FACT
SERVICE

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More top executives on £1m or more a year

Thirty-two executives whose remuneration package came to over £1 million a year feature this week. The figures are released as the new prime minister, Theresa May, promises changes on corporate governance, including boardroom pay.

The total pay bill for the 32 came to £61.55 million, giving an average remuneration package of £1.92 million.

Retail bank Aldermore was only floated on the London Stock Exchange in March 2015. Chief executive Phillip Monks had a celebratory 2015 package totalling £7.3 million, which equates to £140,327 a week. Of that total, £6.1 million came in the form of gains made from shares held by Monks before the Stock Market flotation, which were then converted into ordinary shares for the flotation.

SABMiller has been taken over by another brewing giant, Annheuser-Busch InBev. In its final year of independence, SAB's chief executive Alan Clark was given a remuneration package of £5.87 million or £112,942 a week.

Third spot is taken by Leo Quin who took up the chief executive post of infrastructure group Balfour Beatty on 1 January 2015. His remuneration package in his first year came to £3.5 million or £67,212 a week.

Year-on-year comparisons can be made for 24 of the top executives and 16 saw their package grow.

Aldermore's Phillip Monks takes top spot with a 1,017.5% rise. Jonathan Murphy, finance officer of primary care property group Assura, saw his package grow by 373.1% to £1.81 million or £34,846 a week as his long-term incentives increased by over £1.3 million.

Third spot goes to David Fineberg, group director of trading at financial derivatives group CMC Markets, who was given a 189.7% rise taking him to £1.72 million a year or £33,115 a week.

Theresa May, the new Tory prime minister, has committed to making shareholder votes on corporate pay binding, rather than merely advisory, insisting that support for enterprise does not mean "anything goes" in the City. She also said workers and customers should have places on company boards.

Workers on company boards has long been a TUC demand. General secretary Frances O'Grady said such a move would "inject a much-needed dose of reality into boardrooms, as well as putting the brakes on the multi-million pay and bonus packages which have done so much to damage the reputation of corporate Britain".

LABOUR RESEARCH DEPARTMENT
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Executive	Company (financial year end)	Total remuneration package (£000)	% change
Phillip Monks	Aldermore (12.15)	7,297	1,017.5
Alan Clark	SABMiller (3.16)	5,873	-17.0
Leo Quinn	Balfour Beatty (12.15)	3,495	n.a
Andrew Jones	LondonMetric (3.16)	2,776	137.9
Ruby McGregor-Smith	Mitie (3.16)	2,572	68.6
Domenic De Lorenzo	SABMiller (3.16)	2,084	n.a
Robert Noel	Land Securities (3.16)	2,045	-57.2
Marc Bolland	Marks & Spencer (3.16)	2,039	-2.7
Uwe Krueger	WS Atkins (3.16)	1,829	-18.0
Jonathan Murphy	Assura (3.16)	1,812	373.1
David Fineberg	CMC Markets (3.16)	1,722	189.7
Valentine Beresford	LondonMetric (3.16)	1,627	n.a
Mark Stirling	LondonMetric (3.16)	1,622	n.a
Steve Ingham	Michael Page Int (12.15)	1,589	6.4
Helen Weir	Marks & Spencer (3.16)	1,566	n.a
James Mack	Aldermore (12.15)	1,528	118.0
Mark Allen	Dairy Crest (3.16)	1,443	45.6
Suzanne Baxter	Mitie (3.16)	1,423	54.2
Grant Foley	CMC Markets (3.16)	1,409	140.8
Steve Foots	Croda Int (12.15)	1,374	78.6
Robert MacLeod	Johnson Matthey (3.16)	1,367	-14.2
Martin Greenslade	Land Securities (3.16)	1,344	-58.5
Trevor Mather	Auto Trader (3.16)	1,339	n.a
Simon Thomson	Cairn Energy (12.15)	1,292	20.4
David Wild	Domino's Pizza (12.15)	1,243	n.a
Henry Klotz	CLS Holdings (12.15)	1,208	69.9
Joe Maiden	Croda Int (12.15)	1,151	n.a
Bob Keiller	John Wood (12.15)	1,146	-13.8
Larry Pentz	Johnson Matthey (3.16)	1,145	3.4
Patrick Bousquet-Chavanne	Marks & Spencer (3.16)	1,130	16.0
Martin McGann	LondonMetric (3.16)	1,040	45.7
Steve Rowe	Marks & Spencer (3.16)	1,019	-28.1

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. It does not include dividends received from their shareholdings in their company.

www.bbc.co.uk/news/uk-36760953

How to deal with issue of fatigue

Fatigue, both long-term, chronic fatigue and acute fatigue or sleepiness, is a major problem for many workers, according to TUC guidance.

The guidance provides information as to what constitutes fatigue, its causes and effects.

It also looks at what the law says, as there is a legal duty on employers to manage any risks from fatigue that arise from work.

Advice from the Health and Safety Executive is also summarised.

The TUC says trade unions can have a positive role in preventing workplace fatigue. In many industries, including rail, road transport, aviation, oil and gas extraction, manufacturing, power generation and shipping, trade unions have sought to work with employers to ensure that the demands of work and shift patterns do not risk the health of workers or the public. Many unions will have their own resources on fatigue.

Last but not least, unions should support members who are threatened with disciplinary action because the employer claims they have made a mistake or underperformed as a result of fatigue.

Employers have a responsibility to prevent workers from getting fatigued through work and, where there is a safety critical job, they also need procedures to be in place to monitor the risk of a fatigued worker placing themselves and others at risk, even if the fatigue is a result of factors outside their work. If a mistake happens because a worker is fatigued, it is because these procedures have failed and they should not scapegoat the worker.

www.tuc.org.uk/workplace-issues/health-and-safety/fatigue-guide-health-and-safety-representatives

Manufacturing boost

Factory output expanded in the three months to May, official figures show.

Manufacturing output was 1.3% higher than the previous three months.

Eight of the 13 subsectors posted growth figures compared with the previous three-month period.

The biggest contribution came from pharmaceuticals with a 7.2% increase, while transport equipment output, such as cars, expanded by 4.4%

Factory output was only 0.6% higher than the same period a year ago. Meanwhile, the volatile monthly figure showed a 0.5% decrease in May compared with April.

Output of the production industries – manufacturing, utilities and mining – was 1.9% higher than the previous three months and 1.2% higher than the same period a year earlier.

As with manufacturing, the volatile monthly figure for production output showed a 0.5% decrease in May compared with the previous month.

www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/indexofproduction/may2016

NLW – the first 100 days and a crisis

So far , so good, in the first 100 days since the introduction of the National Living Wage (NLW) – the higher National Minimum Wage (NMW) for workers aged 25 and over – according to an analysis by the Resolution Foundation, with no reduction in employment. But is everything at work so rosy?

The think tank says that early employment indicators and a survey of employers support the conclusion of much previous research on the NMW: reduced employment does not appear to be the primary response employers make to a rising wage floor.

There is uncertainty surrounding the UK's departure from the EU, but the foundation's survey suggests that lower employment represents the primary strategy for only a handful of employers.

Instead, a diversity of other approaches will be used. Each has consequences for different groups. The most common response in its survey was to raise prices with customers facing higher costs as a result.

However, a Channel 4's Dispatches programme tells a different story, with some of Britain's biggest companies, including Tesco and B&Q, cutting perks and privileges for the low-paid at the same as introducing the NLW.

And the social care sector is facing a funding crisis as it tries to meet the rise in wage costs, warns this year's Association of Directors of Adult Social Services (ADASS) report.

The survey shows that in the past year, 93% of councils implemented the social care precept, of out of which 60% raised the maximum 1.99%.

Despite this, it raised just £380 million, which isn't even sufficient to cover the £520 million of extra costs generated by the National Living Wage. In total, the report said that an extra £1.1 billion is needed to maintain social care at its current level.

Harold Bodmer, president of ADASS, said: "We have been arguing for some time now that adult social care needs to be given the same protection and investment as the NHS. Services are already being cut, and the outlook for future care is bleak.

"We're at a tipping point where social care is in jeopardy, and unless the government addresses the chronic underfunding of the sector, there will be worrying consequences for the NHS and, most importantly, older and disabled people, their families and carers."

The survey showed that, although social care funding experienced a 1.2% increase in real terms in the past year, there was a wide variation among councils, with 70 out of 151 councils experiencing a decrease in funding.

To meet the overspend on social care in the past year, 62 councils had used council reserves and 52 had underspent on other departments.

The GMB general union has called on the government to increase care funding following ADASS report. Social care is not just in crisis, but it is completely falling apart, the union says.

Rehana Azam, GMB national secretary, said: "The mark of a civilised society is the way our elderly are treated and looked after. There is now clear evidence that the government has not adequately funded our elderly social care needs."

The union accuses the now former chancellor, George Osborne, of passing the buck to local authorities in the 2015 Spending Review rather than face up to the fact that the government itself has the responsibility to fund the care of the elderly and other vulnerable adults.

www.resolutionfoundation.org/wp-content/uploads/2016/07/NLW-first-100-days.pdf
www.channel4.com/info/press/news/are-you-owed-a-pay-rise-channel-4-dispatches
www.adass.org.uk/budget-survey-2016/
www.gmb.org.uk/newsroom/gmb-welcome-adass-care-report

Below par academies

One in five established sponsored academy chains (eight out of 39) are performing substantially below the national average for attainment and improvement for disadvantaged pupils, according to a new analysis published by the Sutton Trust charity.

Chain effects 2016, its third annual analysis, identified a similar number of chains (seven out of 39) whose disadvantaged pupils performed substantially above the national average for all mainstream schools (all state-funded secondary schools and academies). Two others performed above national average and around half (18 out of 39) are improving faster than average too.

In the three years that the Sutton Trust has conducted this annual analysis, there has been little change in the rankings of different chains. Only a few have moved up or down in the overall analysis of attainment — most remain in the same category as last year. A handful of chains have performed consistently significantly above the mainstream average for attainment across the last three years, while a similar number have remained consistently in the significantly below average group for attainment across three years.

Kevin Courtney of the National Union of Teachers said: "This comprehensive analysis provides the final nail in the coffin for the government's key education policy.

"The finding that a majority of chains in the study 'are achieving results that are not improving and may be harming the prospects of their disadvantaged students' should cause Nicky Morgan, and her predecessor Michael Gove, to hang their heads in shame. Its conclusion that the main picture is one of a lack of 'transformative change' over the period, including a very slow growth in the number of those chains that are succeeding in the original aims of the academies programme would, in the private sector that the government holds up as a model for public services, surely lead to the resignations of those at the top."

Nansi Ellis, assistant general secretary for policy at the Association of Teachers and Lecturers, said: "Instead of abandoning disadvantaged children in weak academies, the government should analyse the evidence to see how the best schools improve the attainment of their poorest pupils, and all other pupils, and see how good practice can be shared between schools locally and nationally to raise attainment in all schools."

The Sutton Trust's report was published at the same time as the Education Policy Institute think tank released a report, *School performance in multi-academy trusts and local authorities – 2015*, which considers whether academisation raises standards and whether the government's current approach is working. It is the first comprehensive analysis of school performance in multi-academy trusts and local authorities.

It found that the lowest performing school group, on both measures and at both primary and secondary, is a multi-academy trust. And it said, starkly, that "academisation does not automatically raise standards"; as it found find high levels of variability within multi-academy trust and local authority schools.

Among the report's recommendations is that the government should not pursue full academisation as a policy objective, instead the objective should be for pupils to be in a good school, regardless of whether that is a high performing multi-academy trust or local authority school.

www.suttontrust.com/newsarchive/one-in-five-academy-chains-below-average-for-results-and-improvement-for-poorest-pupils-but-best-chains-delivering-outstanding-results/

www.teachers.org.uk/news-events/press-releases-england/chain-effects-sutton-trust-report-academy-chains?

www.atl.org.uk/media-office/2016/atl-comment-on-report-on-academy-work-with-disadvantaged-pupils.asp

http://epi.org.uk/report/school-performance-multi-academy-trusts-local-authorities/

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