FACT SERVICE

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Thirty-one directors pocket £84 million

Thirty-one executives, who received a remuneration package of at least £1 million, feature in the latest tranche of highly paid executives.

The 31 received a total of £84.35 million — an average remuneration package of £2.72 million. That average package works out at £52,307 a week - and is 95 times the average weekly wage of £550 for a full-time worker in 2017 as set out in the Annual Survey of Hours and Earnings 2017.

Kate Swann, chief executive of airport and railway station catering group SSP, heads the list. She received a package worth £6.48 million a year or £124,580 a week.

Antonio Horta-Osório, chief executive of Lloyds Banking Group, takes second spot with a £6.42 million package — equivalent to £123,500 a week.

Another banker from another banking group — Stuart Gulliver of HSBC — fills third spot. His £6.09 million package equates to around £117,030 a week.

Eleven of the top 12 executives in the table on page 38 work for five of the top banks.

Year-on-year comparisons could be made for 26 of the executives and 20 saw their packages grow last year. Thirteen of the increases were at least 10.9% at a time when official average earnings data were rising by no more than 2.8%.

Kate Swann again takes the top spot with a 148.4% rise, while SSP's chief financial officer Jonathan Davies received a 139.8% rise taking him to £2.21 million a year or £42,480 a week.

A third executive to see their package more than double in size is Richard Woodman, chief financial officer of Paragon Banking. A 100.7% pushed his package up to £2.41 million a year or £46,350 a week.

Angus McCoss, director of exploration at oil group Tullow, saw his package shrink by 17.6% last year but he still received £1.33 million or £25,500 a week.

Fact Service examines the remuneration reports of the top 350 FTSE companies, quoted on the London Stock Exchange. The total remuneration figure given in the table includes: basic salary, cash bonus, long-term share bonuses, golden hello, golden handshake, cash pension payments and a cash figure for other benefits that directors receive, such as use of company car, life insurance, private health benefits and housing allowance. Dividends received from their shareholdings in the company are not included.

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Executive	Company (financial year end)	Total remuneration package (£000)	% change
Kate Swann	SSP (9.17)	6,478	148.4
Antonio Horta-Osório	Lloyds Banking (12.17)	6,422	10.9
Stuart Gulliver	HSBC (12.17)	6,086	7.2
Bill Winters	Standard Chartered (12.17)	4,683	38.1
Jes Staley	Barclays (12.17)	3,873	-8.5
Ross McEwan	RBS (12.17)	3,487	-5.8
Tushar Morzaria	Barclays (12.17)	3,487	-4.6
Iain Mackay	HSBC (12.17)	3,337	13.0
Ewen Stevenson	RBS (12.17)	3,324	74.4
George Culmer	Lloyds Banking (12.17)	3,321	9.1
Marc Moses	HSBC (12.17)	3,314	12.9
Juan Columbás	Lloyds Banking (12.17)	3,313	12.2
Keith Skeoch	StanLife Aberdeen (12.17)	3,028	8.6
Andy Halford	Standard Chartered (12.17)	2,857	34.3
Richard Woodman	Paragon (9.17)	2,410	100.7
Stephen Stone	Crest Nicholson (10.17)	2,247	-4.2
Jonathan Davies	SSP (9.17)	2,209	139.8
Nigel Terrington	Paragon (9.17)	2,195	14.2
Paul McDade	Tullow Oil (12.17)	1,868	16.2
Aidan Heavey	Tullow Oil (12.17)	1,718	n.a
Douglas Flint	HSBC (12.17)	1,610	n.a
Frederic Vecchioli	Safestore (10.17)	1,568	2.8
Colin Clark	StanLife Aberdeen (12.17)	1,540	n.a
Luke Savage	StanLife Aberdeen (12.17)	1,413	n.a
Patrick Bergin	Crest Nicholson (10.17)	1,373	6.6
Angus McCoss	Tullow Oil (12.17)	1,326	-17.6
Marin Gilbert	StanLife Aberdeen (12.17)	1,317	n.a
Andy Jones	Safestore (10.17)	1,169	-2.8
Tim Steiner	Ocado (11.17)	1,164	3.8
John Heron	Paragon (9.17)	1,144	13.9
Les Wood	Tullow Oil (12.17)	1,067	n.a

Takeovers by UK firms abroad at 17-year high

Mergers and acquisitions (M&A) by UK companies abroad reached a 17-year high in 2017, official figures show, but inward M&A slumped.

Outward M&A – UK companies acquiring foreign companies – was the main driver for the total value of M&A activity during 2017, with the value reaching a 17-year high of £76.6 billion. The total in 2017 was dominated by the completion of two high-value deals: the merger of Mead Johnson Nutrition Company with the UK household goods multinational Reckitt Benckiser and the merger between Reynolds American and UK tobacco multinational British American Tobacco.

There were 150 successful outward M&A transactions for 2017, a slight increase on the 141 acquisitions recorded in 2016, but lower than the 170 successful acquisitions recorded in 2015

The value of inward M&A – foreign companies acquiring UK companies – was £35.3 billion in 2017, an 81% decrease compared with the exceptional £190 billion value recorded in 2016, but higher than values recorded between 2011 and 2015.

The provisional number of completed UK acquisitions in 2017 (254) was similar to that seen during 2008 and 2016 when the total numbers of acquisitions were 252 and 262 respectively.

Domestic M&A – UK companies acquiring other UK companies – was worth £18.6 billion in 2017, a 25% decrease on the £24.7 billion total value recorded during the previous year but higher than values recorded between 2009 and 2015.

During 2017, there were 361 successful domestic acquisitions, reflecting a 16% decrease on the 428 deals reported in 2016.

www.ons.gov.uk/businessindustryandtrade/changestobusiness/mergersandacquisitions/bulletins/mergersandacquisitionsinvolvingukcompanies/octobertodecember2017

Review of impact of work on wellbeing

Latest evidence, mostly from UK, into how work is likely to change in the future, what the probable impact will be on people's physical and mental wellbeing and what employers, trade unions, educators and government should do now to prepare for the future is examined in a new report from the British Safety Council (BSC).

The *Future risk: impact of work on health, safety and wellbeing* report was commissioned by the BSC from RobertsonCooper researchers. It reviews the existing literature on this subject and makes a number of recommendations. While providing an overview of the landscape of work, the report explores the changes that employers and employees are likely to experience over the next 20 years. It focuses on the risks of these changes to the health, safety and wellbeing of the workforce.

The main themes explored by the report include the implications of “any time, any place” work. A move away from standard work practices, hours and location will challenge the relationship between employers and their workforce. “We are currently seeing loyalty between employers and employees decreasing, which means that retaining healthy, high performing employees is even more important. Organisations of the future need to trust their employees and manage by praise and reward,” explains professor Cooper.

A second theme is the need to build resilience. The future world of work will place new pressures and forms of stress on employees. Working alongside intelligent machines and robots, which never stop, outperform humans and are incapable of social interactions, will require an entirely different set of skills. This may strip away everything good work in traditional social environment offers employees, such as a sense of identity and belonging, as well as social support. That’s why employers will need to introduce specialist training and wellbeing programmes to help their employees gain skills that will build their resilience and help them to cope in new circumstances.

A third factor is forward-thinking education. New jobs in partially-automated, remote or less secure workplaces may require a greater variety of “soft skills”’, including creativity, leadership, flexibility and social skills, as well as skills related to new technology and the ability to collaborate with intelligent machines and robots. School and training bodies should start developing such skills and this process should continue beyond the compulsory education system. Such training must teach employees how to look after themselves, as well as how to take responsibility for their own health, safety and wellbeing.

Next, it is necessary to update regulatory systems to protect modern workers. In modern workplaces, where humans will work alongside robots, and companies operate across borders, the answer to the question of where ownership of risk lies, that is, who should take responsibility if something goes wrong, will be of crucial importance. As employment contracts are increasingly diffuse (people in the gig economy are often not classified as workers), companies may wish to avoid the costs of sickness absence or liability insurance. The government should look at all measures to protect the self-employed and gig economy workers.

Finally, there is a need to understand future risks. These fundamental changes to work and the work environment present huge risks to employers, employees, the economy and the environment. For example, the fast pace of innovation, insecurity around employment status and a drive for efficiency are putting increasing pressure on people, and can lead to stress, which people working remotely may not be able to handle, particularly if they are older. The current understanding of these risks is poor in places. The report, while identifying the risks which have particular relevance to employee health, safety and wellbeing, calls for further research into this area.

Matthew Holder, head of campaigns at the British Safety Council, said: “At a time when work is rapidly changing, whether through technological innovation or types of employment, there is an urgent need to have a more strategic view on what research says about the future of work and risk, and how these two issues are related.”

www.britsafe.org/campaigns-policy/future-risk/report/

www.britsafe.org/about-us/press-releases/2018/what-will-wellbeing-look-like-in-a-workplace-dominated-by-insecurity-gig-work-and-intelligent-machines/

Women’s Pay Day

International Women’s Day — 8 March — saw the publication of an analysis by the TUC that finds that the average woman has to wait more than two months of the calendar year before she starts to get paid, compared to the average man.

The current gender pay gap for full-time and part-time employees stands at 18.4%. This pay gap means that women effectively work for free for the first 67 days of the year, until they begin to get paid on Women’s Pay Day, that is, 8 March.

In a number of key industries — even in those dominated by female workers — gender pay gaps are even bigger, which means Women’s Pay Day is even later in the year:

In education the gender pay gap is currently 26.5%, so the average woman effectively works for free for more than a quarter of the year (97 days) and has to wait until the 7 April before she starts earning the same as the average man.

In health and social work, the average woman waits 69 days for her Women’s Pay Day on 10 March.

The longest wait for Women’s Pay Day comes in finance and insurance. There the gender pay gap is the equivalent of 130 days — more than a third of the year — before Women's Pay Day finally kicks in on 10 May.

TUC general secretary Frances O'Grady said: "The UK still has one of the worst gender pay gaps in Europe. Women effectively work for free for two months a year.

"Women will only start to get paid properly when we have better-paid part-time and flexible jobs. And higher wages in key sectors like social care.

"Workplaces that recognise unions are more likely to have family friendly policies and fair pay. So a good first step for women worried about their pay is to join a union."

www.tuc.org.uk/news/gender-pay-gap-means-women-work-free-more-two-months-year-says-tuc

Redundancies a threat to technical education

The country's ability to deliver "a world class skills and technical education" is under threat, as further education colleges are announcing hundreds of planned redundancies, unions say.

Hull College has announced this week that it is seeking the equivalent of 231 full-time redundancies. It currently employs 1,044 people — many of them part-time — in the equivalent of 789 full-time jobs on three campuses in Hull, Goole and Harrogate.

And for those whose jobs survive the proposed 30% cut, management is seeking dismissal and re-engagement on worse terms and conditions.

Meanwhile, Kirklees College, based in Dewsbury and Huddersfield in West Yorkshire, has announced plans to cut 67 jobs with a formal 90-day notice under section 188 of the 1992 *Trade Union and Labour Relations (Consolidation) Act* (TULRCA).

Management had previously backed off plans to cut staff terms and conditions.

Bury College in Greater Manchester is in talks with UNISON and lecturers' union UCU about proposed voluntary redundancies among both teaching and support staff.

UCU, with UNISON support, has lodged a grievance with the college over concerns that its consultation breaches TULRCA.

And in Nottinghamshire, Nottingham College has announced plans to make the equivalent of 62 full-time jobs redundant.

These losses come just six months after earlier redundancies, which saw 167 full-time equivalent jobs put at risk following the college's creation by the merger of Central College Nottingham and New College Nottingham in June last year.

The latest redundancy move also comes just two weeks after the college received the go-ahead for a new £58 million campus in central Nottingham.

The college also plans to create 32 jobs, but will only say that some of them "may" go to some of the staff under threat in the latest round of proposals.

UNISON national officer Ruth Levin noted that the latest redundancy announcements come just a month after the Northern Powerhouse Project business group, chaired by former chancellor George Osborne, called for more investment in education and skills training across the region and for funding to be devolved.

www.unison.org.uk/news/article/2018/03/fe-redundancies/

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