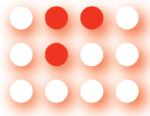


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## MPs call for action on corporate governance

The dramatic ratcheting up of executive pay in recent years, at a time of stagnant wage growth for many workers, has been criticised in a Commons select committee report.

On executive pay, the Business, Energy and Industrial Strategy Committee (BEIS) calls for businesses to simplify the structure of executive pay and put an end to long-term incentive plans (LTIPs), which lack transparency and which can distort decision-making.

Iain Wright MP, chair of the BEIS committee, said: "Executive pay has been ratcheted up so high that it is impossible to see a credible link between remuneration and performance. Pay must be reformed and simplified to incentivise decision-making for the long term success of the business and to pursue wider company objectives than share value."

The report makes recommendations relating to, among other issues, ethnic and gender diversity in the boardroom, holding company directors to account, a new "traffic light" rating system for companies and their corporate governance, the establishment of stakeholder advisory panels and

workers on remuneration committees, non-executive directors, and the publication of pay ratios.

On diversity, the select committee's report supports the Equality and Human Rights Commission's principle that the government should set a target that from May 2020 at least half of all new appointments to senior and executive management level positions in all listed companies should be women.

Companies should explain in their annual report the reasons why they have failed to meet this target, and what steps they are taking to rectify the gender inequality on their executive committees.

The committee calls on the Financial Reporting Council (FRC) watchdog to embed the promotion of the ethnic diversity of boards within its revised Code. The committee recommends that, at the very least, wherever there is a reference to gender, the FRC should include a reference to ethnicity, so that the issue of ethnic diversity on boards is made explicit in the revised Code, and is given as much prominence as gender diversity.

In accordance with the recommendation in the Parker Report, the committee also recommends that the government should legislate to ensure that all FTSE 100 companies and businesses publish their workforce data, broken down by ethnicity and by pay band.

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The committee backs the TUC's call for workers to be represented on remuneration committees, which would represent a strong signal on company culture and commitment to fair pay.

The report also recommends companies consider establishing stakeholder advisory panels, including workers, consumers, and suppliers, to help collaboration and dialogue.

The report calls for companies to publish pay ratios between the chief executive and both senior executives and all UK employees.

And it also recommends the government requires that equivalent pay ratios should be published by public sector and third sector bodies.

TUC general secretary Frances O'Grady said: "We welcome the committee's recognition of the value of workers on boards, bringing a broader boardroom perspective and strengthening long-term focus. But it's unlikely to become 'the norm', as the committee hopes, unless there is a legal requirement."

The called on prime minister Theresa May to stick with her original promise to require companies to put workers on boards.

[www.parliament.uk/business/committees/committees-a-z/commons-select/business-energy-industrial-strategy/news-parliament-2015/corporate-governance-report-published-16-17/](http://www.parliament.uk/business/committees/committees-a-z/commons-select/business-energy-industrial-strategy/news-parliament-2015/corporate-governance-report-published-16-17/)

[www.publications.parliament.uk/pa/cm201617/cmselect/cmbeis/702/70202.htm](http://www.publications.parliament.uk/pa/cm201617/cmselect/cmbeis/702/70202.htm)

[www.tuc.org.uk/economic-issues/corporate-governance/mps-proposals-fairer-corporate-britain-would-benefit-working](http://www.tuc.org.uk/economic-issues/corporate-governance/mps-proposals-fairer-corporate-britain-would-benefit-working)

## Levy to support apprenticeships

The Apprenticeship Levy system began on the 6 April for large employers.

The levy will help to support quality training, but will only be paid by less than 2% of UK employers – those with an annual pay bill of over £3 million. It will be charged at a rate of 0.5% of an employer's pay bill, with each employer receiving an allowance of £15,000 to offset against their levy payment.

Employers can claim the funds back from the levy pot by training apprentices in the workplace. The levy is one of the government measures which aim to deliver three million apprenticeship starts by 2020.

The TUC, its learning and skills arm Unionlearn and the unions across the UK are looking forward

to working with employers to make the expansion of apprenticeships a success.

TUC general secretary Frances O'Grady said: "It's good news for workers, who will have more opportunities to gain the skills needed for better paid jobs.

"And it's good news for businesses, as their productivity will improve with a higher skilled workforce.

"The government must now look at ways to make sure that all apprenticeships are of high quality. And we need action to improve access to apprenticeships for groups of workers including women, disabled people and black, Asian and minority ethnic workers."

Unionlearn has published a handy collection of 15 negotiating tips for reps and officers on the levy. The leaflet describes the main issues for unions to consider when they enter into discussions with their employers to ensure the apprenticeships in their workplace are good quality.

It has also produced an Apprenticeships Toolkit to help union reps and officers to get to grips with the apprentice reforms.

[www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work#pay-apprenticeship-levy](http://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work#pay-apprenticeship-levy)

[www.tuc.org.uk/industrial-issues/skills-policy/workplace-issues/learning-and-training/apprenticeship-levy-will](http://www.tuc.org.uk/industrial-issues/skills-policy/workplace-issues/learning-and-training/apprenticeship-levy-will)

[www.tuc.org.uk/sites/default/files/Apprenticeships\\_Levy.pdf](http://www.tuc.org.uk/sites/default/files/Apprenticeships_Levy.pdf)

[www.unionlearn.org.uk/publications/apprenticeships-toolkit](http://www.unionlearn.org.uk/publications/apprenticeships-toolkit)

## BMW workers strike over pensions

Workers at four BMW plants in the UK will begin a series of eight 24-hour strikes combined with an overtime ban and work to rule on 19 April over the carmaker's plan to close its final salary pension scheme. It follows a 93% vote in favour of action.

Workers have expressed alarm over BMW's plans which could see some UK workers lose up to £160,000 in retirement income. A delegation of BMW UK workers has already visited the carmaker's headquarters in Munich to protest and hand in a petition accusing bosses of "pension robbery".

BMW's plan to close the pension scheme by 31 May 2017 comes as figures last month showed the BMW Group posted an 8% rise in net profits as well as a record year for Mini sales and a 6% rise in Roll-Royce sales.

Len McCluskey, who is standing for re-election as general secretary of the Unite general union, said: "BMW's refusal to talk about affordable options to keep the pension scheme open means a sizable chunk of its UK workforce will be taking strike action for the first time in the coming weeks.

"BMW's bosses need to get their heads out of the sand and recognise their pension pinching plans will not go unchallenged. BMW's UK workers have contributed significantly to a record year in revenues and sales for the carmaker. They deserve better than broken pension promises and the loss of tens of thousands of pounds in retirement income."

[www.unitetheunion.org/news/bmw-workers-announce-eight-24-hour-strikes-over-pension-robbery/](http://www.unitetheunion.org/news/bmw-workers-announce-eight-24-hour-strikes-over-pension-robbery/)

## Thousands hit by Tories' Benefit Cap

More than 7,500 households have lost their Housing Benefit and instead receive a nominal 50p a week because of the Benefit Cap, the BBC has found.

A Panorama survey of hundreds of councils shows at least 67,600 homes in England, Scotland and Wales have lost some money due to the policy.

The cap is £23,000 in London and £20,000 in the rest of the country.

The nominal amount is paid so that those households can claim access to an emergency fund if they need to.

They have to be in receipt of some Housing Benefit in order to be eligible to apply for discretionary housing payments, a special government fund set up for those particularly affected by the cap.

The cap is part of the government's drive to get unemployed people back into employment by cutting out-of-work benefits.

The amount of money above the limit is taken from either Housing Benefit or Universal Credit.

Alison Garnham, chief executive of the Child Poverty Action Group, said: "Removing people's Housing Benefit basically means that people can't afford their home, so it puts people at risk of homelessness.

"It also means that they have to use money that's intended to buy food for their kids and for their

other living expenses – this has to be used to plug the hole in their rent."

Where someone finds work – 16 hours a week for single parents, 24 hours for a couple – their benefits are reinstated, and research suggests about 5% of those affected by the cap have returned to work.

But Garnham said about 80% of those affected cannot be expected to work as they are sick or have very young children.

[www.bbc.co.uk/news/uk-39484897](http://www.bbc.co.uk/news/uk-39484897)

## Disability – 20 years of 'missed opportunities'

Progress towards real equality for disabled people over the past 20 years is insufficient and "littered with missed opportunities and failures," according to the chair of the Equality and Human Rights Commission.

David Isaac's comment follows the publication of *Being disabled in Britain: a journey less equal*, a comprehensive analysis on how the rights of disabled people are protected in Great Britain.

The report, which covers six key areas of life, finds that disabled people in Britain are experiencing disadvantages in all of them, and sets out vital areas for urgent improvement. Despite significant progress in the laws protecting disabled people's rights, they are still not being treated as equal citizens and continue to be denied the opportunities and outcomes non-disabled people take for granted.

The disabled suffer through: a lack of equal opportunities in education and employment; barriers to access to transport, health services and housing; the persistent and widening disability pay gap; deteriorating access to justice; and the welfare reforms that significantly affect the already low living standards of disabled people.

The report's key findings include:

- more disabled and non-disabled people overall are in work in Britain in 2015-16 compared to 2010-11. Despite this, less than half of disabled adults are in employment (47.6%), compared with almost 80% of non-disabled adults, and the gap between these groups has widened since 2010-11. However this is not the case across all impairment types, and for those with "mental health conditions" and those with "physical disabilities" the gap between them

and non-disabled people has narrowed;

- the disability pay gap in Britain also continues to widen. Disabled young people (aged 16-24) and disabled women have the lowest median hourly earnings of all;
- more disabled people than non-disabled are living in poverty or are materially deprived;
- social security reforms have had a particularly disproportionate, cumulative impact on the rights to independent living and an adequate standard of living for disabled people. Families in the UK with a disabled member are more likely to live in relative poverty than non-disabled families;
- across the UK, 18.4% of disabled people aged 16-64 were considered to be in food poverty compared with 7.5% of non-disabled people. Disabled people over the age of 65 were twice as likely as non-disabled people in the same age group to be in food poverty;
- disabled people continue to face problems in finding adequate housing, due to a shortage in accessible housing across Britain, and in Scotland the amount of wheelchair-adapted local authority housing for physically disabled people has decreased. Disabled people in Britain were also less likely to own their own home; and
- the qualification gap between disabled and non-disabled people has narrowed, but the proportion of disabled people with no qualifications was nearly three times that of non-disabled people, and the proportion of disabled people with a degree remained lower.

David Isaacs said: "While at face value we have travelled far, in reality disabled people are being left behind in society, their life chances remain very poor, and public attitudes have changed very little."

"We must put the rights of disabled people at the heart of our society. We cannot, and must not, allow the next 20 years to be a repeat of the past."

The report calls for a new national focus on the rights of the 13 million disabled people who live in Britain so they have the same rights, opportunities and respect as other citizens.

These include reducing the education and employment gaps for disabled people; ensuring that essential services, such as housing, health and transport, meet the needs of disabled people; and improving existing laws and policies to better protect and promote the rights of disabled people.

[www.equalityhumanrights.com/en/our-work/news/disability-progress-%E2%80%98littered-missed-opportunities-and-failures%E2%80%99](http://www.equalityhumanrights.com/en/our-work/news/disability-progress-%E2%80%98littered-missed-opportunities-and-failures%E2%80%99)  
[www.equalityhumanrights.com/sites/default/files/being-disabled-in-britain\\_0.pdf](http://www.equalityhumanrights.com/sites/default/files/being-disabled-in-britain_0.pdf)

## MEPs vote for worker protection in Brexit

The European Parliament has voted by nearly four to one in favour of protecting UK workers' right in the eventual Brexit deal.

And after lobbying from the European trade union movement, MEPs made it crystal clear that any future deal should be conditional on "continued adherence" by the UK to the EU social dimension. This is a major victory for the TUC's campaign to make sure that working people's existing rights at work are protected, and that we don't fall behind other EU member states if they get better rights in the future.

TUC general secretary Frances O'Grady said: "Workers' rights must be at the heart of Britain's deal with the EU. It must protect current rights like paid holidays, equal pay, and fairness for agency workers. And it must guarantee a level playing field into the future, so working people in Britain don't fall behind our European neighbours."

The European Parliament is not formally engaged in the Brexit negotiations. However, they do get a vote at the end of the negotiations on the final deal, and they could vote it down if it doesn't meet their expectations.

<http://touchstoneblog.org.uk/2017/04/meps-vote-overwhelmingly-workers-rights-protected-brexit-deal/>

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