FACT SERVICE

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Increase in number of high earners in banking

The number of high earners in EU banks increased significantly in 2014, according to a new report from the European Banking Authority (EBA).

The number of high earners – those earning over €1 million in the EU – increased by 21.6% to 3,865 in 2014 from 3,178 in 2013.

The UK dominates the figures. In 2014, there were 2,926 high earners, accounting for three-quarters of the EU total. The 2014 UK total was up by 40.3% on the previous year's total of 2,086.

The other countries that made up the top five for high earners in 2014 were: Germany (242 high earners); France (171), Italy (153); and Spain (119).

A breakdown of the UK high earners in the various banking subsectors showed 2,075 in investment banking and 176 in both asset management and corporate functions. These three subsectors accounted for over 80% on the UK total.

The top earner in the UK in 2014 received £19.4 million, converting the EBA figures to sterling at the average 2014 rate of €1=80.6p. Another received £18.1 million, and a third £16.1 million.

At the other end of the high-earner scale, there were 2,088 bankers who earned between £860,000 and £1.6 million (€1m and €2m). The average remuneration of these 2,088 individuals was £1.1 million.

The introduction of the "bonus cap" – limiting the ratio between variable and fixed components of remuneration to since 2014 – had an impact on remuneration practices. The average ratio between the variable and fixed remuneration paid to high earners dropped from 317% in 2013 to 127% in 2014.

www.eba.europa.eu/documents/10180/1359456/EBA+Op-2016-05++%28Report+on+Benchmarking+of+Remuneration+and+High+Earners+2014%29.pdf

Low take-up of Shared Parental Leave

A year on from the introduction of Shared Parental Leave, a report shows a low take-up by new fathers.

Shared Parental Leave was first introduced last April and gives parents the option of spreading almost a year's worth of leave between the two of them, rather than the traditional method of the mother being allocated the bulk of the time off.

A couple can split the leave allowance in whichever manner best suits their needs and an employer is expected to accommodate this within reason.

However, new research published by My Family Care and the Women's Business Council shows that just 1% of fathers have chosen to opt for Shared Parental Leave over the traditional two weeks of Paternity Leave, with half saying that they feel taking more time off would be perceived negatively at work.

That 1% does come with a warning that it's the percentage of all male employees in the companies surveyed: the majority were unable to tell My Family care the size of their male populations that were eligible for Shared Parental Leave.

Other reasons why men have chosen not to take up Shared Parental Leave are financial affordability, lack of awareness, and unwillingness from women to share their maternity leave. More than half of women (55%) say they don't want to share their leave with their partner.

TUC general secretary Frances O'Grady said: "Shared Parental Leave has been a small step towards getting dads more involved with childcare. But take-up has been very low and without better rights to leave and pay, many fathers will continue to miss out on playing an active role in the first year of their child's life."

She pointed to TUC research, which shows as many as two in five new fathers are ineligible for Shared Parental Leave, as their partners are not in paid work or they fail to meet the qualifying conditions.

"If the government is serious about men being more involved after their child is born then they must increase statutory pay and give all new dads a right to their own parental leave that is not dependent upon their partners," she added.

Full details on entitlement to Shared Parental Leave are available on the gov.uk website link below.

www.gov.uk/shared-parental-leave-and-pay/overview

www.myfamilycare.co.uk/news/update/shared-parental-leave-where-are-we-now.html

www.tuc.org.uk/workplace-issues/government-must-give-new-dads-right-more-paid-parental-leave-says-tuc

Blacklist victims get their day in court

Blacklisted workers will demand compensation in court this week from eight construction firms for loss of earnings over decades.

More than 700 workers in the construction industry represented by unions UCATT, GMB and Unite have sued the companies for using a secret and illegal database for about 50 years to block those who reported breaches in health and safety from getting work.

The firms to stand as High Court defendants on Thursday, 7 April are Sir Robert McAlpine Ltd, Balfour Beatty, Carillion, Costain, Skanska, Kier, Vinci and Laing O'Rourke.

Last October, they admitted that they broke the law by subscribing to The Consulting Association, an organisation which maintained a list of trade unionists — effectively stopping them getting work — and by infringing rights of confidentiality, privacy, reputation and data protection.

Unions have already won £5.6 million in compensation for some victims.

www.morningstaronline.co.uk/a-695d-Blacklist-victims-will-be-heard-at-last

Year-end economic growth uprated

The latest Official for National Statistics estimate on the economy for the final quarter of 2015 shows it grew by more than previously thought.

UK gross domestic product (GDP) is now estimated to have increased by 0.6% between the third quarter and fourth quarter 2015. That's an increase of 0.1 percentage points on the second estimate of GDP published on 25 February 2016.

The upwards revision for the final quarter of the year also impacted on the 2015 figures as a whole.

The annual increase in GDP was put at 2.3% for 2015 — a 0.1 percentage point increase on the previous estimate. However, annual growth was still lower than in 2014 when the increase was 2.9%.

www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/quarter4octtodec2015#main-points

Old and unemployable ?

Age stereotypes can strongly affect people's choices about who to hire, new research from the University of Kent has shown. If one of two equally well qualified job candidates is described as having stereotypically "young" characteristics, and the other has stereotypically "old" characteristics, the "younger" candidate is more likely to be selected.

The research team, led by Professor Dominic Abrams of the School of Psychology at the University of Kent, conducted a series of experiments in which people were asked to imagine they were running a firm and then to select the candidate who would help them to maximise their profits.

Participants were told about two equally qualified job candidates, whose strengths had been rated as equal by an independent set of judges, but whose age was not given.

One candidate was described as having strengths that matched the "younger" stereotype – being good at using IT, creative, good at learning new skills. The other candidate was described as having strengths that matched the "old" stereotype – being good at understanding others' views, settling arguments, and being careful.

The Kent researchers found that participants consistently favoured the young profile. In fact, regardless of whether the job was for a long or short term, and whether it was for a supervisor or supervisee role, over 70% of participants preferred the young profile.

Matters only evened out when participants were told that both candidates would be working for them but that they had to choose which should be the subordinate. In that case, 50% chose the "old" profile to be subordinate.

The findings show that people's unacknowledged assumptions about age and age-related capability can affect the way they view someone's employability. If these assumptions affect employers' judgements, it has serious implications for the fair chances of older workers to gain employment in new roles or workplaces.

www.kent.ac.uk/news/society/9330/too-old-to-hire-research-confirms-age-discrimination

Acas updates guide on sex discrimination

Over the past year, the Acas helpline has dealt with over 7,000 calls related to sex discrimination in the workplace. This has led to employment relations service updating its guide on sex discrimination at work.

Sex discrimination: key points for the workplace gives employees, employee/trade union representatives and management a grounding in how sex discrimination can occur in the workplace, how it can be dealt with and how to reduce the chance of future discrimination.

The 2010 *Equality Act* protects employees from discrimination, harassment and victimisation because of sex, one of nine features known in law as protected characteristics and covered by the Act.

The guide is mindful of developments affecting the workplace, such as:

- draft regulations that each large employer in the private and not-for-profit sectors must publish certain figures about a pay gap between the sexes in its organisation, and
- a shift where it is becoming slowly more culturally acceptable for a man to ask for flexible working, or seek or take leave for family reasons. Previously, women were twice as likely to have such requests approved.

The guide stresses that sex discrimination against men is just as unlawful as sex discrimination against women. Also, it is unlawful for a woman to discriminate against another woman because of her sex, and for a man to discriminate against another man because of his sex.

Sections of the guide include how sex discrimination can happen; the main areas of employment where it can occur, such as in recruitment; and how employees can raise complaints and how employers should deal with them.

Acas chair Sir Brendan Barber said: "Sex discrimination is unlawful and it's worrying that so many people have called the Acas helpline about it. Nine out of 10 calls came from employees and the overwhelming majority of these callers were women."

www.acas.org.uk/media/pdf/d/2/Sex-discrimination-key-points-for-the-workplace.pdf

New employers to pay voluntary Living Wage

More employers are embracing the voluntary Living Wage rather than the lower statutory National Living Wage of £7.20 an hour introduced by the government for workers aged 25 and over.

From 1 April, the Swedish-owned retailer IKEA UK has increased the rates of pay for 7,300 employees through the introduction of the voluntary Living Wage and has also given proportionate pay rises to team leaders.

The retailer has implemented the Living Wage Foundation's voluntary Living Wage rate of £9.40 in London and £8.25 an hour elsewhere in the UK. Around 1,200 IKEA UK team leaders will get a proportionate pay increase.

The changes form part of the organisation's wider efforts to ensure that employees receive the right level of pay, and are on the right contract and schedule.

In addition to becoming an accredited Living Wage employer, IKEA has also become a Principal Partner to the Living Wage Foundation. This partnership will enable IKEA to play a key role in ongoing discussions about the living conditions of people in the UK, as well as to share its own experiences in implementing the Living Wage with other businesses in order to encourage further uptake of the Living Wage.

EDF Energy has also been accredited as a Living Wage employer. This means that its 14,000 staff have been shown to be paid at least or above the Living Wage.

Many of EDF Energy's suppliers already pay the Living Wage, but the firm will work to encourage all of its suppliers to pay the Living Wage to those that regularly work for the company.

The unions at EDF – Unite, UNISON, GMB and Prospect – have supported the move.

In the north west of England, Liverpool John Moores University has been accredited as a Living Wage employer by the Living Wage Foundation. The university, which employs around 2,500 members of staff, has committed to paying permanent employees and third-party contractors at least the Living Wage rate of £8.25 an hour.

www.ikea.com/gb/en/about_ikea/newsitem/IKEA-to-introduce-living-wage

http://media.edfenergy.com/r/1057/edf_energy_accredited_by_the_living_wage_foundation

www.ljmu.ac.uk/about-us/news/ljmu-becomes-accredited-living-wage-employer

Above-inflation rise for minimum wage

Younger workers will see their national minimum wage rate rise from 1 October 2016.

Workers aged 21 up to 25 will get a 3.7% increase from £6.70 an hour to £6.95 an hour.

The development rate for workers aged 18-20 will rise by 4.7% from £5.30 an hour to £5.55.

The young workers rate for those aged 16-17 increases by 3.4% from £3.87 an hour to £4.00.

Apprentices under 19 or over 19 and in the first year of the apprenticeship will only get a 3.0% taking them to £3.40 an hour from £3.30.

These new rates will only apply until April 2017 when they will be uprated along with the National Living Wage – the statutory higher minimum wage for older workers, which was introduced this April and which is set at £7.20 an hour.

www.cipd.co.uk/hr-inform/employment-law/pay-benefits/national-minimum-wage/

UK trading deficit worsens in 2015

Britain's trading position with the rest of the world deteriorated in 2015. The UK's current account deficit was £96.2 billion, up from a deficit of £92.5 billion in 2014.

The deficit in 2015 equated to 5.2% of GDP at current market prices. That's the largest annual deficit as a percentage of GDP since annual records began in 1948, the Office for National Statistics said.

The trade in services surplus at £88.68 billion was down marginally on the 2014 figure of £88.74 billion.

Meanwhile the trade in goods deficit worsened to £125.35 billion from £123.14 billion in 2014.

Imports of goods fell by £6.01 billion to £410.87 billion, but exports of goods fell by £8.22 billion to £285.52 billion.

A current account deficit of £106.43 billion was recorded with the EU in 2015, compared with a deficit of £103.78 billion the year before. The deficit on trade and services widened to £67.76 billion as a result of a widening in the trade deficit to £88.68 billion.

Last year, the current account with non-EU countries showed a smaller surplus of £10.2 billion compared with a surplus of £11.31 billion in 2014.

www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/balanceofpayments/octtodecandannual2015

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