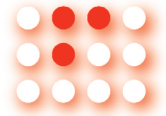


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UK economy was on the up in early 2010

The UK economy was expanding in early 2010, latest official estimates show. Gross domestic product (GDP) rose by 0.3% in the first quarter of 2010 on the previous quarter – unchanged on the earlier estimate published in May.

Manufacturing output rose by 1.4% in the first quarter of 2010 on the previous quarter and was 1.8% higher than the same quarter a year earlier.

The output of the production industries (manufacturing, energy and utilities) increased by 1.0% in the first quarter of 2010 on the previous quarter, but was unchanged on the same quarter of 2009.

www.statistics.gov.uk/pdffdir/qna0610.pdf

Holiday childcare is postcode lottery

A woeful lack of holiday childcare is revealed in new research by the Daycare Trust, the national childcare charity. Ahead of the school holidays, the trust has uncovered a postcode lottery and patchwork of childcare availability.

The findings of this year's *Holiday childcare costs* survey show a huge gap in childcare provision, with only 20% of local authority Family Information Services (FIS) able to state that they have sufficient holiday childcare in place to meet parental need – down from one third last year, while 63% reported that parents had complained of a lack of childcare in their area – rising to 88% in the South East region.

And this picture looks set to get worse, with the amount of holiday childcare provision falling in 40% of local authorities – a trend rapidly emerging as a result of council spending cuts and the impact of the recession.

The average cost of a week's childcare across Britain has risen by 3% this year to £93, but this figure masks a postcode lottery across the UK. Costs varied from £119.32 a week for private, voluntary or independent (PVI) sector childcare in the East of England region, compared with just £58.89 a week for local authority-provided childcare in Wales.

The survey also showed that in many instances local authority provision remained cheaper than PVI-provided childcare, where costs rose by over 16% in both the North West and South East this year, although Scotland bucked this trend with a 10% rise in local authority provision and no rise in costs in the PVI sector.

LABOUR RESEARCH DEPARTMENT

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The trust asked all FIS in England and Wales and all Childcare Information Services (ChIS) in Scotland to complete a short questionnaire concerning the availability and typical cost of holiday childcare in their area. Over 130 responses were received in total, an overall response rate of 66%.

Alison Garnham, chief executive of the Daycare Trust, said: "The situation continues to get worse with the impact of local authority spending cuts which we see are already attacking holiday childcare provision.

"Where provision is available, parents are being expected to shell out the equivalent cost of a family holiday abroad over the course of the summer – simply for the privilege of having their children looked after so that they can attend work."

www.daycaretrust.org.uk/pages/woeful-lack-of-holiday-childcare-revealed-by-new-daycare-trust-research.html

Inflation edges down

Inflation dipped slightly on the back of cheaper clothes and falling domestic fuel prices. Under the Retail Prices Index (RPI), inflation was 5.0% in June, against 5.1% the previous month.

Under the Consumer Prices Index (CPI), inflation was down to 3.2% last month against 3.4% in May. This measure does not include housing costs and is the government's preferred measure.

	RPI	% increase on a year earlier		
		RPI	RPIX ¹	CPI
Jan 1987=100				
2009				
June	213.4	-1.6	1	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
April	222.8	5.3	5.4	3.7
May	223.6	5.1	5.1	3.4
June	224.1	5.0	5.0	3.2

¹ RPI except mortgage interest payments

Five of the 14 groups that make up the RPI posted increases above the overall rate of 5.0%.

The motoring expenditure group's 14.7% rise included a 31.8% rise in tax and insurance and a 15.4% rise in petrol and oil prices.

The 6.3% rise in the fares and travel costs group included a 9.5% rise in rail fares.

The housing group's rise of 3.9% included a 4.6% rise in mortgage interest payments, but rents and "council tax and rates" were only up by 1.9% and 1.7% respectively.

Food prices rose overall by 1.7%, but the price of tea rose by 14.7%, while spreading butter on a slice of toast was dearer with butter prices up by 13.7%, offset by a 1.5% fall in bread.

The fuel and light group showed an overall fall of 2.4%, with gas and electricity prices down by 6.6% and 0.5% respectively, but there was a 21.0% rise in "oil and other fuel" prices.

More than 5.0%	%	5% or less	%
Motoring expenditure	14.7	Leisure services	5.0
Tobacco	7.4	Household goods	4.1
Clothing & footwear	6.3	Housing	3.9
Fares etc	6.3	Personal goods & services	3.5
Household services	5.4	Alcoholic drink	3.5
		Catering	3.0
		Food	1.7
		Leisure goods	0.9
		Fuel & light	-2.4

www.statistics.gov.uk/pdfdir/cpi0710.pdf

www.statistics.gov.uk/pdfdir/cpi0710.pdf

Jobless fall comes with warning from TUC

Unemployment fell on both official counts, according to the Office for National Statistics (ONS).

Under the Labour Force Survey count, it fell by 34,000 to 2.47 million in the three months to May on the previous three-month period.

The unemployment rate was down to 7.8% from 8.0% in the three-month period to February 2010.

Male unemployment was down by 38,000 to 1.49 million and their unemployment rate was down to 8.8% from 9.1%. Meanwhile, the number of unemployed women rose by 5,000 to 975,000, although their unemployment rate was steady at 6.7%.

The claimant count, which only takes into account those claiming Jobseeker's Allowance, posted a

fifth consecutive monthly fall, the ONS said. It was down by 20,800 to stand at 1.46 million in June. The unemployment rate dipped slightly to 4.5% from 4.6% in May.

Male claimant numbers were down by 17,500 on the previous month to 1.05 million and their unemployment rate was 6.0% against the previous month's 6.1%. The fall for women claimants was only 3,300 cutting their numbers to 414,700, but their unemployment rate was unchanged at 2.8%.

TUC general secretary Brendan Barber said the figures were "disappointing" and warned "because unemployment lags behind the rest of the economy we have yet to see any impact from the new government's policies on the dole queue".

"When the cuts start to bite not only will jobs be lost from the public sector but across the private sector too. Many firms will lose public orders, and there will be an inevitable knock-on effect across the wider economy. A double-dip is beginning to look more likely every day," he added.

	Unemployment seasonally adjusted		LFS ²	
	Claimants (000s)	% ¹	(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				
May	1,539	4.7	2,376	7.6
June	1,560	4.8	2,431	7.8
July	1,582	4.9	2,467	7.9
August	1,602	4.9	2,466	7.9
September	1,617	5.0	2,461	7.8
October	1,628	5.0	2,482	7.9
November	1,619	5.0	2,459	7.8
December	1,601	5.0	2,457	7.8
2010				
January	1,617	5.0	2,449	7.8
February	1,577	4.9	2,502	8.0
March	1,544	4.8	2,510	8.0
April	1,512	4.7	2,472	7.9
May (r)	1,481	4.6	2,468	7.8
June (p)	1,460	4.5		

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 showed a fall in 10 of the 12 regions – Northern Ireland and the North East saw a rise. However, the unemployment

rate was above the UK average of 4.5% in seven regions. The highest rates were 6.6% in the North East, 6.3% in Northern Ireland and 5.8% in the West Midlands.

The LFS count showed falls in seven regions, no change in one – Wales – and was up in the other four regions.

There was a 23,000 fall in the West Midlands and a 15,000 fall in the East Midlands, followed by a 12,000 fall in the South East. However, there was an 18,000 rise in London.

The unemployment rate was above the UK average of 7.8% in seven regions. The highest rates were 9.4% in the North East, 9.3% in London and 9.1% in Yorkshire and the Humber and Wales.

Region	June claimants		LFS Mar - May	
	Number	%	Number	%
North East	80,100	6.6	121,000	9.4
North West Yorkshire & the Humber	179,800	5.1	284,000	8.3
Humber	143,600	5.4	245,000	9.1
East Midlands	98,700	4.5	165,000	7.2
West Midlands	159,800	5.8	230,000	8.6
East	108,000	3.7	196,000	6.6
London	213,000	4.4	382,000	9.3
South East	135,600	3.0	272,000	6.2
South West	81,200	3.0	168,000	6.3
Wales	71,000	5.0	131,000	9.1
Scotland	133,200	4.8	216,000	8.1
Northern Ireland	56,100	6.3	59,000	7.0

www.statistics.gov.uk/pdfdir/lmsuk0710.pdf

Tribunal claims soar in the recession

The number of claims accepted by employment tribunals has increased by 56% to the highest level on record, according to new figures.

The Tribunals Service's annual statistics reveal the number of claims accepted by employment tribunals in 2009-10 increased to 236,100, up from 151,000 the previous year.

The number of claims associated with redundancy pay also shot up by 76% from 10,800 in 2008-09 to 19,000. Unfair dismissal claims also increased by 9% to 57,400.

Meanwhile, age discrimination claims rose by 37% to 5,200. And claims associated with the *Working Time Directive* also increased sharply by 297% to 95,200 in 2009-10.

But equal pay employment tribunal claims dropped during 2009-10 by 18% to 37,400.

The number of disposals – cases withdrawn, settled, dismissed, or decided at a final hearing – by employment tribunals increased by 22%, but this did not keep pace with claim receipts as more than 400,000 claims remained outstanding.

Susie Munro, an employment law editor at XperthHR, said the overall rise in employment tribunal claims could be explained by the recession and a significant increase in multiple claims submitted last year – which involve a number of individuals bringing claims relating to the same incident, such as a TUPE decision.

www.personneltoday.com/articles/2010/07/07/56191/tribunal-claims-increase-by-56-to-the-highest-level-ever-recorded.html
www.tribunals.gov.uk/

Earnings growth still lags behind inflation

Earnings across the economy continue to fall in real terms, the latest official figures show.

Average weekly earnings, including bonuses, rose by 1.3% in the year to May on a year ago, according to the Office for National Statistics.

The small rise compares with the revised figure of a 0.7% rise for April.

Manufacturing earnings rose by 3.1%, compared with a 2.8% rise in April. Services, on the other hand, only managed a 1.3% rise against 0.6% the previous month.

For the private sector, growth was 1.2% against no change in April, while in the public sector (excluding the nationalised banks), the earnings contracted by 0.2% in May against a 1.9% rise in April.

With inflation, based on the Retail Prices Index, rising by 5.1% in May – the overall earnings rise was 3.8 percentage points lower than the rise in the cost of living.

Headline earnings growth (the rolling three-month average) stood at 2.7% in May against 4.1% in the three months to April.

Manufacturing earnings posted a 4.9% rise, against 5.6% previously, while there was a 2.8% rise in

services in the three months to May compared with 4.4% in April.

For the private sector, growth was down to 2.8% from 4.4%, while public sector growth was much lower at 1.5% compared with the 2.4% figure for April.

Average weekly earnings ¹					
	Whole economy	Manufacturing	Services	Private sector	Public sector ²
£ a week					
2009					
April (r)	451	505	435	449	447
May (r)	448	503	434	447	447
June	449	505	434	447	449
July	448	499	432	443	448
August	449	506	433	445	449
September	450	507	436	447	452
October	451	509	436	448	452
November	449	512	435	447	453
December	447	517	436	449	451
2010					
January	446	522	414	426	455
February	452	521	439	453	456
March	461	544	451	469	456
April (r)	454	520	438	449	456
May (p)	453	519	439	453	446
% annual change					
Single month	1.3	3.1	1.3	1.2	-0.2
3-month average ³	2.7	4.9	2.8	2.8	1.5

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. ² Excludes financial services. ³ 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 0.4% increase in the average weekly earnings figures between April 2009 and May 2010.

Full-time average weekly earnings by occupation	
	£ a week
All employees	589.60
All male	645.60
All female	503.20
Managers	866.50
Professionals	787.00
Associate professionals	609.00
Admin & secretarial	413.30
Skilled/craft	486.40
Services	350.60
Sales	325.80
Operatives	445.80
Other manual jobs	348.10

www.statistics.gov.uk/pdfdir/lmsuk0710.pdf