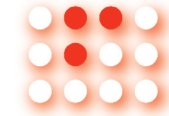


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No pay restraint in UK boardrooms

The latest annual survey of the pay packages of chief executives of the top FTSE 100 companies by the High Pay Centre reveals that rewards at the top continue to grow at a double digit rate.

The average FTSE100 chief executive's pay package was £5.48 million in 2015, up from £4.96 million in 2014 – a 10.4% increase over the period.

Stefan Stern, director of the High Pay Centre, said: "There is apparently no end yet in sight to the rise and rise of FTSE100 pay packages. In spite of the occasional flurry from more active shareholders, boards continue to award ever larger amounts of pay to their most senior executives."

The key findings of this year's survey are:

- average pay for a FTSE 100 chief executive rose to £5.480 million in 2015, an increase from £4.964 million in 2014, but significantly higher than the £4.129 million in 2010;
- in 2015, the average pay ratio between FTSE 100 chief executives and the average wage of their employees was 147:1. In 2014, the ratio was 148:1;
- the average pay ratio between FTSE 100 executives and the average total pay of their employees in 2015 was 129:1;

- the ratio of FTSE 100 executive pay to the median full-time worker across the whole UK economy was 183:1 in 2014, 182:1 in 2013 and 160:1 in 2010;
- in contrast to the generous pay packages awarded to their executives, only a quarter of the 100 FTSE 100 companies are accredited by the Living Wage Foundation for paying the voluntary Living Wage to all their UK-based staff.

The 10 highest paid chief executives, as per the High Pay centre, are listed in the table on page 126.

The new prime minister, Theresa May, has indicated that the growing gap between rewards for those at the top and everyone else is hard to justify at a time when economic uncertainty is intense and corporate performance mixed.

May also said workers and customers should have places on company boards.

The High Pay Centre welcomed May's intervention on this issue and hopes that there will now be political will and momentum behind attempts to reform top pay.

Stern added: "In particular we support two of her main proposals: that companies should be obliged to publish the ratio between the pay of the CEO and the average worker in the business, and that the voice of the ordinary employee must be heard in discussions over executive pay."

LABOUR RESEARCH DEPARTMENT

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Top 10 FTSE chief executives 2015

Executive	Company	Total remuneration (£000)
Sir Martin Sorrell	WPP	70,416
Tony Pidgley	Berkeley Group	23,296
Rakesh Kapoor	Reckitt Benckiser	23,190
Jeremy Darroch	Sky	16,889
Flemming Ornskov	Shire	14,638
Bob Dudley	BP	13,296
Erik Engstrom	Relx (Reed Elsevier)	10,869
Mike Wells	Prudential	10,031
Michael Dobson	Schroders	8,905
António Horta-Osório	Lloyds Banking Group	8,773

http://highpaycentre.org/files/The_State_of_Pay_2015.pdf

'Hypocrisy' of Post Office bosses

Paula Vennells, chief executive of the Post Office, has come under sharp criticism after substantial increase in her earnings was revealed in the company's annual report.

Vennells, who is currently presiding over a programme of office closures and mass redundancies, was awarded a total reward package of £619,752 for the 2015-16 financial year – an 18.7% increase on the year before. Her package included basic pay, bonus and a £62,500 cash payment in lieu of pension.

Alisdair Cameron, who joined the Post Office as chief financial officer in January 2015, received a total of £510,254 in his first full year in the job.

Andy Furey, assistant secretary of the CWU communication workers' union, said that the news "exposes the crass hypocrisy of the person at the top of this organisation.

"At a time when the network is in crisis, and some 2,000 Post Office workers are facing the loss of their livelihoods, it's quite unbelievable that the most senior individual responsible for this mess has been rewarded to such an extent.

"Taken together, Vennells and her chief financial officer were paid a combined £1.13 million in 2015-16 – while jobs are being cut across our admin, crown network and supply chain operations and our members' defined benefit pension scheme is being closed to future accrual."

Thousands of Post Office workers are currently voting on industrial action against the company's plans and for a new national agreement committing all sides to work together to save the company and build a positive future.

"News like this sends a message to our members that those at the top of the company are only concerned about making money for themselves," Furey continued.

"Vennells should spend more time working with this union to create a better future for all, and a bit less time counting her money."

Meanwhile, the Unite union which represents managers, accused the Post Office of "sneaking out" its annual report and accounts.

The union is currently preparing for an industrial action ballot, including strike action, of its 860 managerial members because of continuing redundancies, the franchising of a further 20 crown offices and the pension scheme closure. The ballot is expected to start in the middle of August.

On the executive pay bill, Brian Scott, Unite's officer for the Post Office, said: "This is another example of 'fat cats' being rewarded for a catalogue of failure – the whole parlous state of the organisation needs to be urgently investigated by the new business secretary Greg Clark."

<http://corporate.postoffice.co.uk/sites/default/files/AnnualReport1516.pdf>
www.cwu.org/media/news/2016/august/05/cwu-slams-post-office-boss-hypocrisy/
www.uniteunion.org/news/fat-cat-pay-for-post-office-bosses-as-annual-accounts-sneaked-out-says-unite/

Half of women suffer sexual harassment

More than half (52%) of women, and nearly two-thirds (63%) of women aged 18-24 years old, said they have experienced sexual harassment at work, according to new research from the TUC in collaboration with the Everyday Sexism Project.

The study is the largest of its kind for a generation and cited by leading academic Dr Jane Pillinger as one of the most extensive pieces of research on sexual harassment at work in Europe.

It was carried out by YouGov and is based on the opinion of women who are working or who have ever had a job, and were happy to be surveyed about this topic from an overall sample of British adults.

Sexual harassment at work can take many forms, from suggestive remarks, jokes about a colleague's sex life, circulating pornography, to inappropriate touching, hugging or kissing, or demands for sexual favours.

The research reveals that of those surveyed:

- nearly one in three (32%) of women have been subject to unwelcome jokes of a sexual nature while at work; and
- more than one in four (28%) of women have been the subject of comments of a sexual nature about their body or clothes at work.

TUC general secretary Frances O'Grady said: "How many times do we still hear that sexual harassment in the workplace is just a bit of 'banter'?"

"Let's be clear – sexual harassment is undermining, humiliating and can have a huge effect on mental health. Victims are often left feeling ashamed and frightened. It has no place in a modern workplace, or in wider society."

Other key findings are:

- nearly a quarter (23%) of women have experienced unwanted touching – like a hand on the knee or lower back at work;
- a fifth (20%) of women have experienced unwanted verbal sexual advances at work; and
- around one in eight (12%) women have experienced unwanted sexual touching or attempts to kiss them at work.

In the vast majority of cases (88%), the perpetrator of the sexual harassment was male, and nearly one in five (17%) women reported that it was their line manager, or someone with direct authority over them.

The survey also found that around four out of five (79%) women who said they experienced sexual harassment at work did not tell their employer about what was happening.

Of this group, some thought reporting it would impact negatively on their relationships at work (28%) or affect their career prospects (15%), while others were too embarrassed to talk about it (20%) or felt they would not be believed or taken seriously (24%).

The study is also the first to include the opinion of women who identify as black, minority and ethnic origin (BME) who say they have been harassed at work. More than half (52%) said they have experienced sexual harassment in the workplace.

O'Grady said: "Employers must be clear they have a zero tolerance attitude to sexual harassment and treat any complaint seriously. It's a scandal that so few women feel their bosses are dealing with the issue properly.

"Anyone worried about inappropriate behaviour at work should join a union to make sure they are protected and respected at work."

Laura Bates, founder of The Everyday Sexism Project, said: "Many people would like to think that workplace sexual harassment is a thing of the past. In reality, it is alive and well, and having a huge impact on tens of thousands of women's lives.

"This is shameful behaviour that has no place in 2016 and employers need to take urgent action to tackle the problem."

www.tuc.org.uk/sites/default/files/SexualHarassmentreport2016.pdf

Councils need greater powers build houses

Millions of working people will no longer be able to afford somewhere decent to live by 2024 and will need access to some type of affordable housing, the Local Government Association (LGA) warns.

The LGA, which represents more than 370 councils in England and Wales, is calling on the government to take urgent steps so councils can resume their historic role as a major builder of new homes and help tackle the nation's deepening housing crisis.

The association warns the economic uncertainty caused by Brexit and a widespread and growing demand for affordable homes – including for social and affordable rent – makes it even more important for councils to be handed greater powers to build new homes. Affordable is defined as someone who has to spend 30% or more of their household income on their housing costs.

Analysis from the Learning and Work Institute for the LGA projects that:

- a minimum of 3.98 million people of working age will still need access to affordable housing options by 2024, even if the country is able to achieve full employment by upskilling 3.5 million people to take higher paid jobs the economy has been projected to create;
- around 5.4 million people of working age will need access to affordable housing by 2024 if qualification levels do not increase. Overall demand

will be higher should the economy not create the jobs projected; and

- the likely demand of affordable homes for working age people will range from 2.25 million to 3.07 million, compared with 2.87 million in 2011. Overall demand will be much greater when taking into account those not working, such as pensioners.

To spark a revitalisation of council house building, the LGA is calling on government to allow councils to borrow to invest in housing in the same way that they are able to borrow to invest in other projects. And the LGA wants councils to be able to keep 100% of the receipts from properties sold through Right to Buy to build new homes;

In addition, councils should be able to combine Right to Buy receipts with other funding, to use receipts to build through housing companies, and to count the value of council land in building replacements.

The LGA is also urging government to work with councils to review how different elements of the 2016 *Housing and Planning Act* should now be implemented.

Cllr Peter Box, LGA housing spokesperson, said: "Bold new action is needed to solve our housing crisis following the vote to leave the European Union. A renaissance in house building by councils must be at the heart of this.

"Councils want to get on with the job of building the new homes that people in their areas desperately need.

"If we are to stand any chance of solving our housing crisis, councils must be able to replace sold homes and reinvest in building more of the genuine affordable homes our communities desperately need now more than ever."

www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7910317/

Factory output expands

Factory output grew in second quarter of the year, official figures show.

Manufacturing output was 1.8% higher in the quarter ending June than the previous quarter ending March.

Nine of the 13 subsectors posted growth figures compared with the previous quarter.

The biggest contributions to the expansion in output came from pharmaceuticals with a 6.4% increase; transport equipment, such as cars, with a 5.6% increase; and coke and refined petroleum products with a 2.9% increase.

On the downside, output shrank in four subsectors, including a 2.4% cut in electrical equipment.

Factory output was 1.1% higher than the same period a year ago. Meanwhile, the volatile monthly figure showed a 0.3% decrease in June compared with May.

In the second quarter of the year, output of the production industries – manufacturing, utilities and mining – was 2.1% higher than the first quarter of 2016 and 1.6% higher than the same period a year earlier.

The volatile monthly figure for production output showed just a 0.1% increase in June compared with the previous month.

In the second quarter of 2016, manufacturing and production were 4.5% and 7.4% respectively below the level they reached in the pre-downturn peak in the first quarter 2008.

www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/indexof-production/june2016

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