

GMB WAGES AND INFLATION REPORT

February 2024

Key figures (January 2024) - change on previous 12 months

Inflation rates			4.9%	4.0%	4.2%	
			RPI	CPI	CPIH	
Average pay settlements			5.5%	6%	5.5%	
			LRD	XpertHR	IDR	
Seasonal inflation / Winter	52.2%	43.9%	16%	14.2%	11.4%	10%
	Mortgage interest payments	Vehicle tax and insurance	Children's Clothes	Tea	Seasonal food	Chemists goods

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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			
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
Oct 2023	6.1	4.6	4.7
Nov 2023	5.3	3.9	4.2
Dec 2023	5.2	4.0	4.2
2024			
Jan 2024	4.9	4.0	4.2

Source: [ONS Consumer Price Indices Statistical Bulletin](#). Next published 20 March 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 housing and household services (principally higher gas and electricity charges), while the largest downward contribution came from furniture and household goods, and food and non-alcoholic beverages.
- Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.1% in the 12 months to January 2024, down from 5.2% in December 2023; the CPIH goods annual rate slowed from 1.9% to 1.8%, while the CPIH services annual rate rose from 6.0% to 6.1%.

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

Retail Prices Index (RPI) – January 2024

Item	%
Mortgage interest payments	52.2
Vehicle tax and insurance	43.9
Oils and fats	23.8
Eggs	23.3
Pork	21.8
Sugar and preserves	21.3
Cheese	20.5
processed vegetables	20.3
Gas	18.5
Other foods	18.0
Biscuits and cakes	17.7
Milk products	17.6
Women's outerwear	17.6
Dwelling insurance and groundrent	16.5
potato products	16.3
Childrens' outerwear	16.0
Bacon	15.6
Milk, fresh	15.5
Potatoes	15.4
Vegetables other than potatoes	15.4
Food excluding seasonal	14.9
Fuel and light	14.9
Food	14.4
Tea	14.2
of which fresh vegetables	13.9
Clothing and footwear	13.9
Other tobacco	13.8
Men's outerwear	13.8
Electricity	13.7
Food and catering	13.5
Books and newspapers	13.2
of which fresh fish	12.8
Soft drinks	12.8
UK holidays (Jan 1994 = 100)	12.8
Foreign holidays (Jan 1993 = 100)	12.5
Other meat	12.3
Beef	12.0
Pet care	12.0
Poultry	11.9
Fish	11.9

Consumer Prices Index (CPI) – January 2024

Item	%
Olive oil	45.9
Sugar	45.4
Motor vehicle insurance	45.0
Transport insurance	42.2
Sauces, condiments, salt, spices and culinary herbs	27.9
Other food products n.e.c.	26.4
Frozen vegetables other than potatoes and other tubers	25.1
Eggs	23.6
Food products (nec)	22.8
Cheese and curd	21.5
Cocoa and powdered chocolate	21.3
Pork	20.3
Pasta products and couscous	19.5
Other small electric household appliances	19.2
Insurance	19.2
Other bakery products	19.0
Yoghurt	18.9
Milk, cheese and eggs	18.8
Natural gas and town gas	18.5
Gas	18.4
Oils and fats	18.3
Flours and other cereals	18.0
Edible ices and ice cream	17.6
Mineral or spring waters	17.4
Other milk products	17.2
Potatoes	16.7
Cleaning and maintenance products	16.0
Low fat milk	15.8
Passenger transport by air	15.8
Crisps	15.7
Vegetables including potatoes and tubers	15.5
Fruit and vegetable juices	15.5
Other meat preparations	15.4
Electricity, gas and other fuels	15.4
Fresh or chilled vegetables other than potatoes and other tubers	15.3
Fresh or chilled fish	15.2

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 2023 (Q4)	5.5	4.2	6.6
End of 2024 (Q4)	2.8	2.2	3.8

Source: Treasury, [Forecasts for the UK economy: a comparison of independent forecasts](#)
Published 17 January 2024. Next release date expected 21 February 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 2023 – 2027 (per cent)

Measure	2023	2024	2025	2026	2027
CPI	7.5	3.6	1.8	1.4	1.7
RPI	10.0	5.1	2.6	2.5	2.8
Average earnings	5	1.8	1.7	1.9	2.5
Wages and salaries	7.2	3.8	2.8	2.8	3.2

Source: OBR, [Economic and Fiscal Outlook November 2023](#), page 148
Next release date: Expected March 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) – December 2023

Average Weekly Earnings	Average weekly pay (£)	Annual percentage growth (three-month average)
Whole economy	626	6.2
Private sector	622	6.2
Public sector*	645	5.8
Services	614	6.2
Manufacturing	697	6.9
Construction	709	3.8
Wholesale, retail, hotels & restaurants	416	7.2
*Excluding nationalised financial services. Source: All references in this section are from ONS, Average Weekly Earnings Next release date 12 March 2024		

For people in work, headline pay growth rates continued to grow strongly in cash terms in November compared to previous 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
Nov 22	6.5	7.3	6.7	3.3	5.4	6.3	6.0
Dec 22	6.7	7.3	7.0	4.3	5.6	6.3	6.1
Jan 23	6.6	7.1	6.9	4.9	5.4	6.2	5.3
Feb 23	6.7	7.0	6.9	5.3	5.9	6.3	5.0
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	7.9	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	5.8	6.9	3.8	7.2

Adjusted for inflation (CPIH), the ONS estimated that average real wages rose by 1.4% in November 2023 compared to a year earlier on a three-month average and by 1.7% 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
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	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

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: 31st December 2023

	Whole economy	Public sector	Private sector	Manufacturing / manual	Services	Not for profit
XpertHR	6	-	6	6	6	-
LRD	5.5	5.7	5.3	5.5	5.7	-
IDR*	5.5	6.5	5.5	5.9	5	-
ONS**	5.8	5.9	5.8	6.0	5.9	-
<i>LRD (this pay round: August to December)</i>	6.5	6.5	5.8	6.5	6.5	-

* IDR's figures are to the end of October 2023

** 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
Brake Brothers	Distribution	400	15	01/09/2023
First Manchester (Drivers)	Transport	360	14.8	03/09/2023
First Glasgow (Engineers)	Transport	150	14.3	01/10/2023
Swindon's Bus Company	Transport	80	13.94	01/10/2023
Cadent Gas (Staff)	Energy		12.84	01/07/2023
Stagecoach Cambus - Peterborough	Transport		11.8	07/01/2024
Colart International	Manufacturing	100	10	01/01/2024
Ikea UK	Retail	6100	10	01/01/2024
National Museums Liverpool	Public Museums	300	10	01/09/2023
Brighton & Hove Bus & Coach Company	Transport	1100	10	01/07/2023
Leyland Trucks/ Paccar Parts	Machinery	950	9.5	01/09/2023
National Gas (Collective Bargaining Unit)	Energy	1100	9.5	01/07/2023
The Bristol Port Company	Transport: Shipping & ports	650	8.7	01/07/2023
Bury College	Education	532	8.5	01/09/2023
Foreland Shipping	Distribution	24	8	01/01/2024
Dimensions	Voluntary	6000	8	01/09/2023
White Cube Art	Recreation, culture, environment	140	7.8	01/01/2024
Construction Industry Joint Council (CIJC)	Construction	400000	7.5	01/01/2024
Demolition Contracting	Construction	6500	7.25	20/07/2023
Bluestar	Transport	221	7.14	01/01/2024
Plumbing (England & Wales) JIB	Plumbing	40000	7	02/01/2024
Compass Group	Catering	250	7	01/01/2024
Heating, Ventilating and Domestic Engineering JCC	Construction	30000	7	02/10/2023
Stoke on Trent College	Education	440	7	01/10/2023

2024 forecast pay awards – employers' expectations

In November 2023, the Bank of England [said](#) that 'Early indications of pay settlements for 2024 suggest that average wage growth will be lower than in 2023 owing to lower expected inflation, a looser labour market and concerns around the affordability of pay offers.' The ability to recruit and retain staff was still quoted by employers as the most common reasons for raising wages, with the Bank noting 'many companies continue to enhance total reward packages to aid recruitment and

retention'. The Bank added that 'Many contacts with a high proportion of lower-paid workers are concerned about the increase in the National Living Wage and its impact on differentials.'

In October 2023, XpertHR surveyed 266 employers across the public, private and voluntary sectors regarding their intended pay offers for 2024. Intended median pay offers ranged from **4 to 6 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 (19th October 2023)

Industry sector	2024 pay forecast, median %
Facilities, security and support services	6
Finance	5
Electricity, gas and water	5
Hotels, catering and leisure	4
General manufacturing	5
Not-for-profit	5
Professional and business services	4
Retail and wholesale	5
Transport and storage	4.5
Information and communication	5
Engineering and metals	4.5
Chemicals, Pharmaceuticals and Oil	5

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

'For over a year, expected basic pay awards for the upcoming 12 months have been at 5%. This quarter, they have fallen to 4%, matching the level of CPI inflation reported in the 12 months to December 2023. Public sector expected pay awards have fallen further from 5% last quarter to 3% this quarter. As inflation continues its descent in 2024, expected pay awards will likely follow suit.'

'Decreasing staff levels appears to be higher on the agenda in 2024, in response to the higher wage costs experienced over the past couple of years. Overall, 18% of employers are planning to make redundancies in the three months to March 2024. Nine per cent of private sector employers plan to decrease staff levels in the next three months. The rate is twice as high in the public sector, where 18% of employers plan to decrease staff levels in the next three months.'

'Labour market tightness appears to be reducing, with the ONS reporting that vacancies have fallen for the 18th consecutive month, despite the number remaining above pre-pandemic levels. Our data indicates that there will be further easing in the coming months, as fewer employers are expecting significant problems filling vacancies going forward. Hiring freezes also seem more apparent, particularly among SMEs, as we enter the new year.'

Recruitment and retention pressures

Pay pressures are being partly driven by recruitment difficulties as the labour market remains 'tight' overall, although staff recruitment and retention pressures appear to be gradually easing for some businesses and sectors. Some employers have also reported that budgetary pressures are an increasing factor in their recruitment and salary intentions.

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

'Lower levels of recruitment activity and redundancies fuelled further increases in staff availability. Though sharp, upturns in both permanent and temporary candidate numbers cooled from December, however. Competition for staff with desirable skills and the rising cost of living underpinned further increases in starting pay, albeit with rates of salary and wage inflation both posting below their long-run trends.'

'Permanent staff appointments fell at a sharp and accelerated pace, while temp billings fell only slightly. There were frequent reports that businesses had often paused recruitment plans due to the subdued economic environment, while fewer vacancies also dampened staff placements.'

'Permanent staff demand fell across just over half of the ten monitored job categories during January. The steepest rates of contraction were seen in the Retail, Construction and IT & Computing sectors. Meanwhile, the strongest rise in vacancies was signalled for Nursing/Medical/Care roles.'

'Of the five broad employment sectors to see firmer demand for short-term workers, Hotel & Catering and Blue Collar saw the steepest rates of vacancy growth overall. At the same time, the quickest drop in temp job opportunities was seen in the Retail sector.'

'Total vacancies across the UK declined again during January, albeit marginally. Demand for staff has now weakened in four of the past five months, driven by a sustained reduction in permanent job opportunities. Meanwhile, temp vacancies expanded at the slowest rate since November 2020 and only slightly.'

'Although starting salary inflation remained sharp in January, the latest increase in pay was the softest recorded since March 2021 and slower than the series average. Temp wage growth quickened slightly to a five-month high, but was also below the historical trend. According to recruiters, competition for suitably-skilled staff amid a strong inflationary environment continued to push pay rates higher. However, there were also reports that pressure on client budgets had limited overall increases in pay.'

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
Nov 19	2.3	2.6	-0.3	-1.0
Nov 20	-3.0	-2.5	-3.7	-4.0
Nov 21	4	4	3	-1
Nov 22	5	3	0	-3
Nov 23	5	2	0	-3

Source: Bank of England, [Agents' Summary of Business Conditions](#) (next published 21 March 2024)

In December 2023, the Bank of England said that:

'More contacts are reporting softer employment intentions than in the previous update, and the overall picture is still consistent with low or zero employment growth. Early indications of pay settlements for 2024 suggest that average wage growth will be lower than in 2023 owing to lower expected inflation, a looser labour market and concerns around the affordability of pay offers.'

'The balance of employment intentions points to low or zero employment growth over the coming year. Since the last round, we have seen an uptick in reports of planned headcount reductions in response to weaker demand in construction, real estate, business services, retail, and distribution. However, most contacts intend to maintain employment at current levels.'

'Contacts continue to report that recruitment difficulties have eased, compared to 6–12 months ago. This easing is now also happening in some skilled areas such as real estate and related business services, areas which until recently were still tight. Churn has fallen in recent months, reflecting increased uncertainty and firms are holding fewer vacancies. But there is an ongoing mismatch between the labour needs of employers and the available supply in some local labour markets, occupations and sectors. Contacts are offshoring roles to ease constraints and/or investing in automation, including AI, to boost productivity.'

'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 Q4](#)

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
National Living Wage (21 and over)	£ 11.44	£ 1.02	9.8%
18-20 Year Old Rate	£ 8.60	£ 1.11	14.8%
16-17 Year Old Rate	£ 6.40	£ 1.12	21.2%
Apprentice Rate	£ 6.40	£ 1.12	21.2%
Accommodation Offset	£ 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 (2023: 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 £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 – November 2023 to January 2024

- The UK employment rate was largely unchanged from the previous quarter at 75%
- The UK unemployment rate decreased from the previous quarter at 3.8%
- The UK economic inactivity rate was largely unchanged on the quarter at 21.9%.

For more information see ONS, [Labour market overview, UK: February 2024](#) (next published 12 March 2024).

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, click [here](#).

Vacancies

There were 932,000 vacancies in the three-month period of November 2023 to January 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) – November 2023 to January 2024

	Vacancies	12-month growth	% change
All vacancies	932	-209	-18.3
Total services	814	-193	-19.2
Human health & social work activities	167	-41	-19.6
Wholesale & retail trade	125	-26	-16.9
Accommodation & food service activities	109	-37	-25.3
Professional scientific & technical activities	91	-22	-19.4
Retail	73	-21	-21.9
Manufacturing	68	-10	-13.0

Average hours worked – May to July 2023 (publication suspended)

- 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 September 2023 there were an estimated 5.9 million people employed in the public sector (5.764 million excluding reclassifications). Between September 2022 and September 2023, employment rose by 135,000 (driven mostly by increases in the NHS and public administration).

Workforce jobs

In September 2023 there were 36.8 million workforce jobs – 570,000 more than for a year earlier.

Changes in job numbers – September 2022 to September 2023

Job type	Changes over year (000s)
Total services	693
All jobs	570
Accommodation & food service activities	138
Human health & social work activities	185
Financial & insurance activities	60
Professional scientific & technical activities	129
Information & communication	43
Public admin & defence; compulsory social security	46
Transport & storage	2
Real estate activities	17
Water supply, sewerage, waste & remediation activities	30
Arts, entertainment & recreation	-18
Construction	-36
Private households	4
Mining & quarrying	2
Electricity, gas, steam & air conditioning supply	-7
Administrative & support service activities	60
Agriculture, forestry & fishing	32
Other service activities	-8
Manufacturing	-7
Education	29
Wholesale & retail trade; repair of motor vehicles and motorcycles	-26

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
September 2023	231	651	108
October 2023	133	544	48
November 2023	69	51	21
December 2023	108	243	43

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 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 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 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.

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