

# IDS Pay Report 957

July 2006

<b>Viewpoint</b>	<b>2</b>	<b>Explaining private and public sector earnings movements</b>
<b>News review</b>	<b>4</b>	<b>Honeywell</b> – 3.25% awarded at Building Solutions division
	<b>4</b>	<b>Asda</b> – GMB wins collective bargaining rights
	<b>4</b>	<b>Capita</b> – recognition deal with PCS extended
	<b>4</b>	<b>Minimum wage</b> – childcare providers targeted by NMW enforcers
	<b>4</b>	<b>Philips Lighting</b> – salaries increase by 3%
	<b>4</b>	<b>Messier-Dowty</b> – 2.4% in second year of three-year deal
	<b>5</b>	<b>Local authorities</b> – pay increases at opted-out councils in line with NJC
	<b>5</b>	<b>Hewlett-Packard</b> – performance-based increases average 2% in UK
	<b>5</b>	<b>International Flavourings and Fragrances</b> – 2.9% in first year of two-year deal
	<b>6</b>	<b>Scottish Executive</b> – new three-year deal agreed
	<b>6</b>	<b>BEN</b> – across-the-board increases of 3%
	<b>6</b>	<b>Royal Star and Garter</b> – pay rise of between 2 and 3%
	<b>6</b>	<b>Sony</b> – 3% agreed at UK Tech site
	<b>7</b>	<b>Severn Trent Water</b> – 4% paybill rise in second year of two-year deal
	<b>7</b>	<b>Steeplejacks</b> – 3.75% on minimum rates
	<b>7</b>	<b>Genesis Housing</b> – 1.8% on basic pay
	<b>7</b>	<b>Demolition</b> – 5.5% on minimum rates in second year of two-year deal
	<b>7</b>	<b>Royal College of Paediatrics and Child Health</b> – 4.3% rise for office staff
<b>Analysis</b>	<b>8</b>	<b>Public sector pay in 2006</b> The 2006/07 public sector pay bargaining round is taking place in the context of Government policy to limit pay increases to an average of 2.25 per cent. In this article we examine what the outturn has been so far in the 2006/07 public sector pay round, and look at the key issues on the pay agenda in education, health, central government and local government.
	<b>14</b>	<b>Understanding Reward: Pay review bodies</b> For certain groups of public sector employees, pay is set by independent pay review bodies. In this article we examine the changing function of this 35-year old system of pay determination, and look at the tension between their independent role and Government policy on public sector pay.
<b>Agreements</b>	<b>16</b>	Hamble Structures
	<b>17</b>	Akzo Nobel Decorative Coatings
	<b>18</b>	British Sugar
	<b>19</b>	Quest International
	<b>19</b>	Perkins Engines
	<b>20</b>	Bombardier Aerospace
	<b>21</b>	The Blue Cross
	<b>22</b>	NCR Financial Services
	<b>22</b>	C&J Clark International
	<b>23</b>	Select Service Partner – UK Rail
	<b>24</b>	The Independent
	<b>25</b>	Matalan
<b>Datasection</b>	<b>26</b>	<b>Latest statistics on inflation, earnings and the labour market</b>