headline results

The key ASHE findings on gross earnings for adult full-time employees in April 2022 are:

- In April 2022, average weekly earnings for full-time employees was £640, up 5% on a year earlier.
- In real terms (after adjusting for inflation), median full-time employee earnings fell by 2.6% in real terms over the year (this followed a real-terms increase of 3.6% between 2020 and 2021).
- Among full-time employees, the gender pay gap in April 2022 was 8.3%, up from 7.7% in April 2021 (but down from 9% in 2019).
- The ONS says that for age groups under 40 years, the gender pay gap for full-time employees is low, at 3.2% or below. This has been the case since 2017. However, for age groups 40 to 49 years and older, the gender pay gap for full-time employees is much higher, at over 10.9%.
- The gender pay gap among all employees was 14.9% in 2022, down from 15.1% in 2021 but returning to the same level it was in 2019.
- The number of jobs paid below the National Minimum Wage and National Living Wage almost halved in 2022 to 509,000, returning to levels similar to those seen before the coronavirus (COVID-19) pandemic. There was a similar level of reduction in 2021 and 2020 as many employees were furloughed with reduced pay in those years, leading to the proportion of employee jobs paid below the National Minimum Wage being higher.

For further information see ONS [Employee earnings in the UK: 2022](#), [Gender pay gap in the UK: 2022](#), [Low and high pay in the UK: 2022](#).

Regional wages

In April 2022 average gross wages were highest in London, the South East, and Scotland – and lowest in the North East, Northern Ireland and Yorkshire & the Humber.

Wage growth was strongest in the South West, Wales and the North East – and lowest in Northern Ireland, Yorkshire & the Humber, and the North West.

Median full-time gross annual earnings and percentage change from previous year, by region, UK, April 2022

	Median full-time gross annual earnings	Change from 2021 (%)
United Kingdom	£33,000	5.7
England	£33,197	5.6
North East	£29,521	7.1
North West	£30,716	4.6
Yorkshire & the Humber	£30,000	4.4
East Midlands	£30,326	6.9
West Midlands	£31,601	5.7
East	£32,539	5.9
London	£41,866	5.4
South East	£34,431	4.9
South West	£31,339	8.1
Wales	£30,596	7.3
Scotland	£33,332	5.8
Northern Ireland	£30,000	3.2

Gender pay gap

In April 2022, the gender pay gap (for median earnings) for full-time employees rose further to 8.3 per cent but remains below the pre COVID-19 pandemic level of 9.0 per cent.

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 2012 to 2022 (percentage)

Year (April)	All	Full-time	Part-time
2012	19.6	9.5	-5.5
2013	19.8	10.0	-5.9
2014	19.2	9.6	-5.5
2015	19.3	9.6	-6.8
2016	18.2	9.4	-6.1
2017	18.4	9.1	-5.3
2018	17.8	8.6	-4.9
2019	17.4	9.0	-3.5
2020	14.9	7.0	-3.5
2021	15.4	7.9	-2.7
2022	14.9	8.3	-2.8

Note – Since April 2018 all large employers (those employing 250 or more) are [required to publish their internal gender pay gaps](#). Employer results can be found [here](#). ACAS has [published guidance](#) on employers' pay gap reporting duties. Reporting enforcement was [suspended in March 2020](#) but it has now resumed.

Earnings by occupation

In April 2022 the highest paid occupational group was ‘managers, director and senior officials’. The lowest paid group was ‘caring, leisure and other service occupations.’

Pay growth was strongest for ‘Process, plant and machine operatives’(at 9.0%) and ‘Skilled trades occupations’ (at 7.6%). These figures include factors such as overtime.

Median full-time gross weekly earnings and real-terms percentage change from previous year, by major occupation group, UK, April 2022

Occupation	Median 2022	Annual percentage change (%)
Managers, directors and senior officials	£45,923	5.7
Professional occupations	£41,604	2.1
Associate professional and technical occupations	£33,346	5.2
Skilled trades occupations	£30,183	7.6
Process, plant and machine operatives	£27,933	9.0
Administrative and secretarial occupations	£25,493	4.0
Elementary occupations	£23,282	7.3
Sales and customer service occupations	£21,919	4.3
Caring, leisure and other service occupations	£21,823	5.9
All employees	£33,000	5.7

Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Average hours worked

The average paid hours worked for all workers was 33.2 hours in 2022. This is unchanged from 2021 but is an increase of 1.5% from 2020. Employees who lost hours in 2020 were the biggest drivers of the increase in 2021. Between 2019 and 2020 average paid hours worked fell by 1.4% (0.5 hours).

Latest from the Labour Research Department

The LRD Payline service contains information from over 2,000 agreements, including over 300 GMB agreements. If your agreement is not amongst them then please send details of the settlement to pay@lrd.org.uk so we can improve the service to GMB members.

To access the service go to www.lrd.org.uk/payline (contact laurence.turner@gmb.org.uk for login details).

GMB bargaining support

The GMB wages and inflation report is produced by industrial Sections’ research and policy officers. For further information, or if you want to know more about accessing company accounts and how to interpret them ahead of pay talks, please contact laurence.turner@gmb.org.uk, anna.barnes@gmb.org.uk, and ross.holden@gmb.org.uk.

Appendix – Consumer price indexes explained

CPI

The CPI is the UK's main domestic measure of consumer price inflation and is an internationally comparable measure. It forms the basis for the Government's target for inflation that the Bank of England's Monetary Policy Committee (MPC) is required to achieve. The official CPI series starts in 1996, but estimates for earlier periods are available back to 1988. The CPI excludes certain housing costs, such as owner-occupied housing and council tax.

CPIH

A new measure of inflation called CPIH was first published by the ONS on 19 March 2013, initially on an experimental basis. CPIH is the same as CPI except that it includes owner-occupier housing costs, an important omission from the CPI as these costs account for around 10% of total UK household expenditure. They are calculated using a "rental equivalence" approach, using the rent paid for an equivalent house in the private sector as a proxy for the costs faced by an owner-occupier.

RPI

The all-items RPI is the oldest measure of UK inflation still in use, with data going back to 1947. Unlike the CPI, the RPI includes housing costs, such as mortgage interest payments, buildings insurance and council tax. Spending by pensioner households is not included in the sample used nor is that of the top 4% of households by income. While it is used for a wide variety of purposes, the ONS has recently declared that the RPI does not meet international statistical standards because of a formula used in its calculation, called the Carli formula. Its status as a national statistic was removed on 14 March 2013, but the ONS has stated that it will continue to publish it in an annex to the official figures because of its uses in long-term indexation, such as for index-linked gilts and bonds.

HCIs

The ONS is currently developing a series of new inflation measurements – the **Household Costs Indices (HCIs)**. These will measure inflation as it is experienced by different households when they are differentiated on the basis of income or retirement status. The HCIs are still at an experimental stage and GMB is monitoring the ONS's progress and the potential impact of this new measure of inflation on our members.

Appendix – Employers’ duty to disclose information

Where GMB is recognised, employers have a legal duty to provide information where it would be in ‘accordance with good industrial relations practice to disclose’ (quotes are from the ACAS Code of Practice). This section is intended only as an initial guide and not as a substitute for the Code.

The information requested may relate to any aspect of collective bargaining and requests for information may be made outside of pay negotiation periods.

Information can be requested both of the central company ‘or [that] in the possession of any associate employer.’ The duty to disclose covers both public sector and private sector employers.

It is helpful if information obtained through this process is shared with GMB National Office.

Types of information that can be requested

ACAS provides examples of the types of information that can be reasonably requested from employers. The below list is not exhaustive, and it is not intended to act as a checklist, but it does provide examples of the kinds of information that can be obtained from employers.

Pay and benefits	Notes
Principles and structure of payment systems	
Job evaluation systems and grading criteria	
Earnings and hours analysed according to: work-group, grade, plant, sex, out-workers and homeworkers, department or division, giving, where appropriate, distributions and make-up of pay showing any additions to basic rate or salary	
Total pay bill	
Details of fringe benefits and non-wage labour costs	
Conditions of service	
Policies on recruitment, redeployment, redundancy, training, equal opportunity, and promotion	
Appraisal systems	
Health, welfare and safety matters	
Manpower	
Numbers employed according to grade, department, location, age and sex	
Labour turnover	
Absenteeism	
Overtime and short-time	
Manning standards	
Planned changes in work methods, materials, equipment or organisation	

Available manpower plans	
Investment plans	
Performance	
Productivity and efficiency data	
Savings from increased productivity and output, return on capital invested	
Sales and state of order book	
Financial	
Cost structures	
Gross and net profits	
Sources of earnings	
Assets and liabilities	
Allocation of profits	
Details of government financial assistance	
Transfer prices	
Loans to parent or subsidiary companies and interest charged	

Failure to comply

Action can be taken against employers that fail to disclose information through the Central Arbitration Committee (CAC). The CAC may ask ACAS to provide conciliation services. Should conciliation not succeed, the CAC can require the employer to disclose the requested information.

Duties on trade unions

Trade unions should not ask for information that is readily available (such as in company accounts). The employer may ask for requests in writing (and it is best practice to do so). Trade unions and employers should endeavour to reach an understanding on how any disclosed information is used.

It may be helpful to arrange for representatives to arrange an early meeting with the company's HR staff at the start of the process to understand what relevant information is collected and agree any potentially contentious issues.

Exemptions

Employers are not required to disclose information that would endanger national security, contravene data protection legislation or would cause 'substantial injury' to the company.

Notes

Further information can be found in the ACAS Code of Practice [Disclosure of information to trade unions for collective bargaining purposes](#). The original legislation can be accessed under clauses 181 to 185 of the Trade Union and Labour Relations (Consolidation) Act 1992 - [disclosure of information for purposes of collective bargaining](#).

The Act was later amended to cover the disclosure of 'information relating to use of agency workers in that undertaking.'

Appendix – Using long-term inflation forecasts

To estimate inflation over future years, the OBR’s projections should be index-linked to account for cumulative effects (adding projected inflation rates together will not produce correct results).

Reference tables for estimated inflation from 2021 and 2022 are below. To give an example, these tables show that the OBR estimates that RPI will have increased by 16 per cent between 2021 and 2023.

Indexed reference table

Where 2021 = 100

	RPI	CPI
2021	100	100
2022	109.8	107.4
2023	115.8	111.7
2024	118.5	113.4
2025	121.5	115.5
2026	124.7	117.8

Indexed reference table

Where 2022 = 100

	RPI	CPI
2022	100	100
2023	105.5	104.0
2024	107.9	105.6
2025	110.6	107.6
2026	113.6	109.7

Source – GMB calculations based on OBR projections published in the *Economic and Fiscal Outlook, March 2022*

These tables can be used to calculate changes between years within the series. This can be done by comparing values using an [online percentage calculator](#) or calculated in Excel using the below formula.

To give an example, if we wanted to estimate RPI inflation between 2022 and 2024 (using the pre-coronavirus tables), then we would get a result of 6% following the below calculation:

$$\frac{(114.7 - 108.2)}{108.2} * 100 = 6$$

In Excel, the formula would appear as `=(NewValue-OldValue)/OldValue*100`

Appendix – Upcoming Key dates

Date	Measure or event
31 December 2023	Revocation of some EU retained law (including the Posted Workers (Enforcement of Employment Rights) Regulations 2016, and the Posted Workers (Agency Workers) Regulations 2020
End of 2023	New Central London Employment Tribunal Centre to open