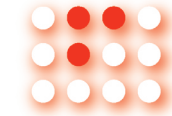


FACT

S E R V I C E



61 Volcanic ash fall-out
Earnings show sharp rise in growth

62 Unemployment posts an unwelcome rise

63 Inflation hits 18-month high in March

64 More pension schemes face closure
Post-election public sector jobs cull warning

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Volcanic ash fall-out

Employers are under no obligation to pay staff stranded during the volcanic ash incident, legal experts say.

Jacqueline McCluskey of international law firm HBJ Gateley Wareing has warned those employees stranded overseas due to the travel chaos caused by the Icelandic volcano that they have no legal right to be paid.

She said there is no obligation for employers to pay employees for days when they are not able to travel home and has advised employees to get in touch with employers as quickly as possible and let them know how and when they are planning to return to work.

"Just because the employee is not able to come to work because of these extenuating circumstances, their absence has, strictly speaking, not been authorised and there is no entitlement to pay," she said. "However, my belief is that a good number of employers will pay staff as these are unusual events and they will have employee relations in mind."

However, unions have called for employers to be flexible. TUC general secretary Brendan Barber said docking wages is an extreme reaction: "It

seems unfair for employers to penalise staff because of events outside their control."

He asked bosses to be sympathetic to the plight of their employees and be flexible in their approach to resolving the situation.

"Employers will have a variety of different leave arrangements in place. In situations where staff have run out of leave, it would seem fairer to come to some arrangement of allowing employees to use leave days from the following year, if employers are not prepared to allow staff extra time off."

www.humanresourcesmagazine.com/channel/news/article/998268/Workers-stranded-Icelandic-volcano-travel-chaos-no-legal-entitlement-pay/
www.tuc.org.uk/newsroom/tuc-17855-f0.cfm

Earnings show sharp rise in growth

The growth in average weekly earnings has showed a recovery, the latest official figures show. And for once at this time of year, it is not just big City bonuses which are the factor.

Monthly figures show average earnings for the whole economy rose by a provisional 5.6% in the year to February on a year earlier – up from the revised annual figure of a 0.9% rise for January. This is according to the average weekly earnings figures now used by the Office for National Statistics.

LABOUR RESEARCH DEPARTMENT

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Manufacturing showed 5.8% growth, while the service sector posted a 5.9% rise and the private sector a 6.2% rise.

City bonuses did have a part to play as the finance and business services sector showed a 12.7% rise in February against a 3.4% fall the previous month.

In contrast, public sector earnings (excluding financial services) rose by just 2.5%.

Headline earnings (the latest rolling three-month average) for the whole economy showed provisional growth of 2.3% in the three months to February – the January rise was just 0.8%.

In the manufacturing sector, the rise was up to 4.4% from 3.1% in the three months to January.

Earnings growth in the services sector was up to 2.0% in the three months to February from 0.5% in the previous three-month period, while earnings in the private sector moved from negative territory in January to show a 1.8% rise in the latest three-monthly period.

In the public sector (excluding financial services), earnings growth was down to 2.5% in the three months to February compared with 2.6% in the previous three-month-period.

Average weekly earnings ¹						
£ a week						
	<u>Whole economy</u>					
	annual % rise	Manu- facturing	Services	Private sector	Public sector ²	
2009						
January (r)	438	-0.5	499	416	430	442
February (r)	420	-5.6	493	413	425	445
March	445	-0.9	503	424	440	443
April	448	1.4	507	434	450	447
May	448	0.8	502	433	447	446
June	449	1.2	505	434	447	449
July	448	0.6	499	432	443	448
August	449	0.7	506	433	445	449
September	450	0.8	507	436	447	452
October	451	0.5	509	436	448	452
November	449	0.8	512	435	447	453
December (r)	447	0.7	517	436	449	451
2010						
January (r)	441	0.9	520	414	426	455
February (p)	443	5.6	522	438	451	456
% annual rise for February		5.8	5.9	6.2	2.5	
% increase in headline rate for February ³	2.3	4.4	2.0	1.8	2.5	

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. ² Excludes financial services. ³ The average of the seasonally adjusted data for the latest three months compared with three months a year earlier. (p) provisional, (r) revised

The table below gives estimates of full-time average weekly earnings by occupation. It is based on figures from the Annual Survey of Hours and Earnings 2009, "uprated" by the 1.1% decrease in the average weekly earnings figures between April 2009 and February 2010.

Full-time average weekly earnings by occupation	
	£ a week
All workers	580.80
All male	635.90
All female	495.70
Managers	853.50
Professionals	775.30
Associate professionals	599.90
Admin & secretarial	407.20
Skilled/craft	479.20
Services	345.40
Sales	320.90
Operatives	439.10
Other manual jobs	342.90

www.statistics.gov.uk/pdfdir/lmsuk0410.pdf

Unemployment posts an unwelcome rise

Unemployment showed an unwelcome bounce, according to latest official data.

Under the Labour Force Survey (LFS) count, unemployment rose by 43,000 to 2.5 million in the three months to February compared with the previous three months. As a result the jobless rate rose to 8.0% from 7.8%.

The rise was split fairly evenly between the sexes. The number of unemployed men was up by 23,000 to 1.53 million and their unemployment rate rose to 9.1% from 8.9%. Meanwhile, the number of jobless women rose by 20,000 to 970,000 and their unemployment rate was up to 6.7% from 6.6% previously.

The LFS count includes people who are looking for work but are not eligible for benefits, and is the government's preferred measure.

On the other hand, the claimant count, which only includes those claiming Jobseeker's Allowance (JSA), posted a drop. It showed a monthly fall of 32,900 to 1.54 million in March and the unemployment rate fell to 4.8% from 4.9%.

Unemployed men on benefit fell by 29,100 to 1.12 million and their unemployment rate was down to 6.4%. The number of women claiming JSA was down by 3,800 to 427,500, but their jobless rate remained at 2.9%.

The TUC is calling for more resources for Jobcentre Plus and for the extension of Job Guarantees so that everyone out of work for at least 12 months is offered a real job for at least six months. This offers unemployed people the best possible chance of a permanent return to work, the TUC believes.

TUC general secretary Brendan Barber said: "Unemployment is lower in this recession than in previous ones, but that does not mean that it is no longer a problem – and it is disappointing how little it has featured in the election campaign."

Unemployment seasonally adjusted				
	Claimants (000s)	% ¹	LFS ² (000s)	%
2004	853	2.7	1,424	4.8
2005	862	2.7	1,465	4.9
2006	945	3.0	1,671	5.4
2007	865	2.7	1,653	5.3
2008	906	2.8	1,781	5.7
2009	1,529	4.7	2,395	7.6
2009				
February (r)	1,388	4.3	2,133	6.8
March (r)	1,454	4.5	2,231	7.1
April (r)	1,506	4.6	2,280	7.3
May (r)	1,539	4.7	2,376	7.6
June (r)	1,560	4.8	2,431	7.8
July (r)	1,582	4.9	2,467	7.9
August (r)	1,602	4.9	2,466	7.9
September (r)	1,617	5.0	2,461	7.8
October (r)	1,628	5.0	2,482	7.9
November (r)	1,619	5.0	2,459	7.8
December (r)	1,601	5.0	2,457	7.8
2010				
January (r)	1,617	5.0	2,449	7.8
February (r)	1,577	4.9	2,502	8.0
March (p)	1,544	4.8		

¹ Percentage of working population – the employees, unemployed, self-employed and the armed forces. ² The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

Regions The claimant count fell in all 12 regions bar one in March – the odd one out was Northern Ireland where it rose.

The unemployment rate was above the UK average of 4.8% in six regions. The highest rates were 6.8% in the North East, 6.3% in Northern Ireland and 6.2% in the West Midlands.

The LFS count showed rises in eight regions and falls in four. The largest rises were 13,000 in both Yorkshire and the Humber and the East Midlands.

On the plus side, there was a large fall in London, where unemployed numbers were down by 22,000 and a 6,000 fall in the West Midlands.

The unemployment rate was above the UK average of 8.0% in six regions. The highest rates were 9.5% in both the West Midlands and the North East, and 9.0% in Wales.

Region	March claimants		LFS Dec – Feb	
	Number	%	Number	%
North East	82,900	6.8	120,000	9.5
North West	189,000	5.3	290,000	8.5
Yorkshire & the Humber	153,200	5.8	253,000	9.6
East Midlands	106,800	4.8	180,000	7.8
West Midlands	170,600	6.2	253,000	9.5
East	115,200	4.0	198,000	6.6
London	221,800	4.5	363,000	8.9
South East	147,400	3.3	284,000	6.4
South West	88,700	3.2	170,000	6.4
Wales	75,700	5.3	131,000	9.0
Scotland	136,600	4.9	208,000	7.8
Northern Ireland	55,900	6.3	53,000	6.4

www.statistics.gov.uk/pdfdir/lmsuk0410.pdf

Inflation hits 18-month high in March

Inflation rose sharply to its highest level since September 2008, according to official figures. Under the Retail Prices Index (RPI), inflation was running at 4.4% in March, against 3.7% the previous month.

Higher petrol prices and dearer seasonal food were two of the factors in the rise. In addition, average gas bills fell last year, but were unchanged this year.

Under the Consumer Prices Index (CPI), inflation rose to 3.4% last month from 3.0% in February. This measure does not include housing costs.

	Retail Prices Index	% increase on year earlier		
		RPI	RPI except mortgage interest payments	CPI
(Jan 1987 = 100)				
2009				
March	211.3	-0.4	2.2	2.9
April	211.5	-1.2	1.7	2.3
May	212.8	-1.1	1.6	2.2
June	213.4	-1.6	1.0	1.8
July	213.4	-1.4	1.2	1.8
August	214.4	-1.3	1.4	1.6
September	215.3	-1.4	1.3	1.1
October	216.0	-0.8	1.9	1.5
November	216.6	0.3	2.7	1.9
December	218.0	2.4	3.8	2.9
2010				
January	217.9	3.7	4.6	3.5
February	219.2	3.7	4.2	3.0
March	220.7	4.4	4.8	3.4

Five of the 14 groups that make up the RPI posted increases above the overall rate of 4.4%. The motor-

ing expenditure group posted a 17.3% rise, which included a 25.3% rise in petrol and oil prices; a 15.2% rise in car prices; and an 18.2% rise in tax and insurance.

The 5.3% rise in the fares and travel costs group included an 8.0% rise in rail fares and a 4.2% hike in bus and coach fares.

Food prices only rose by 1.7% overall, but the price of a cuppa was up as tea prices rose by 14.0%. Butter was 9.8% dearer and fruit prices were up by 8.4%.

The fuel and light group showed a 4.4% fall overall, including cuts in electricity and gas prices of 7.5% and 4.4% respectively, but those cuts were offset by a 37.4% rise in "oil and other fuel" prices.

The 1.9% rise in the housing group included a 4.0% fall in mortgage interest payments.

More than 4.4%	%	Less than 4.4%	%
Motoring expenditure	17.3	Clothing & footwear	3.7
Tobacco	6.5	Personal goods & services	3.6
Fares etc	5.3	Household services	3.5
Leisure services	5.1	Alcoholic drink	3.5
Household goods	4.7	Catering	2.9
		Housing	1.9
		Food	1.7
		Leisure goods	1.4
		Fuel & light	-4.4

www.statistics.gov.uk/pdffdir/cpi0410.pdf

www.statistics.gov.uk/pdffdir/cpibrief0410.pdf

More pension schemes face closure

Unions have criticised the latest attack on final salary pension schemes. Insurer Aviva is planning to close two schemes to existing members to try and eliminate a £3 billion deficit.

The move would affect 5,600 Aviva employees and 2,000 staff at its RAC roadside breakdown subsidiary.

Under its proposals, members of the defined benefit schemes – commonly known as final salary schemes – will be offered the chance to join a money purchase (or defined contribution) scheme instead from April 2011.

A 90-day consultation process will begin in June with a view to closing the scheme in March next year.

Siobhan Edean, national officer for finance at the

Unite general union, said: "Aviva remains a highly-profitable company and what it has done is stab hard-working staff in the back who could now lose thousands of pounds in pension benefits to live on during their retirement."

Mark Hodges, Aviva's UK chief executive, admitted that the company was just joining the wholesale corporate desertion of final salary schemes.

"Our proposals are in keeping with the continuing trend for companies to move to money purchase schemes – these schemes are now the norm, rather than the exception" he said.

www.employeebenefits.co.uk/item/10446/23/5/3

Post-election public sector jobs cull warning

A post-election push to slash the public deficit is set to threaten the UK's economic recovery and risk a sharp rise in unemployment, the Chartered Institute of Personnel and Development (CIPD) has warned.

Chief economic adviser John Philpott sounded the note of caution in his analysis of the three main parties' pre-election policies. He said that the post-election public spending squeeze would be "far greater" than any of the main political parties is prepared to admit and that it was probable that the next government would have to reduce the public workforce by up to 10%.

"A 10% reduction in the 5.8 million core public-sector workforce is probable, the prospect of 500,000 public-sector jobs being shed in the next five years dwarfing anything implicit in the election manifestos," said Philpott.

However, he did not support the Conservatives' plans to start making cuts immediately, as the timing of deficit reduction plans is crucial for the fate of the economy.

"We are concerned that the Conservative plan to push ahead immediately with £6 billion of spending cuts would threaten the economic recovery and increase the risk of higher unemployment," Philpott said.

www.peoplemanagement.co.uk/pm/articles/2010/04/half-a-million-public-sector-jobs-could-go-after-election-cipd-warns.htm