

# GMB WAGES AND INFLATION REPORT

## August 2024

### Key figures (August 2024) - change on previous 12 months

<b>Inflation rates</b>			<b>3.5%</b>	<b>2.2%</b>	<b>3.1%</b>	
			RPI	CPI	CPIH	
<b>Average pay settlements</b>			<b>5%</b>	<b>4%</b>	<b>4.5%</b>	
			LRD	XpertHR	IDR	
<b>Seasonal inflation / Summer</b>	<b>22.9%</b>	<b>9.0%</b>	<b>13.2%</b>	<b>8.1%</b>	<b>8%</b>	<b>6.5%</b>
	Mortgage interest payments	Foreign holidays	Fares and travel costs	Water Charges	Rent	Leisure Services

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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)
<b>2022</b>			
<b>July 2022</b>	12.3	10.1	8.8
<b>Aug 2022</b>	12.3	9.9	8.6
<b>Sep 2022</b>	12.6	10.1	8.8
<b>Oct 2022</b>	14.2	11.1	9.6
<b>Nov 2022</b>	14	10.7	9.3
<b>Dec 2022</b>	13.4	10.5	9.2
<b>2023</b>			
<b>Jan 2023</b>	13.4	10.1	8.8
<b>Feb 2023</b>	13.8	10.4	9.2
<b>Mar 2023</b>	13.5	10.1	8.9
<b>Apr 2023</b>	11.4	8.7	7.8
<b>May 2023</b>	11.3	8.7	7.9
<b>June 2023</b>	10.7	7.9	7.3
<b>July 2023</b>	9	6.8	6.4
<b>Aug 2023</b>	9.1	6.7	6.3
<b>Sep 2023</b>	8.9	6.7	6.3
<b>Oct 2023</b>	6.1	4.6	4.7
<b>Nov 2023</b>	5.3	3.9	4.2
<b>Dec 2023</b>	5.2	4.0	4.2
<b>2024</b>			
<b>Jan 2024</b>	4.9	4.0	4.2
<b>Feb 2024</b>	4.5	3.4	3.8
<b>Mar 2024</b>	4.3	3.2	3.8
<b>Apr 2024</b>	3.3	2.3	3.0
<b>May 2024</b>	3	2.0	2.8
<b>June 2024</b>	2.9	2.0	2.8
<b>July 2024</b>	3.6	2.2	3.1
<b>August 2024</b>	<b>3.5</b>	<b>2.2</b>	<b>3.1</b>

Source: [ONS Consumer Price Indices Statistical Bulletin](#). Next published 16 October 2024.

### WHAT CAUSED THE CHANGES TO INFLATION THIS MONTH?

- The largest upward contribution to the monthly change in both CPIH and CPI annual rates came from air fares, which rose this year but fell a year ago; the largest offsetting downward contributions came from motor fuels, and restaurants and hotels.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 4.3% in the 12 months to August 2024, up from 4.1% in July; the CPIH goods annual rate fell from negative 0.5% to negative 0.9%, while the CPIH services annual rate rose from 5.7% to 5.9%.

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

### Retail Prices Index (RPI) – August 2024

Item	%
Mortgage interest payments	22.9
Postage	18.4
Other travel costs	18.0
Dwelling insurance and ground rent	16.5
Lamb	15.1
of which home-killed lamb	15.1
Oils and fats	14.7
Unprocessed potatoes	14.0
CDs and tapes	13.6
Other tobacco	13.3
Fares and other travel costs	13.2
Women's outerwear	11.0
Tobacco	9.6
Foreign holidays	9.0
Cigarettes	8.1
Water and other charges	8.1
Rent	8.0
Clothing and footwear	7.8
Men's outerwear	7.4
Maintenance of motor vehicles	7.3
Books and newspapers	7.2
Sweets and chocolates	7.1
Housing	6.9
Other clothing	6.7
Entertainment and other recreation	6.6
Leisure services	6.5
Television licences and rentals	6.4
Childrens' outerwear	6.3
Vehicle tax and insurance	6.2
Bus and coach fares	5.9
Restaurant meals	5.8
Alcohol and tobacco	5.5
Personal expenditure	5.4
Personal services	5.2
Catering	5.1
Household services	5.0
Domestic services	5.0
Fees and subscriptions	5.0
Council tax and rates	4.9

### Consumer Prices Index (CPI) –August 2024

Item	%
Olive oil	40.8
Cocoa and powdered chocolate	19.9
Postal services	18.0
Pre-recorded recording media	14.5
Portable sound and vision devices	14.2
Lamb and goat	13.8
Edible offal	13.8
Recording media	13.6
Hire of equipment and accessories for culture	13.5
Travel insurance	12.2
Passenger transport by air	11.9
Oils and fats	11.5
Passenger transport by sea and inland waterway	10.6
Internet access provision services	10.2
Fortified wines	10.1
Chocolate	10.0
Other tobacco products	10.0
Newspapers	9.6
Tobacco	9.5
Cigarettes	9.5
Health insurance and other insurance	9.5
Cinemas, theatres, concerts	9.2
Sewerage collection	9.1
Photographic services	9.1
Repair of audio-visual equipment & related products	8.8
Newspapers and periodicals	8.8
Accommodation services of other establishments	8.3
Water supply and misc. services for the dwelling	8.1
Veterinary and services for pets	8.1
Passenger transport by bus and coach	8.0
Funeral services	7.9
Maintenance and repairs	7.8
Cultural services	7.8

## 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 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 2024 (Q4)	3.6	2.6	4.7
End of 2025 (Q4)	2.9	2.2	3.2

Source: Treasury, [Forecasts for the UK economy: a comparison of independent forecasts](#)  
Published 18 September 2024. Next release date expected 16 October 2024

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 2024 – 2028 (per cent)*

Measure	2024	2025	2026	2027	2028
CPI	2.2	1.5	1.6	1.9	2.0
RPI	3.1	2.0	2.5	3.0	2.9
Average earnings	3.6	2.1	2.0	2.3	2.6
Wages and salaries	3.9	2.8	2.7	2.9	3.1

Source: OBR, [Economic and Fiscal Outlook March 2024](#), page 146  
Next release date: Expected November 2024

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) – July 2024

Average Weekly Earnings	Average weekly pay (£)	Annual percentage growth (three-month average)
<b>Whole economy</b>	647	5.1
<b>Private sector</b>	642	4.9
<b>Public sector*</b>	663	5.7
<b>Services</b>	633	5.1
<b>Manufacturing</b>	728	5.9
<b>Construction</b>	733	3.9
<b>Wholesale, retail, hotels &amp; restaurants</b>	427	4.7
*Excluding nationalised financial services. Source: All references in this section are from ONS, <a href="#">Average Weekly Earnings</a> Next release date 15 October 2024		

For people in work, headline pay growth rates continue to be strong though have decreased steadily over the last 12 months. In the months until October 2023 pay growth was positive in all broad sectors but below RPI inflation, on a three-month average.

### 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
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	7.9	8.1	8.0	6.9	8.0	5.8	6.6
Sep 23	7.8	7.9	7.8	7.4	7.7	5.8	6.6
Oct 23	7.2	7.2	6.2	6.9	7.4	5.2	7.0
Nov 23	6.7	6.6	6.3	6.6	7.1	4.4	7.3
Dec 23	6.2	6.2	6.2	5.9	6.9	3.8	7.1
Jan 24	6.1	6.1	6.2	6.0	6.9	3.2	7.1
Feb 24	6.0	6.0	6.1	6.1	6.8	3.1	6.4
Mar 24	6.0	5.9	6.1	6.3	6.8	2.7	6.2
Apr 24	6.0	5.9	6.1	6.3	6.6	3.0	5.8
May 24	5.7	5.6	5.9	6.4	6.2	3.0	5.5
June 24	5.4	5.2	5.5	6.0	6.0	3.5	4.7
<b>July 24</b>	<b>5.1</b>	<b>4.9</b>	<b>5.1</b>	<b>5.7</b>	<b>5.9</b>	<b>3.9</b>	<b>4.7</b>

Adjusted for inflation (CPIH), the ONS estimated that average real wages rose by 2.4% in June 2024 compared to a year earlier on a three-month average and by 2.2% 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
Jun-23	477	0.6	0.1
Jul-23	479	1.3	0.6
Aug-23	481	1.5	1.2
Sep-23	479	1.1	1.3
Oct-23	478	1.4	1.3
Nov-23	482	2.0	1.5
Dec-23	481	1.9	1.8
Jan-24	481	1.7	1.9
Feb-24	482	2.0	1.9
Mar-24	484	2.5	2.1
Apr-24	486	2.7	2.4
May 24	487	2.4	2.5
June 24	488	2.3	2.4
<b>July 24</b>	<b>488</b>	<b>1.9</b>	<b>2.2</b>

### Average pay settlements – industry trackers

The Labour Research Department (LRD), Incomes Data Research (IDR), the Bank of England, and Brightmine (formerly 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<sup>st</sup> July 2024

	Whole economy	Public sector	Private sector	Manufacturing / manual	Services	Not for profit
Brightmine (XpertHR)	4.5	-	5.0	4.0	5.0	-
LRD*	5.6	4.0	5.6	4.8	6.5	-
IDR**	4.0	-	4.4	4.3	4.4	-
ONS***	5.0	5.6	4.9	5.9	5.0	-
<i>LRD (this pay round: August to June)</i>	<i>5.6</i>	<i>6.5</i>	<i>5.2</i>	<i>5.0</i>	<i>6.0</i>	<i>-</i>

\* LRD's figures are average increases to lowest basic rates in three months ending 31st July 2024.  
\*\* IDR's figures are average increases in the three months ending 30<sup>th</sup> April 2024.  
\*\*\*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](mailto:anna.barnes@gmb.org.uk) or [ross.holden@gmb.org.uk](mailto:ross.holden@gmb.org.uk).

Name	Sector	Headcount	% Increase	Start Date
ICTS Gatwick Airport	Aviation	120	11	01/04/2024
Torus HMS (Housing Maintenance Solutions)	Housing	700	10.1	01/04/2024
SKF (UK)	Manufacturing	250	10	01/04/2024
BAE Systems Maritime - Naval Ships, Glasgow (Scotstoun and Govan) Manuals	Manufacturing	1000	8.24	01/07/2024
ASDA (retail)	Retail	149000	8.2	01/07/2024
NSL (London Borough of Islington)	Local Govt		6.9	01/04/2024
British Airways (Admin, Engineers, Ground Support, Check-in)	Aviation	14500	6.5	01/06/2024
Marks & Spencer	Retail	1281	6.4	01/07/2024
Construction Industry Joint Council (CIJC)	Construction	400000	6.2	24/06/2024
Anglian Water Services	Utilities	4000	6	01/04/2024
EDF Field Services (EFS) and Smart Meter	Energy	500	5.75	01/04/2024
NSL (Royal Borough of Kensington & Chelsea)	Local Govt		5.55	01/04/2024
School Teachers	Education	468693	5.5	01/09/2024
United Utilities	Utilities	9000	5.5	01/04/2024
National Grid Electricity Distribution (NGED)	Energy	6500	5.2	01/04/2024
Severn Trent Water	Utilities	8500	5	01/07/2024
National Crime Agency	Central Govt	2206	5	01/08/2024
Akzo Nobel (International Paint)	Manufacturing	400	5	01/04/2024
Steeplejack & Lightning Conductor Engineering NJC	Construction	1100	5	01/07/2024
GXO Logistics (Bellshill) Hourly Paid	Distribution	479	5	01/04/2024
MBDA (Bolton, Stevenage & Filton) Staff	Manufacturing	2500	5	01/06/2024
Zotefoams (Croydon)	Manufacturing	275	5	01/04/2024
Northern Gas Networks (Operational Staff)	Energy		4.8	01/04/2024
Wales & West Utilities (Industrial)	Utilities	800	4.75	01/07/2024
Wales & West Utilities (Staff)	Utilities	350	4.75	01/07/2024
Further Education Colleges (Scotland)	Education	6900	4.6	01/09/2024
Safran Landing Systems (SLS) Manufacturing	Manufacturing	730	4.5	01/06/2024
South East Water	Utilities	600	4.5	01/04/2024
Wheatley Group	Housing	2800	4.5	01/04/2024
British Sugar	Manufacturing	500	4.4	01/04/2024
Asda Distribution	Distribution	12000	4.3	07/05/2024



## 2024 forecast pay awards – employers’ expectations

In September, the Bank of England said that: ‘latest intelligence suggests expected employment-weighted pay settlements for 2024 will average around 5.5%, a touch lower than 5.7% at the time of the August MPR. This is driven by settlements agreed/expected for July–December – which, generally, cover businesses less affected by the NLW – which look to have eased back to average around 3.7% (from around 4% in the last round). Contacts have not yet decided on pay awards for 2025, but they expect that pay inflation will fall back to more ‘normal’ levels of around 2%–4%. Firms exposed to the NLW remain concerned about a potential further increase in 2025, with a small number noting upwards pressure to restore pay differentials. Contacts not affected by the NLW cite relatively high pay awards in 2023, looser labour market conditions, lower current and expected inflation, and affordability or weak demand as the drivers for lower settlements than last year.

In March 2024, XpertHR surveyed 158 employers across the public, private and voluntary sectors regarding their intended pay offers for 2024. Intended median pay offers ranged from **3 - 5 per cent**.

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, 2024 (21<sup>st</sup> March 2024)

Industry sector	2024 pay forecast, median %
Finance	5.5
Hotels, catering and leisure	4.5
General manufacturing	4
Not-for-profit	4
Professional and business services	4
Retail and wholesale	3.8
Information and communication	4
Engineering and metals	4.8
Food, Drink and Tobacco	4

The CIPD, in its August 2024 Labour Market Outlook (which is based on a survey of more than 2,000 employers), [said](#):

*‘Two-thirds (66%) of employers plan to recruit in the next three months. Recruitment intentions remain highest in the public sector (81%), followed by the voluntary sector (70%). The percentage of employers in the private sector that plan to recruit in the next three months is 62%.*

*‘While public sector employers may intend to hire, they are anticipating significant recruitment difficulties [...] over a fifth of public sector employers (22%) are looking to decrease staff levels in the next three months.*

*‘Among employers surveyed, 37% have hard-to-fill vacancies. These vacancies are significantly higher in the public (48%) than the private sector (34%) [...] Half of employers with hard-to-fill vacancies have responded to this in the past six months by upskilling more existing staff (49%). Raising wages (38%) and increasing the duties of existing staff (34%) were also common responses. However, the proportion of those raising wages has dropped from 12 months ago. In the last six months, 27% chose to improve policies to support health and wellbeing as a measure.*

*‘In the future, employers with hard-to-fill vacancies wish to address this by focusing on improving job quality (35%) at a higher rate than they do currently (27%), possibly to mitigate the effects of higher workloads. A higher proportion of employers also plan to hire more apprentices (27%) than have done so in the last six months (22%), which could be brought about by potential apprenticeship levy reform. The figure is driven more by the public sector.*

*‘The median expected basic pay increase has fallen to 3% (from 4% last quarter). Expected pay awards in the next 12 months remain lower in the public sector (2.5%) compared with the private sector (3%). However, the new UK Government has since confirmed above-inflation pay rises of 4.75%–6% for a large proportion of the public sector workforce.’*

## **Recruitment and retention pressures**

Pay pressures which have partly been driven by recruitment difficulties last year have reportedly eased into 2024 so far, although employers have continued to raise rates of pay amid the higher cost of living and competition for high-skilled workers and recruitment and retention pressures vary by sector. Some employers have also reported that budgetary pressures are an increasing factor in their recruitment and salary intentions.

The KPMG / Recruitment & Employment Confederation's September 2024 [Report on Jobs](#) stated that, in August:

*'KPMG/REC Report on Jobs survey showed another reduction in permanent staff placements, extending the current downturn to 23 months. Moreover, the rate of contraction was the steepest since March amid reports of lower demand from clients and a lack of workplace vacancies. Temp billings also fell for similar reasons, although the rate of contraction was again only marginal, and little changed since July.'*

*'Permanent staff salaries increased again in August, in line with a trend that stretches back three-and-a-half years. Starting pay was generally raised to attract candidates, especially for positions where supply was limited. However, the increase in permanent pay levels was the weakest since March and well below the survey's historical average. Moreover, temp pay rose only slightly and to the weakest degree for three-and-a-half years.'*

*'Latest vacancy data signalled a marginal decline in vacancy numbers during August. It was the tenth month in a row that demand for staff has fallen, with slight declines seen for both permanent and temporary workers. Notably, August marked the first fall in temporary staff demand since April.'*

*'Staff availability continued to increase in August, both for permanent and temporary workers. Although similar, growth was the strongest in four months for temp workers but the slowest since February for perm staff. A mixture of redundancies and lower placement volumes reportedly led to the rise availability.'*

*'Once again, half of the sectors covered by the survey registered a decline in permanent vacancies. The steepest drop was for IT & Computing. Conversely, of those categories that experienced growth, the fastest increase was seen for Nursing & Medical Care. Temp vacancies declined across seven sectors in August, with the steepest reduction seen for Executive & Professional. IT & Computing also recorded a noticeable fall. The strongest growth was for Blue Collar.'*

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 continue to ease, and most 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 20	-4.7	-2.2	-4.8	-4.6
Aug 21	3.8	3.4	2.0	-1.8
Aug 22	5	2	1	-2
Aug 23	5	2	0	-3
<b>Aug 24</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>-2</b>

Source: Bank of England, [Agents' Summary of Business Conditions](#) (next published 19 December 2024)

In September 2024, the Bank of England said that:

*'Business services, transport and wholesale sectors expect to expand headcount over the next year. Other sectors are expecting employment levels to remain steady or are looking for small headcount reductions through natural attrition. While these firms are still not generally replacing leavers, there are very few mentions of potential redundancies. Many contacts report having maintained headcount in anticipation of demand picking up. For the longer term, contacts continue to focus on productivity improvements consistent with investment intentions to increase automation.'*

*'Employment intentions remain slightly positive, in line with the August MPR. Recruitment conditions continue to ease back to 'normal'...Recruitment difficulties continue to ease back to levels contacts would consider 'normal' and churn is lower. Nonetheless, there remain pockets of skills shortages in some professions and within some geographic areas. Many contacts note that the increase in salary requirement for employees with visas will mean recruiting from abroad will no longer be economically viable with some using apprenticeships or in-house training to tackle these issues in the longer term.'*

*'Profit margins remain squeezed. As inflation abates and there are fewer pockets of excess demand, business and consumers are more resistant to price increases than last year. There is some relief from falls in energy costs, but less so for services firms, some of whom are looking for efficiencies, changing product mix or cutting back on discretionary spending.'*

[Source – Bank of England Agents' summary of business conditions: 2024 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 2023 that it would accept the recommendations of the Low Pay Commission for 2024. This means that from 01 April 2024 the headline full National Minimum Wage rate increased by **9.8%** to **£11.44**.

Although the Government refers to the National Minimum Wage as the 'National Living Wage' for 21 year-olds and over, this rate is separate from the higher and independently-set Foundation Living Wage.

### National Minimum Wage hourly rates

	NMW rate from 1 April 2024	Increase	Percentage increase
<b>National Living Wage (21 and over)</b>	£ 11.44	£ 1.02	9.8%
<b>18-20 Year Old Rate</b>	£ 8.60	£ 1.11	14.8%
<b>16-17 Year Old Rate</b>	£ 6.40	£ 1.12	21.2%
<b>Apprentice Rate</b>	£ 6.40	£ 1.12	21.2%
<b>Accommodation Offset</b>	£ 9.99	£ 0.89	9.8%

Source: [Low Pay Commission, 21 November 2023](#)

### 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.”*

### Employer compliance with Living Wage Foundation Rates

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GMB has directly challenged Foundation-signatory employers who delay or fail to honour annual uplifts after they are announced, including [IKEA](#) in 2021. GMB Congress policy calls for all Foundation-signatory employers to pay the correct rate from the date they are announced, or to at least backdate the increase from the date of announcement (Congress 2023: Motion 164).

## 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 £116.75 per week, for up to 28 weeks, from April 2024.

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 2024, 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 £700, and the maximum statutory redundancy pay award is £21,000.

### Parental Payments

All effective from 06 April 2024:

Type of payment	Current rate	Maximum period
<b>Statutory Maternity Pay (Higher Rate)</b>	90% of normal weekly earnings	6 weeks
<b>Statutory Maternity Pay (Basic Rate)</b>	£184.03 per week*	33 weeks
<b>Maternity Allowance **</b>	£184.03 per week*	39 weeks
<b>Statutory Paternity Pay</b>	£184.03 per week*	2 weeks
<b>Statutory Adoption Pay (Higher Rate)</b>	90% of normal weekly earnings	6 weeks
<b>Statutory Adoption Pay (Basic Rate)</b>	£184.03 per week*	33 weeks
<b>Statutory Shared Parental Pay</b>	£184.03 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 £700 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 £115,115 from 06 April 2024.

### Working Time Entitlements

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

Regulation	Entitlement	Notes
<b>Rest breaks</b>	20 minutes if working day over 6 hours (30 minutes for 15-18 year olds)	Can be unpaid
<b>Breaks between shifts</b>	11 hours	Can be reduced by collective agreement
<b>Weekly rest</b>	24 hours	Can be averaged over 2 weeks
<b>Maximum Working Week</b>	48 hours	Averaged over 17 weeks. Individual can opt out
<b>Holidays</b>	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 – May to July 2024

- The UK employment rate was up from the previous quarter at 74.8%
- The UK unemployment rate was down from the previous quarter at 4.1%
- The UK economic inactivity rate was down from the previous quarter at 21.9%.

For more information see [ONS, Labour market overview, UK: September 2024](#) (next published 15 October 2024).

### Vacancies

There were 884,000 vacancies in the three-month period of April to June 2024. 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) – Jun to Aug 2024**

	Vacancies	12-month change	% change
All vacancies	857	-143	-14.3
Total services	748	-131	-14.9
Human health & social work activities	154	-27	-14.9
Wholesale & retail trade	107	-29	-21.3
Accommodation & food service activities	98	-21	-17.6
Professional scientific & technical activities	88	-7	-7.3
Retail	60	-23	-27.1
Manufacturing	61	-9	-12.8

### **Average hours worked – May to July 2024**

- People in work worked 31.9 hours a week on average.
- Full-time workers worked, on average, 36.6 hours a week.
- Part-time workers worked, on average, 16.5 hours per week in their main job.



## **Public sector**

In June 2024 there were an estimated 5.94 million people employed in the public sector (5.84 million excluding reclassifications). Between June 2023 and June 2024, employment rose by 76,000 (driven mostly by increases in the NHS and public administration).

## **Workforce jobs**

In June 2024 there were 37 million workforce jobs – 503,000 more than for a year earlier.

### **Changes in job numbers – June 2023 to June 2024**

<b>Job type</b>	<b>Changes over year (000s)</b>
Total services	577
All jobs	503
Accommodation & food service activities	-20
Human health & social work activities	288
Financial & insurance activities	34
Professional scientific & technical activities	125
Information & communication	-22
Public admin & defence; compulsory social security	51
Transport & storage	42
Real estate activities	33
Water supply, sewerage, waste & remediation activities	-1
Arts, entertainment & recreation	57
Construction	-108
Private households	6
Mining & quarrying	1
Electricity, gas, steam & air conditioning supply	4
Administrative & support service activities	-146
Agriculture, forestry & fishing	29
Other service activities	55
Manufacturing	-34
Education	30
Wholesale & retail trade; repair of motor vehicles and motorcycles	-14

## **Industrial disputes**

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

The estimated 306,000 workers who took industrial action in March 2023 was the highest figure on record since November 2011.

<b>Month</b>	<b>Working days lost (thousands)</b>	<b>Number of stoppages</b>	<b>Workers involved (thousands)</b>
July 2022	86	52	53
August 2022	359	78	150
September 2022	208	79	98
October 2022	423	124	146
November 2022	390	316	165
December 2022	830	203	155
January 2023	210	288	118
February 2023	332	612	237
March 2023	556	683	306
April 2023	318	580	169
May 2023	133	344	101
June 2023	169	319	65
July 2023	284	666	138
August 2023	119	493	53
September 2023	231	652	108
October 2023	132	544	49
November 2023	72	55	28
December 2023	104	244	42
January 2024	165	295	78
February 2024	110	285	43
March 2024	22	49	8
April 2024	17	63	11
May 2024	51	85	20
June 2024	100	260	35
July 2024	42	227	29

## 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 March 2024, 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 2023

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 2023 are:

- In April 2023, the average (median) of weekly earnings for full-time employees was £682, up 6.2% on a year earlier.
- In real terms (after adjusting for inflation), median full-time employee earnings fell by 1.5% 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 2023 was 7.7%, down from 8.3% in April 2022 (but the same as in 2021, at 7.7%).
- The ONS says that for age groups under 40 years, the gender pay gap for full-time employees is lower, at 4.7% or below. This has been the case since 2015. However, for age groups 40 to 49 years and older, the gender pay gap for full-time employees is much higher, at 10.3% (rising to 14.2% for over 60s).
- The gender pay gap among all employees was 14.3% in 2023, down slightly from 14.9% in 2022.
- The number of jobs estimated to be paid below the National Minimum Wage and National Living Wage fell to 366,000 (from 509,000 in the previous year).

For further information see ONS [Employee earnings in the UK: 2023](#), [Gender pay gap in the UK: 2023](#), [Low and high pay in the UK: 2023](#).

### Regional wages

In April 2023 average gross wages were highest in London, the South East, and Scotland – and lowest in the North East, the East Midlands, and Yorkshire and the Humber.

Wage growth was strongest in Northern Ireland, the North West, and the East of England – and lowest the East Midlands, the West Midlands, and Yorkshire and the Humber.

**Median full-time gross annual earnings and percentage change from previous year, by region, UK, April 2023**

	Median full-time gross annual earnings	Change from 2022 (%)
United Kingdom	£34,963	5.8
North East	£31,200	5.7
North West	£33,036	7.6
Yorkshire & the Humber	£31,920	5.2
East Midlands	£31,634	4.2
West Midlands	£33,003	4.6
East	£34,833	6.8
London	£44,370	5.7
South East	£36,560	6.0
South West	£33,450	6.6
Wales	£32,371	5.7
Scotland	£35,518	6.6
Northern Ireland	£32,879	8.8

## 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 2023 (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
2023	14.3	7.7	-3.3

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 2023 the highest paid occupational group was ‘managers, director and senior officials’. The lowest paid group was ‘Sales and customer service occupations.’

Pay growth was strongest for ‘Caring, leisure and other service occupations’ (at 8.2%) and ‘Process, plant and machine operatives’ (at 7.5%). 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 2023

Occupation	Median 2023	Annual percentage change (%)
Managers, directors and senior officials	£48,850	6.4
Professional occupations	£43,191	3.9
Associate professional occupations	£34,544	2.7
Skilled trades occupations	£31,691	5.1
Process, plant and machine operatives	£29,895	7.5
Administrative and secretarial occupations	£26,845	5.6
Elementary occupations	£24,406	5.0
Caring, leisure and other service occupations	£23,627	8.2
Sales and customer service occupations	£23,432	6.9
All employees	£34,963	5.8

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

## Average hours worked

The median paid hours worked for all workers was 36.9 hours in 2023. This is unchanged from 2022. The median full-time working week was 37.5 hours and the median part time working week was 18.4 hours (in workers’ main jobs).

## 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](mailto:pay@lrd.org.uk) so we can improve the service to GMB members.

To access the service go to [www.lrd.org.uk/payline](http://www.lrd.org.uk/payline) (contact [ross.holden@gmb.org.uk](mailto:ross.holden@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 the research team using [this form](#).

## 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.

<b>Pay and benefits</b>	<b>Notes</b>
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	
<b>Conditions of service</b>	
Policies on recruitment, redeployment, redundancy, training, equal opportunity, and promotion	
Appraisal systems	
Health, welfare and safety matters	
<b>Manpower</b>	
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	
<b>Performance</b>	
Productivity and efficiency data	
Savings from increased productivity and output, return on capital invested	
Sales and state of order book	
<b>Financial</b>	
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 – Recent and 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
1 April 2024	New National Minimum Wage rates come into effect
2 May 2024	Duty on employers to give all tips to workers without deductions (see statutory guidance below)
9 May 2024	Reform to check off in public sector
(For transfers on or after) 1 July 2024	Duty on small businesses to directly consult workforce on TUPE transfer where employee representatives are not already in place (<50 total employees, or where <10 employees transfer)
29 July 2024	New statutory guidance for employers on fair and transparent distribution of tips at: <a href="https://www.gov.uk/government/publications/distributing-tips-fairly-statutory-code-of-practice/code-of-practice-on-fair-and-transparent-distribution-of-tips-html-version">https://www.gov.uk/government/publications/distributing-tips-fairly-statutory-code-of-practice/code-of-practice-on-fair-and-transparent-distribution-of-tips-html-version</a>

